
Inequality

To speak of a social inequality is to describe some valued attribute which can be distributed across the relevant units of a society in different quantities, where "inequality" therefore implies that different units possess different amounts of this attribute. The units can be individuals, families, social groups, communities, nations; the attributes include such things as income, wealth, status, knowledge, and power. The study of inequality then consists of explaining the determinants and consequences of the distribution of these attributes across the appropriate units.

This chapter has four principal objectives: first, I will propose a general typology of *forms of inequality*. This typology will help to map out the conceptual terrain of the discussion. Second, I will examine debates on the conceptual status of one particular type of inequality within this typology: inequality in material welfare. In particular, I will examine the debate over whether or not material inequalities in contemporary societies should be viewed as rooted in *exploitation*. Third, I will examine the implications of these contending views of material inequality for strategies for empirical research on income inequality. Finally, I will discuss the relationship between contending accounts of income inequality and the analysis of social classes.

A Typology of Inequalities

Social inequalities can be distinguished along two dimensions: first, whether the unequally distributed attribute in question is a *monadic* attribute or a *relational* attribute; and second, whether the process of acquisition of a particular magnitude of this attribute by the individual can be considered a monadic or relational *process*.

Monadic and relational attributes

A monadic attribute is any property of a given unit (individual, family, community, etc.) whose magnitude can be defined without any reference to other units. Material consumption is a good example: one can assess how much an individual unit consumes in either real terms or monetary terms without knowing how much any other unit consumes. This does not mean that the attribute in question has no social content to it. Monetary income, for example, is certainly a social category: having an annual income of \$30,000 only represents a source of inequality given that other people are willing to exchange commodities for that income, and this implies that the income has an irreducibly social content to it. Nevertheless, income is a monadic attribute in the present sense in so far as one can measure its magnitude without knowing the income of other units. Of course, we would not know whether this magnitude was high or low – that requires comparisons with other units. But the magnitude of any given unit is measurable independently of any other unit.

Relational attributes, in contrast, cannot be defined independently of other units. “Power” is a good example. As Jon Elster writes: “In one simple conceptualization of power, my amount of power is defined by the number of people *over whom* I have control, so the relational character of power appears explicitly.”¹ To be powerless is to be controlled by others; to be powerful is to control others. It is impossible to measure the power of any unit without reference to the power of others.

Monadic and relational processes

Certain unequally distributed attributes are acquired through what can be called a monadic process. To describe the distribution process (as opposed to the attribute itself) as monadic is to say that the immediate mechanisms which cause the magnitude in question are attached to the individual units and generate their effects autonomously from other units.

A simple example of a monadic process that generates inequalities is the distribution of body weight in a population. The distribution of weight in a population of adults is certainly unequal – some people weigh three times the average weight of the population, some people weigh half as much as the average. An individual’s weight is a monadic

attribute – it can be measured independently of the weight of any other individual. And the weight acquisition process is also essentially monadic: it is the result of mechanisms (genes, eating habits, etc.) directly attached to the individual. This is not to say, of course, that these mechanisms are not themselves shaped by social (relational) causes: social causes may influence genetic endowments (through marriage patterns – e.g. norms governing skinny people marrying fat people) and social causes may shape eating habits. Such social explanations of body weight distributions, however, would still generally be part of a monadic process in the following sense: social causes may help to explain why individuals have the weight-regulating mechanisms they have (genes, habits), but the actual weight of any given individual results from these individual weight-regulating mechanisms acting in isolation from the weight-regulating mechanisms of other individuals. The empirical distribution of weights in the population is therefore simply the sum of these monadic processes of the individuals within the distribution.

Now, we can imagine a social process through which weight was determined in which this description would be radically unsatisfactory. Imagine a society in which there was insufficient food for every member of the society to be adequately nourished, and, further, that social power among individuals determined how much food each individual consumed. Under these conditions there is a *causal* relation between how much food a fat (powerful) person eats and how little is consumed by a skinny (powerless) person. In such a situation, the immediate explanation of any given individual’s consumption of food depends on the social *relations* that link that individual to others, not simply on monadic mechanisms. Such an inequality-generating process, therefore, would be described as a relational rather than a monadic process. More generally, to describe the process by which inequalities are generated as relational is to say that the mechanisms which determine the magnitude of the unequally distributed attribute for each individual unit causally depends upon the mechanisms generating the magnitude for other individuals.

Taking these two dimensions of inequality together, we can generate a typology of ideal-typical forms of inequality. This typology is deliberately a simplification: the causal processes underlying the distribution of most inequalities will involve both monadic and relational mechanisms. Nevertheless, the simplification will help to clarify the conceptual map of inequalities which we have been discussing (see Table 1.1).

“Power” is perhaps the paradigmatic example of a relationally determined relational inequality. Not only is power measurable only rela-

1. Jon Elster, *Making Sense of Marx*, Cambridge 1985, p. 94.

Table 1.1 Typology of Forms of Inequality

		Form of the Unequal Attribute	
		<i>Relational</i>	<i>Monadic</i>
Form of the Process of Distribution of Attributes	<i>Relational</i>	Power, Status	Income
	<i>Monadic</i>	Talent	Health, Weight

tionally, but power is acquired and distributed through a relational process of competition and conflict between contending individuals, groups, nations, etc.²

Power is not, however, the only example. Social status is also generally an example of a relationally determined relational attribute. Status is intrinsically a relational attribute in that "high" status only has meaning relative to lower statuses; there is no absolute metric of status. The process of acquisition of such high status is also generally a relational process of exclusion of rival contenders for status through competitive and coercive means. (Under special circumstances status-acquisition may be a largely monadic process. In artistic production, for example, one could imagine a situation in which each individual simply does the best he or she can and achieves a certain level of performance. There is nothing in one person's achievement of a given level of performance that precludes anyone else achieving a similar level. The status that results from that achievement, however, is still relational: if many people achieve the highest possible level of performance, then this level accords them less status than if few do, but the acquisition process would not itself be a relational one. In general, however, since the process by which the level of performance itself is achieved is a competitive one in which people are excluded from facilities for learning and enhancing performance, status acquisition is itself a relational process.)

The distribution of health is a largely a monadic process for the distribution of a monadic attribute. In general, as in the weight acquisition case, the mechanisms which determine an individual's health –

2. For discussions of power as a term of inequality, see Steven Lukes, *Power: a Radical View*, London 1974 and Gerhard Lenski, *Power and Privilege*, New York 1966.

genetic dispositions, personal habits, etc. – do not causally affect the health of anyone else. There are, however, two important kinds of exceptions to this monadic causal process, both of which imply a relational process for the distribution of health as a monadic inequality. First, contagious diseases are clearly an example of a process through which the mechanisms affecting health in one person causally affect the health of another. More significantly for social theory, where the distribution of health in a population is shaped by the distribution of medical services, and medical services are relatively fixed in quantity and unequally distributed, then the causal mechanism producing health in one person may well affect the health of another in a relational manner.

Talent is an example of a relational attribute that is unequally distributed through a monadic process. A "talent" can be viewed as a particular kind of genetic endowment – one that enhances the individual's ability to acquire various skills. To be musically talented means to be able to learn to play and compose music easily, not actually to play and compose music well (a potential prodigy who has never seen a piano cannot play it well). Talents are caused through a monadic process, since the causal mechanism which determines one person's latent capacities to acquire skills does not affect anyone else's. (Obviously, parents' talent-generating mechanisms – genes – can affect their children's through inheritance. This is identical to the effect of parents' genes in the weight example. The point is that the effectivity of one person's genes is independent of anyone else's.) The attribute so produced, however, is clearly relational: a talent is only a talent by virtue of being a deviation from the norm. If everyone had the same capacity to write music as Mozart, he would not have been considered talented.

Income inequality, at least according to certain theories of income determination (more on this below), could be viewed as an example of a relational process for distributing a monadic attribute. Income is a monadic attribute in so far as one individual's income is definable independently of the income of anyone else. But the process of acquisition of income is plausibly a relational one: the mechanisms by which one person acquires an income causally affects the income of others.

Inequalities in Material Welfare: Achievement versus Exploitation

More than any other single kind of inequality, inequalities of material welfare have been the object of study by social scientists. Broadly

speaking, there are two distinct conceptualizations which have dominated the analysis of this kind of inequality in market societies. These I will call the achievement and exploitation perspectives.

Achievement models

The achievement model of income determination fundamentally views income acquisition as a process of individuals acquiring income as a return for their own efforts, past and present. The paradigm case would be two farmers on adjacent plots of land: one works hard and conscientiously, the other is lazy and irresponsible. At the end of a production cycle one has twice the income of the other. This is clearly a monadic process producing a distribution of a monadic outcome.

The story then continues: the conscientious farmer saves and reinvests part of the income earned during the first cycle and thus expands production; the lazy farmer does not have anything left over to invest and thus continues production at the same level. The result is that over time the inequality between the two farmers increases, but still through a strictly monadic process.

Eventually, because of a continually expanding scale of production, the conscientious farmer is unable to farm his/her entire assets through his/her own work. Meanwhile the lazy farmer has wasted his/her resources and is unable to adequately support him/herself on his/her land. The lazy farmer therefore goes to work as a wage-earner for the conscientious farmer. Now, clearly, a relational mechanism enters the analysis, since the farm laborer acquires income in a wage paid by the farmer-employer. However, in the theory of wage-determination adopted in these kinds of models in which the laborer is paid exactly the marginal product of labor, this wage is exactly equivalent to the income the laborer would have received simply by producing the same commodities on his/her own account for the market. The relational mechanism, therefore, simply mirrors the initial monadic process.

In such achievement models of income acquisition genuinely relational processes may exist, but generally speaking these have the conceptual status of deviations from the pure model reflecting various kinds of disequilibria. In the sociological versions of achievement models – typically referred to as “status attainment” models of stratification – these deviations are treated as effects of various kinds of ascriptive factors (race, sex, ethnicity) which act as obstacles to “equal opportunity.” Similarly, in the economic versions of such models – generally referred to as “human capital” models – the deviations either reflect transitory market disequilibria or the effects of various kinds of

extra-economic discrimination.³ In both the sociological and economic versions, these relational mechanisms of income determination that produce deviations from the pure achievement models mean that certain kinds of people are prevented from getting full income pay-off from their individual efforts. The inner logic of the process, in short, is monadic with contingent relational disturbances.

Exploitation models

Exploitation models of income inequality regard the income distribution process as fundamentally relational. The basic argument is as follows: in order to obtain income, people enter into a variety of different kinds of social relations. These will vary historically and can be broadly classified as based in different “modes of production.” Through a variety of different mechanisms, these relations enable one group of people to appropriate the fruits of labor of another group.⁴ This appropriation is called exploitation. Exploitation implies that the income of the exploiting group at least in part depends on the efforts of the exploited group rather than simply their own effort. It is in this sense that income inequality generated within exploitative modes of production is intrinsically relational.

There are a variety of different concepts of exploitation contending in current debates. The most promising, in my judgment, is based on the work of Roemer.⁵ In Roemer’s account, different forms of exploitation are rooted in different forms of property relations, based on the ownership of different kinds of productive assets. Roemer emphasizes two types of property in his analysis: property in the means of production (or alienable assets) and property in skills (or inalienable assets). Unequal distribution of the first of these constitutes the basis for capitalist exploitation; unequal distribution of the second constitutes the basis, in his analysis, for socialist exploitation.

While Roemer criticizes the labor theory of value as a technical basis for analyzing capitalist exploitation, nevertheless his basic defense of the logic of capitalist exploitation is quite in tune with traditional

3. The classic account of human capital theory is given by G.S. Becker, *Human Capital*, New York 1975. For his analysis of discrimination, see G.S. Becker, *The Economics of Discrimination*, Chicago 1971.

4. G.A. Cohen, “The Labor Theory of Value and the Concept of Exploitation,” *Philosophy and Public Affairs*, no. 8, 1979.

5. John Roemer, *A General Theory of Exploitation and Class*, Cambridge, Mass. 1983. For a debate over Roemer’s formulation, see *Politics and Society*, vol. II, no. 3, 1982.

Marxist intuitions: capitalists appropriate part of the surplus produced by workers by virtue of having exclusive ownership of the means of production. Socialist or skill exploitation is a less familiar notion. Such exploitation is reflected in income returns to skills which is out of proportion to the costs of acquiring the skills. Typically this disproportion – or “rent” component of the wage – will be reproduced through the institutionalization of credentials. Credentials, therefore, constitute the legal form of property that typically underwrites exploitation based in skills.

Two additional assets can be added to Roemer’s analysis. Unequal distribution of *labor-power* assets can be seen as the basis for feudal exploitation, and unequal distribution of *organization* assets can be viewed as the basis for state bureaucratic exploitation (i.e. the distinctive form of exploitation in “actually existing socialism”). The argument for feudalism is basically as follows: in feudal society, individual serfs own less than one unit of labor-power (i.e. they do not fully own their own labor-power) while the lord owns part of the labor-power of each of his serfs. The property right in the serf’s labor-power is the basis for the lord forcing the serf to work on the manor land in the case of corvée labor or paying feudal rents in cases where corvée labor has been converted into other forms of payment. The flight of peasants to the cities, in these terms, is a form of theft from the lord: the theft of the lord’s labor-power assets. The argument for state bureaucratic societies is based on the claim that control over the organizational resources of production – basically, control over the planning and coordination of the division of labor – is the material basis for appropriation of the surplus by state bureaucrats.⁶ In all of these cases, the ownership and/or control of particular types of productive assets enables one class to appropriate part of the social surplus produced by other classes.

In exploitation models of income distribution, monadic processes can have some effects. Some income differences, for example, may simply reflect different preferences of individuals for work and leisure (or other trade-offs). Some of the income difference across skills may simply reflect different costs of acquiring the skills and therefore have nothing to do with exploitation. Such monadic processes of income determination, however, are secondary to the more fundamental relational mechanisms.

6. For a detailed discussion of these additional types of assets and their relationship to exploitation, see Erik Olin Wright, *Classes*, London 1985.

Implications for Empirical Research Strategies

As one would suspect, rather different empirical research strategies follow from monadic versus relational conceptions of the process of generating income inequality. In a strictly monadic approach, a full account of the individual (non-relational) determinants of individual income is sufficient to explain the overall distribution of income. This suggests that the central empirical task is first to assemble an inventory of all of the individual attributes that influence the income of individuals and, second, to evaluate their relative contributions to explaining variance across individuals in income attainment. In the case of the example of the two farmers discussed above this would mean examining the relative influence of family background, personalities, education and other individual attributes in accounting for their different performances. The sum of such explanations of autonomously determined individual outcomes would constitute the basic explanation of the aggregate income distribution.

It follows from this that the heart of statistical studies of income inequality within an achievement perspective would be multivariate micro-analyses of variations in income across individuals. The study of overall income distributions as such would have a strictly secondary role.

In exploitation models of income distribution, the central empirical problem is to investigate the relationship between the variability in the form and degree of exploitation and income inequality. This implies a variety of specific research tasks, including such things as studying the relationship between the overall distribution of exploitation-generating assets in a society and its overall distribution of income, the different processes of income determination within different relationally defined class positions,⁷ and the effects of various forms of collective struggle which potentially can counteract (or intensify) the effects of exploitation-mechanisms on income inequalities.

This does not imply, of course, that achievement models of income inequality have no interest in macro-studies of income distribution, nor that exploitation models have no interest in micro-studies of individual income determination. But it does mean that the core empirical agendas of each model of income inequality will generally be quite different.

7. See Erik Olin Wright, *Class Structure and Income Determination*, New York 1979.

Material Inequality and Class Analysis

Sociologists are interested in inequality of material welfare not simply for its own sake, but because such inequality is thought to be consequential for various other social phenomena. Above all, material inequality is one of the central factors underlying the formation of social classes and class conflict.

The two models of income inequality we have been discussing have radically different implications for class analysis. In achievement models of income distribution, there is nothing intrinsically antagonistic about the interests implicated in the income determination process. In the example we discussed, the material interests of the lazy farmer are in no sense intrinsically opposed to those of the industrious farmer. The strictly economic logic of the system, therefore, generates autonomous interests of different economic actors, not conflictual ones.

Contingently, of course, there may be conflicts of interests in the income determination process. This is particularly the case where discrimination of various sorts creates non-competitive privileges based on ascriptive characteristics such as sex and race. These conflicts, however, are not fundamental to the logic of market economies and they do not constitute the basis for conflicts between economic classes as such. Conflicts between classes in capitalist societies, therefore, basically reflect either cognitive distortions on the part of economic actors (e.g. misperceptions of the causes of inequality) or irrational motivations (e.g. envy). Conflicts do not grow out of any objective antagonism of interests rooted in the very relations through which income inequalities are generated.

Exploitation models of income inequality, in contrast, see class conflict as structured by the inherently antagonistic logic of the relational process of income determination. Workers and capitalists have fundamentally opposed interests in so far as the income of capitalists depends upon the exploitation of workers. Conflict, therefore, is not a contingent fact of particular market situations, nor does it reflect ideological mystifications of economic actors; conflict is organic to the structure of the inequality-generating mechanisms themselves.

These different stances towards the relationship between interests and inequality in the two approaches means that for each perspective different social facts are treated as theoretically problematic, requiring special explanations: conflict for achievement theories, consensus for exploitation theories. Both models, however, tend to explain their respective problematic facts through the same kinds of factors, namely combinations of ideology and deviations from the pure logic of the competitive market. Exploitation theories typically explain cooperation

between antagonistic class actors on the basis of "false consciousness" and various types of "class compromises" between capitalists and workers, typically institutionalized through the state, which modify the operation of the market.⁸ Achievement theories, on the other hand, use discriminatory preferences and market imperfections to explain conflict.

8. Adam Przeworski, *Capitalism and Social Democracy*, Cambridge 1985.