4 Modes of Exploitation

Within the space our world now calls South Africa, midway through the seventeenth century Dutch settlers formed a colony on the Cape of Good Hope, long a crucial landfall for voyagers between the Atlantic and Indian oceans. For two centuries, Europeans and their descendants then clung chiefly to South Africa's coasts. The major exceptions were the largely Dutch cattle ranchers who spread into interior regions. At first those mobile pastoralists, like gauchos in Argentina and cowboys in North America, shifted from place to place as opportunity called, battling indigenous Africans for access to grazing land. Later, as their frontier filled and agricultural trade with coastal populations increased, they impressed local Africans as slaves and near-slaves on their large estates. They started a process that eventually produced one of the twentieth century's most spectacular and cruel large-scale systems of categorical inequality.

Discovery of diamonds along the Orange River in 1867 and, especially, the unearthing of gold on the Witwatersrand in 1886 made the interior much more attractive. Europeans, their weapons, and their capital rushed inland from the sea. Diamonds and gold embittered the struggle for territory between the British, backed by imperial might, and the Dutch-tinged amalgam of other European settlers who had come to be known as Boers, one of those wonderful labels first used in opprobrium for its implications of rusticity and boorishness but eventually worn with pride by its recipients.

British-Boer military struggles began in earnest during the 1790s, continued through the nineteenth century, and culminated in the South African war of 1899 to 1902, known as the Boer War to Britons, the Second War of Freedom to Afrikaners, and a time of troubles for black Africans. Britain's violent victory found a hundred thousand Boer women and children in concentration camps, more than a hundred thousand Africans likewise incarcerated, and Boer farms in smoking ruins. The victors contended with a problem Niccolò Machiavelli had pondered for the benefit of princes four centuries earlier: given a conquest, whether to destroy, co-opt, or transform existing forms of government.

Having already destroyed so much as to disperse and deplete the African labor forces of farms and mines, rulers of the new South African state eventually chose a combination of co-optation and transformation. They first created a partly autonomous Transvaal government and then integrated it into a new Union of South Africa, finally staffing its bureaucracies and coercive forces disproportionately with Boers but deeply reorganizing controls over the non-European population.

The latter process raised what South African and British elites called the "Native Question." That question actually entailed two closely entwined conundrums: first, how to integrate black Africans into the new state while keeping them compliant and subordinate; and, second, how to commit African labor to farms, to urban services, and, above all, to man-devouring diamond and gold mines.

Both conundrums centered on establishing an effective means of exploitation, drawing black workers into work on white-dominated resources while excluding them from the full return of their effort. The first involved maneuvering among missionaries who considered themselves uniquely qualified to define and defend Native welfare, chiefs who claimed competing jurisdictions within predominantly African areas of settlement, and capitalists who already depended heavily on African labor. The second involved ensuring that each year pastoral and agricultural communities would continue to send several hundred thousand able-bodied workers, mostly male, for labor away from home, yet reabsorb them when employment slackened or they lost strength.

South African authorities sought to answer both questions with a series of efforts at category building. The most general categorical cut divided Europeans from Natives, matching to those categories unequal and separate territories, protections, and rights of citizenship. At first, European settlers homogenized the populations on both sides of the line, justifying a system of indirect rule in which co-opted African chiefs spoke for their own territorial segments of a presumably unitary Native population. White rulers justified the division as not only natural but also benign. In 1903 Lord Milner, High Commissioner of South Africa, put it this way:

> The white man must rule because he is elevated by many, many steps above the black man . . . which it will take the latter centuries to climb and which it is quite possible that the vast bulk of the black population may never be able to climb at all . . . One of the strongest arguments why the white man must rule is because that is the only possible means of gradually raising the black man, not to our level of civilisation—which it is doubtful whether he would ever attain—but up to a much higher level than that which he at present occupies. (Marks and Trapido 1987, 7)

The government adopted an unusual approach to enlightenment: it used taxation, deprivation of land, and outright compulsion to drive Natives into labor markets. Economic inequalities paralleled legal inequalities. In the gold mines, where law and standard practice strictly segregated white from black jobs, "white gold miners' annual cash earnings were 11.7 times the cash wages of black gold miners in 1911, and 14.7 times in 1951" (Thompson 1990, 156).

Europeans also segregated themselves, but less rigorously, against Indians descended chiefly from indentured servants (especially Madrasi) and merchants (especially Gujarati) who had arrived between 1860 and World War I. Regional, caste, and religious divisions figured significantly within the Indian population—merchant elites, for example, tended to be Muslim or high-caste Hindu—but little affected the European/Indian division. On the European side, an additional line between British and Afrikaners defined opponents in conflicts that several times approached civil war. A very unequal South African quadrilateral therefore distinguished British, Afrikaners, Indians, and Natives. Natives constituted the vast majority.

On the quadrilateral's Native side, however, South African authorities actually found not neat boxes but a kaleidoscope. Thousands of categories designated and divided different sets of the African population, many of them falling into broadly similar linguistic groupings such as Xhosa, Zulu, and Sotho without their occupants' being much aware of the similarities. Some of these groupings harked back to kingdoms that had dominated various parts of the region before Dutch and British hegemony, but few of them designated sharply bounded populations with long histories of geographic and social segregation.

Although at first British-oriented authorities sought to treat Africans as a homogeneous mass, Boer self-defense within the European population promoted a new view of South Africa as composed of multiple nations. Those presumably distinct nations came to include major segments of the African population. In a remarkable series of direct interventions, the South African state set out to create racial categories that would serve as the basis of unequal rights and rewards. From 1903 to 1981, state-appointed commissions repeatedly enlisted administrators, anthropologists, missionaries, professionals, and capitalists in the work of defining the major categories of Natives, assigning them collective characters, and recommending policies based on those characterizations. They regrouped the thousands of available categories into a handful, attached them to territorial "reserves" little populated by Europeans, categorically differentiated the rights of Africans to work temporarily outside those reserves, and thus produced gradations of citizenship according to officially assigned ethnicity.

During the twentieth century, Boer intellectuals and administrators likewise codified official views of Afrikaner culture, creating not only a unitary, teleological history but also a standardized Afrikaans language to supplant a variety of Dutch-based dialects and creoles (Hofmeyr 1987). South Africa's so-called Ethnos Theory, modeled to some extent on Boer experience, preached that coherent social life depended on the maintenance of distinct cultural groups. Anthropologist W. M. Eiselen, who became permanent secretary for Native Affairs during the initiation of thoroughgoing apartheid in 1948, warned as early as 1929 of threats to the coherence of African cultures:

> There is one factor, and that the most important factor, which I have not yet mentioned. That is the will of a people to stand on guard (*handhaaf*), to remain immortal as a people. If such a will exists, then it can only operate through the medium of a unique ethnic language. From the history of the Boer we learn how a people can retain its identity despite insuperable difficulties and economic disadvantages. (Evans 1990, 26)

The solution would be this: in addition to Afrikaner/English and black/white/Indian segregation, segregation would also be imposed within the African population. Although nineteenth-century regimes had commonly applied the term "coloured" to all non-Europeans, an officially designated category of Coloured people—8 percent of the national population in 1936—now contained the overflow, those nonwhite people who could not be forced into one of the standard categories (Ian Goldin 1987).

Note one telling feature of South Africa's racial categories. Although few large states have ever adopted as explicitly and oppressively racist policies as South Africa, no consistent and durable set of beliefs drove this racial system. Racial distinctions enforced by the state shifted repeatedly over time. Although the African/European line stayed in more or less the same place, other divisions altered as a function of political expediency, practical feasibility, and struggle among the parties. Organizational convenience overrode and transformed prevailing beliefs.

Installation of apartheid from 1948 onward modified and then reinforced the categorical differences that previous administrations had created. It did so with greatly increased intensity: uprooting Africans and

Coloured people from long-established urban residences; herding Africans into small, fragmented, overpopulated "homelands"; even segregating European children into different schools according to the language spoken at home, English or Afrikaans.

The Tomlinson Commission of 1950–1954, a prime architect of apartheid, enshrined ethnographers' distinctions among languages and cultures—Nguni, Sotho, Venda, and Shangaan-Tsonga—on the way to recommending separate lands and statuses for each group. It also asserted that each group divided into lineage-defined tribes, typically headed by a single chief. Thus for a series of South African peoples, including various categories of Europeans and Asians, the Tomlinson Report adopted a model of long-established nations that acquired, or would acquire, their own separate states as they matured (Ashforth 1990, 159). Indeed, the report recommended a kind of ethnic cleansing, exchanging white and black populations until they filled substantial homogeneous regions, with the black-occupied regions further segregated by assigned linguistic-cultural category (Ashforth 1990, 176). Over the next quarter-century, implementation of that policy displaced close to four million people (Marks and Trapido 1987, 22).

South African authorities undertook an immense political and geographic reorganization of the African population. The 1959 Promotion of Bantu Self-Government Act designated ten homelands to house separate "nations": Bophuthatswana for Tswana, Ciskei for Xhosa, Gazankulu for Shangaans and Tsonga, KaNgwane for Swazi, KwaNdebele for Southern Ndebele, KwaZulu for Zulu, Lebowa for Northern Sotho and Northern Ndebele, QwaQwa for Southern Sotho, Transkei for Xhosa, and Venda for Venda (Taylor 1990, 19). Of these, Transkei, Bophuthatswana, Venda, and Ciskei acquired nominal political independence as enclaves within South Africa between 1976 and 1979.

To be sure, white demand for black labor in cities, mines, and farms subverted all plans for total containment of South Africa's populations. Growth of manufacturing and services promoted rapid expansion of the black urban population; by 1945 manufacturing had surpassed mining in its contribution to the South African GDP (Lodge 1996, 188). By 1960 a full 63 percent of the African population lived at least temporarily outside African reserves (Fredrickson 1981, 244). South Africa's rulers had to manage the contradiction between treating Africans as conquest-formed Natives and recognizing them as capitalist-created workers. The contradiction led to costly efforts at segregating residence and sociability while permitting more and more Africans to enter the urban and industrial labor forces. Establishment of tribally defined segregation, furthermore, responded not only to official conceptions of history but also to political convenience:

> The new system provided an expedient opportunity for the NAD [Native Affairs Department] to dilute the influence of chiefs it regarded as uncooperative. The popularly acknowledged Paramount Chief Sabata Dalindyebo, for example, saw his chiefdom arbitrarily split into two regions, Tembuland (later renamed Dalindyebo) and Emigrant Thembuland. In the latter region, Kaizer Mantanzima, a once obscure chief who early showed a genuine interest in the philosophy and practice and soon the material rewards of apartheid, was elevated to paramount chief. (Evans 1990, 44)

Urbanization, industrialization, and political expediency did not keep South African authorities from building racially defined categories deeply into the country's legal and economic structures. Even partial legalization of black unions in 1979 inscribed government-recognized racial divisions into the law. Recipients of this organizational largesse faced an acute dilemma: accept state-endorsed categorization and retain meager claims to land and employment, or reject the categorization and abandon all state-enforced rights whatsoever.

Separatist policies nonetheless had unanticipated consequences. First, they drove Africans, Indians, and Coloureds into a common front as apartheid governments increasingly deprived the latter two categories of the distinctive rights they had previous enjoyed. Second, the apartheid regime's attempt to impose new chiefs and territorial units that would perform the work of indirect rule actually stimulated popular resistance to the authority of chiefs and, beyond it, to governmental control.

Separatist policies finally made government-defined African identities available as bases of political mobilization. "As the South African state in 1990 began to shift away from formal racial exclusion and segregation, toward 'non-racial' democracy," notes Anthony Marx, "racial identity and mobilization has lost some of its salience. In its place, political entrepreneurs have increasingly relied on 'tribal' or 'ethnic' identities as the basis of mobilization, as indicated by Zulu nationalism and 'coloured' fears of African domination under the ANC" (Marx 1995, 169).

Disaggregation occurred at two levels: the nonwhite front cracked, so that by 1996 Coloured voters in the Cape were opting massively for the National Party, former architect of apartheid. But the categories African, Coloured, and Indian also lost unifying force in favor of smaller-scale distinctions. Parallels to recent ethnically defined nationalisms in the former Yugoslavia and the former Soviet Union should give us pause. The Zulu-based and formerly state-subsidized Inkatha movement of M. G. Buthelezi exemplifies the stakes even some Africans acquired in the categories earlier imposed by white South Africans to sustain their domination.

Anthony Marx extends his comparison to the United States and Brazil, pointing out a dialectical relationship: to the degree that a state installs categorical racial distinctions in its laws and institutions, it can use coercive power legally to enforce discrimination. Yet, under changed circumstances, those categories become available as bases of mobilization and demands for rights. In Brazil, where racial inequalities run very deep but lack legal recognition, organizers of black people have little success in mobilizing their constituency and pressing for redress. In parallel reasoning, David Laitin argues that despite large on-the-average differences in wealth and power between Nigerian Christians and Muslims, religion has not become a basis of political mobilization in Nigeria, while attachment to an ancestral city has—the reason being that British colonial authorities built a hierarchy of ancestral cities into their system of indirect rule (Laitin 1985).

The United States, where legal sanctioning of racial distinctions reached much farther than in Brazil but fell far short of the system in South Africa, occupies a middle ground in these regards. Race relations in the United States never constituted a mere attenuated version of South African conditions. As George Fredrickson sums it up, American racial inequality differed from its South African counterpart in these aspects:

- It subordinated a minority, not a majority.
- American blacks and whites shared a wide range of cultural traditions.
- From Emancipation onward, both blacks and whites possessed legal citizenship, with state-supported inequalities maintained by subterfuge and paralegal means.
- On the large scale, whites and blacks never occupied geographically separate territories.

Before Jim Crow legislation locked into place, unofficial lynch mobs enforced racial inequality in the United States, while police and the army defended South Africa's apartheid throughout its history (Fredrickson 1981, 250–252; see also Fredrickson 1995). All these features produced differences in the mobilization of African-origin populations in the two countries. We can conclude that politically enforced categorical inequality sustains widespread discrimination but, with changed political alignments, also offers significant opportunities for collective action on the part of underdogs. Ethnically or racially defined political management strikes back as erstwhile managers falter. Yet the previous character of categorical relations strongly affects the form, content, and intensity of race-based mobilization.

Consider parallels between South African categorical experience and the routine operation of work in capitalist countries as summarized at the end of Chapter 3. Once again we witness powerful people facing an organizational problem—in the South African case, creation and maintenance of a state that will preserve the advantages of a small minority. We see Europeans establishing resource and power differentials within that state in three ways: creating manageable social categories by drawing sharp lines between populations rather than forming coherent entities within them; incorporating established and created social categories directly into state structure; organizing state-fostered inequality around those categories. Mapping the categories into kinship, plus the categorical segregation of residences, schools, jobs, and military service, ensured the transmission of categorical memberships from one generation to the next.

In the long run, South Africa's white rulers blurred the distinction between interior and exterior categories, since vast categorical differences in rewards promoted solidarities and mutual identifications that had previously exerted little or no force. State-promoted racial categories became fundamental facts of life. In the process, multiple parties—including, for example, the nominal rulers of nominally independent homelands—gained investments in the apartheid system. To that extent, opportunity hoarding and adaptation reinforced categorical inequality.

Not that the system worked smoothly or achieved willing assent from the country's nonwhite majority. The contradiction between policies of segregation and demands for black labor guaranteed incessant tension, compromise, and conflict. From 1903 onward, South African authorities repeatedly experimented with reorganizing categories and the inequalities attached to them. Small-scale resistance never ended. Large-scale blockage such as the Soweto uprising of 1976 (which began with black students' refusal to accept Afrikaans as their medium of instruction) recurrently revealed major fissures within the system. By 1989, in the face of popular resistance, growing isolation from the international community, capital flight from South Africa, and widening splits within the white minority, even leaders of the National Party, apartheid's author, recognized that their organizational solution had lost viability.

By no means, then, does all categorical inequality operate with quiet efficiency, drawing happy assent from its various participants. On the contrary, since categorical inequality always leaves members of certain categories visibly disadvantaged, it often occasions discontent and sometimes generates outright rebellion. The big question is whether the disadvantaged have sufficient knowledge, organizational capacity, and leverage to alter the system. In many systems they do not, both because the system delivers them rewards that are less bad than available alternatives and because the very arrangement of unequal categories deprives them of knowledge, organizational capacity, and leverage.

EXPLOITATION IN SOUTH AFRICA AND ELSEWHERE

At the base of the South African system lay exploitation. With state backing, European masters who controlled mines and farms compelled African workers to commit their effort to those enterprises for much less reward than the value their effort added; owners and managers pocketed the difference. But opportunity hoarding also played a crucial part, at four levels:

- First, white workers occupied privileged positions within the labor force, receiving far higher rates of pay for their efforts than African workers and maintaining their categorical monopolies of superior jobs with determination.
- Second, after a period of forced emigration, African villages and households acquired crucial investments in the wages earned by their migrant members. Without those wages, they could not pay taxes or buy externally produced commercial goods.
- Third, members of other categories acquired toeholds in the crevices of apartheid. Asian merchants, for all their subordination to the European population, earned a significant share of their income by selling to an African population practically excluded from larger-scale mercantile activity.
- Finally, some African chiefs and ethnic entrepreneurs found they could enhance their power and wealth by collaborating with the white-dominated regime in the operation of segregated political structures.

To that degree, exploitation and opportunity hoarding dovetailed.

Less visibly, emulation and adaptation cemented the South African system in place. Mining, for example, is a voracious industry that moves incessantly from site to site, exhausting its supplies in one excavation as it searches for new supplies in the next. Once they had put their repressive organizational structure in place, South African mine operators reproduced it over and over, right down to the recruitment of workers and the segregation of their living quarters by imputed ethnicity. Relative uniformity of organization reduced the difficulty of moving the entire operation from an exhausted vein to a fresh one, not to mention the difficulty of expanding to newly discovered deposits of gold or diamonds. The diffusion of management-dominated, segregated mine hostels, in which almost all African mineworkers still lived during the 1980s, provides a striking example of emulation from one site to the next (James 1990, 142).

However reluctantly, all parties also adapted to the evolving system, building routines and social relations that presumed its existence and thereby to some extent reinforced it. Daily, weekly, and annually, the timing of social life in African areas came to depend on the schedules of mines, mills, farms, and state-imposed curfews. Within South African townships, the police practice of patrolling the perimeters of African settlements far more intensively than the interiors encouraged the organization of African self-policing, not to mention the creation of resistance movements within the ghettos. European bosses and their African workers incrementally organized minor deviations and protections from official scripts, building up at least a modicum of loyalty based on shared local knowledge. Although on balance collective resistance to racial oppression grew during the 1980s, it grew in the face of myriad accommodations that had previously taken massive categorical inequality for granted.

The South African state's direct, public involvement in the creation of categorical inequality renders starkly visible those processes that we must usually search out in obscurity; exploiters rarely advertise their work as such. Given our definition of exploitation—powerful, connected people deploying resources from which they draw significantly increased returns by coordinating the effort of outsiders, whom they exclude from the full value added by that effort—any search for exploitation in real life must keep alert for seven elements:

1. Powerholders (in South Africa, coalitions of state officials and white capitalists)
2. Their coordinated efforts (in South Africa, the actual cooperation of coalition members)
3. Deployable resources (in South Africa, mineral deposits and farmland at first, and then the capital of industrial and commercial enterprises)

4. Command over those resources (in South Africa, state-backed property rights and their exercise by whites)
5. Returns from those resources (in South Africa, net profits from the sale of goods produced by mines, farms, and capitalist enterprises)
6. Categorical exclusion (in South Africa of the 1960s, for example, the apparatus of apartheid and labor control, including both boundaries within capitalist enterprises and the division of labor between labor-exporting villages and centers of capitalist enterprise)
7. Skewed division of returns as compared with effort (in South Africa, a system in which Africans did the great bulk of the work but received only minuscule shares of the proceeds)

Although my capsule history says far too little about coordinating efforts (not to mention ties between government and ruling classes) to make the operation of elements 1 and 2 immediately obvious here, South Africa easily qualifies on all seven counts.

Exploitation worked in South Africa in the same way that it works anywhere: it enlisted African effort in white-run enterprises while giving Africans much less than the equivalent of the value added by their effort. A portion of the return from that profitable arrangement went into organizing repression and buying collaboration from white workers plus a few highly selected African supervisors. The installation of a white/African boundary at the frontier between command structure and laboring masses greatly reduced the cost of such an arrangement, since it called up widely available interracial routines that state agents would, if necessary, back up with force. In company with opportunity hoarding, emulation, and adaptation, South African exploitation constituted a self-sustaining system as long as the white/African boundary remained cheap to maintain. Only in the 1980s did that cost rise visibly. As a result, the system began to crack.

How shall we apply the same style of analysis elsewhere, say, in capitalist firms and labor markets? Let us restrict our attention temporarily to exploitation and direct effects. That means neglecting opportunity hoarding, emulation, and adaptation as well as the effects of categorically unequal experiences outside the immediate setting under examination. We are searching for situations in which exterior categories such as ethnicity, race, and citizenship correspond to interior boundaries of exploitation. We are following the hunch that interior boundaries of unequal return to value added coincide with the organization's mobility map, its segregation of job clusters within which workers move frequently but across whose limits they rarely move. We suspect that distinct incentive systems (drive, loyalty, and task systems and their variants) will characterize the separate clusters. We can use the elements of exploitation—powerholders, coordinated efforts, deployable resources, and so on—as a checklist for thinking through how exploitation promotes inequality in rewards from work.

First, *powerholders.* Who are the relevant powerholders? Certainly owners and managers of firms wield power, although they do not necessarily do so in a unified manner. Anyone who makes decisions at any of the inequality-generating organizational junctions cataloged earlier (recruitment of new employees, wage determination within job categories, bounding of jobs, ranking of jobs, and so on) holds some power over categorical differentials. So frequently do representatives of government and labor unions. To the extent that their livelihoods depend on a firm's profitability, they all have interests in exploitation.

Second, *coordinated efforts.* We must imagine a web of bargained conflict and cooperation among powerholders, with those who most directly control the disposition of the firm's major capital assets generally exercising the greatest influence over the others and within the firm as a whole.

Third, *deployable resources.* Some body of assets, highly variable by industry, ensures the continuance of whatever advantages a firm enjoys with respect both to other firms and to economic actors other than firms. Those assets can include land, location, raw material, industrial plant, technical knowledge, reputation, contacts with suppliers, clients, or officials, and more.

Fourth, *command over resources.* It is one thing to have access to resources, another actually to command them—in particular, to exclude outsiders effectively from their use. No firm can make gains from exploitation if its resources are freely available to everyone outside its perimeter.

Fifth, *returns from those resources.* Capitalist firms generally do not survive long unless they make a profit. That profit depends on effective marshalling of resources. One measure of the effectiveness of a firm's conjunction between deployable resources and coordinated efforts is productivity, the schedule of outputs for various combinations of labor and other inputs. Another is the ratio of the market value of the firm as an integral unit to the market value of its assets sold separately. A firm for which this ratio falls much below 1.0 runs a good chance of disappearing, but one whose ratio rises to 2.0 or more is surely making gains from exploitation. Its high market value represents potential returns to newcomers who could take over its apparatus of exploitation.

Sixth, *categorical exclusion.* We look for categorical exclusion in two places: within a firm and at its perimeter. Within the firm, we detect boundaries between unequal and paired categories in which members of one category benefit from control of sequestered resources and receive returns from the other's output. Around the firm's perimeter, we detect relations between members of the firm and outsiders (e.g., dependent subcontractors) who commit effort to the creation of transferable use value by means of the firm's resources.

Seventh, *skewed division of returns.* This feature will be crucial and often controversial for two reasons: it implies comparison with a counterfactual analysis of likely returns without categorical exclusion, and the effects of exclusion confound easily with returns to land, capital, technology, and other nonhuman inputs into the production of transferable use value. We must handle the counterfactual by the usual methods of nonexperimental disciplines, making comparisons among otherwise similar firms whose systems of exclusion differ significantly, inspecting the extent and character of covariation between exclusion and inequality of rewards, examining what happens as exclusion increases or decreases within particular firms, and breaking into its elements the causal chain connecting returns to effort in order to single out the effects of exclusion. To the extent that discrepancies in rewards within a firm correspond to categorical boundaries and that these discrepancies correspond to differences in control over the firm's central resources, we acquire evidence that categorically organized exploitation is itself generating inequality.

In cases less extreme than South Africa, all seven elements of exploitation elude easy detection. If women generally hold lower-paying jobs than men, for example, how much of the difference results from organized male control over job allocation, as Barbara Reskin (1988) argues? Perhaps all, but the relevant cause-effect chains entangle with the effects of human capital, technology, and other factors that influence output. This, then, sets the challenge: to determine in alleged cases of exploitation whether the seven elements not only exist but concatenate in the manner that my causal story requires.

GENDER AND EXPLOITATION

Consider gender inequality in the rewards to work within capitalist labor markets. Most analysts of the subject—including Barbara Reskin—implicitly adopt an explanatory model in this form:

> MALE/FEMALE DIFFERENCES IN REWARDS TO WORK = M × (DIFFERENCES IN HUMAN CAPITAL + DIFFERENCES IN EFFORT + DISCRIMINATION)

M stands for the mechanisms translating the three inputs into differential rewards. In such a model, the allocator of rewards can be a particular manager, a firm, capitalists in general, male workers, all men, or perhaps society as a whole. Sharp disagreements separate analysts concerning agents, mechanisms, and relative weights among the factors. One set of disputes concerns which agents cause the effects: particular employers, male workers, the market considered as a collective actor, or something else.

The *M* factor in various formulations specifies the incentives and mechanisms that translate agents' preferences into rewards; theorists disagree rancorously over whether agents are ensuring long-term productivity, minimizing current wage costs, attacking worker solidarity through division, implementing their own preferences and beliefs with respect to workplace personnel and routines, imitating their peers, and so on. Dorothy Sue Cobble summarizes competing views:

> Scholars have analyzed the phenomenon of job segregation by sex from a variety of perspectives. Some view it as a divide-and-conquer strategy adopted by employers wary of a unified working class. Others argue that the creation of female job ghettos characterized by low pay and status is a necessary cornerstone in a patriarchal-capitalist system desirous of and dependent on women's subordinate role in the family. A third approach assumes that the sexual division of labor is the rational result of women's failure to augment their "human capital." (Cobble 1991, 216)

Disagreements among these views pivot chiefly on agents and mechanisms, but they also imply different weights for such elements as human capital. (Cobble herself favors a fourth view, in which struggles of men and women for their own job rights intersect with employer strategies; but her disagreement with her predecessors still concerns agents, mechanisms, and weights within her own version of the formula above.)

Despite disagreements in other regards, analysts of wage inequality generally accept the conventional definition of discrimination as the remainder after taking account of human capital and effort. Open disputes then center on the relative weights and cross-effects of human capital, effort, and discrimination. Neoclassical analysts commonly give strong weight to the interaction of human capital and effort, whereas radical feminists often assign the fundamental causal role to discrimination in one form or another. All sides invoke an essentially individualistic explanation of inequality.

Sophisticated feminist models (e.g., Downs 1995; Reskin and Ross 1995; Tomaskovic-Devey and Johnson 1996) generally stress the centrality of job-level gender segregation; invoke something like Weber's social closure, with males excluding females; and add some notion of queuing to account for changes in the gender composition of jobs. As Donald Tomaskovic-Devey puts it:

> The use of the social closure language is important . . . in that it makes explicit the theoretical explanation that exclusionary practices fostered

> by advantaged workers and employers create observed patterns of organizational and job segmentation. Simple notions of unreflective employer discrimination based on prejudices are not sufficient. Social closure arguments are about active practices that produce and preserve advantages.
>
> The status composition hypothesis is that jobs that are disproportionately female or male become stereotyped, and the work process itself begins to reflect the social value of the master status of typical incumbents. This is not an argument about discrimination against individuals but against jobs. The argument is that jobs and organizational structure may be fundamentally influenced by gender. (Tomaskovic-Devey 1995, 29)

So far, so good. At that point, however, such models enter a dead end. They lack any principle other than gender composition itself to account for differential rewards between "male" and "female" jobs or for simultaneous and/or alternative segregation-cum-inequality by race, ethnicity, citizenship, and other ostensibly competing categorical divisions. In the last analysis, they retreat to gender-specific, if now categorical rather than individual, discrimination in job allocation and job rewards.

Neoclassical or feminist, such a model will not do. It describes a situation in which a single bargain sets rewards for work. A firm's representative decides how much to offer a worker on the basis of estimates (however biased) of that worker's contributions to their shared activity, and the worker either takes the offer or declines the job. Discrimination supposedly results from the fact that the hiring agent does one or several of the following things:

- Underestimates the likely contributions of certain categories of workers
- Stereotypes the capabilities of certain categories of workers
- Foregoes the likely contributions of certain categories of workers in order (*a*) to avoid benefiting them, (*b*) to avoid associating with them, or (*c*) to accommodate the preferences of others, such as skilled male workers

Such situations do occur, but they do not stand at the center of the causal processes producing categorical inequality. Leaving the formulation with such an unclear specification of causal mechanisms makes all such accounts vulnerable to the objection that a better specification of human capital will explain away gender differences. Indeed, Tony Tam has attacked the argument that workers in female-dominated categories of employment receive lower pay because of their categories' gender composition alone; he shows that specifying human capital not only as years of education but also as years of specialized training required to qualify for a job essentially erases occupational pay differences by gender in the 1988 U.S. Current Population Survey (Tam 1997). Operating within the standard explanatory frame, Tam correctly offers his findings as a challenge to the common explanation of lower wages in predominantly female occupations, the general devaluation of female work. While conceding that gender-specific allocation of jobs might help explain his results, he treats his results as confirmation of human-capital analyses. This book's perspective, however, suggests three other possible interpretations of the evidence: first, that firms install categorical boundaries between jobs requiring more and less occupation-specific training time, offer lower pay on the lesser-training side of the boundaries, and channel women into those jobs whether or not they could actually perform the jobs that require more training; second, that gender sorting begins before or during the acquisition of occupation-specific training; and third, that both of these mechanisms are in operation (as we have already seen).

Categorical inequality in rewards results from sorting not just at the hiring gate or pay table but throughout the job allocation process, from training to recruitment to promotion. And it does far more organizational work than merely satisfying a personnel officer's predilections. Inequality in rewards results from the matching of exploitation boundaries with categorical differences. It rests not on individual-by-individual experience but on organized social relations.

As the story of South African exploitation indicates, no model that lacks explicit representation of continuous interaction among the parties offers much hope of explaining durable, organized, categorically defined inequality in rewards to work effort. Preestablished scripts certainly matter, but they operate effectively through improvisation based on accumulated local knowledge. Exploitation, opportunity hoarding, emulation, and adaptation designate the major sorts of interactions that cumulate into aggregate male/female differences in rewards for work.

Male/female boundaries serve exploitation within firms and labor markets in much the same way that white/African boundaries did in the apartheid economy as a whole. To be sure, in most situations of capitalist employment, gender boundaries mark off life spaces much less completely, occasion less brutality, rely less directly on state-supplied force, and sustain smaller differences in rewards than did ostensibly racial boundaries in South Africa. But analogous mechanisms and outcomes come into play: owner-management control over deployable resources, installation of a categorical boundary separating distinct forms of relationship to the enterprise, matching of that boundary with the exterior categorical pair, enlistment of effort from the subordinate category in producing value from those resources, returning to members of the subordinate category less than the net value that their efforts add to the firm's production.

The crucial cases are not those in which males and females belong to the same organizational categories—e.g., where men and women both deliver mail under similar working conditions—but those that match gender distinctions to significant interior boundaries. Such significant interior boundaries frequently correspond to the limits of loyalty, drive, and task systems of remuneration, with males disproportionately concentrated in zones of loyalty, women disproportionately subject to drive or task controls. Contracts within task and drive spheres deliver fewer rewards, relative to value added, while contracts within loyalty spheres deliver more. Workers in loyalty systems generally enjoy higher pay, more extensive benefits, greater job security, larger opportunities for promotion, and participation in the informal structures of communication and power.

Relevant distinctions, however, often operate more subtly than a simple division among task, drive, and loyalty incentive systems. Among other things, they form filters within internal labor markets. Faced with price competition from new manufacturers, Philadelphia's big Philco radio plant began reorganizing its labor processes and replacing men with lower-paid women in 1937. Consolidating that reorganization, Philco followed a four-month lockout by negotiating a major new labor contract with the United Electrical Workers in 1938:

> The union's definitions of equality and fairness built into this rationalized job structure seemed gender-blind. Workers agreed that favoritism and capriciousness needed to be eliminated and all workers benefited from this aspect of the contract. The new job structure was, however, gender-bound. Since women's and men's jobs were distinctly different, so were their job ladders. The range of women's jobs was much narrower and women had no way of moving up to the most skilled, highest-paying jobs at the top of the male ladder. They could not step onto it, much less climb anywhere. The result was that the possibility of occupational mobility was attached to men's rather than women's jobs. (Cooper 1991, 329–330)

Nor did such segregated job ladders disappear as women's paid employment increased after the 1930s. In a grocery chain described by Barbara Reskin and Irene Padavic, men and women alike generally entered a store as low-ranking clerks and then worked their way up. But newly hired women moved disproportionately into the bakery/deli and general merchandise departments, where the only likely promotion raised them to head of that same department. Store managers came chiefly from grocery departments (where males occupied about half of all clerk positions and well over 80 percent of all supervisory positions) and from produce departments (where 80.9 percent of all clerks and 95.3 percent of all managers were male); entry-level jobs in bakery, delicatessen, general merchandise, produce, and groceries greatly resembled each other but fell into separate organizational pools (Reskin and Padavic 1994, 88–89). Although Reskin and Padavic do not tell us, we can reasonably speculate that the male-dominated grocery and produce departments constituted the stores' control centers, included more full-time workers, experienced less turnover, and at least to that degree more greatly resembled loyalty systems than did the bakery/delicatessen and general merchandise divisions.

Considering all sorts of gender differences in employment and rewards, Reskin and Padavic distinguish three clusters of explanations: human capital, segregation, and cultural beliefs. They judiciously give weight to each of the three but do not integrate them. In exploitation, however, segregation occupies the central position. The installation of gender boundaries within firms facilitates the distinction of incentive systems and the distinction of returns to value added. To be sure, categorically segregated experiences both off and on the job create differences in human capital, and the matching of interior with exterior categorical pairs carries available cultural baggage.

In such circumstances, members of the organization ordinarily borrow or build up shared beliefs about the appropriateness of such matching between exterior and interior categories, as when my son Chris Tilly's fellow file clerks in a Boston hospital (overwhelmingly female) told him that the job was quintessential women's work because it required dexterity and attention to detail, while later his fellow file clerks in an Oakland, California, hospital (predominantly Filipino male) told him that it was quintessential men's work because of the lifting and hauling it entailed. Thus managers and workers devise or borrow beliefs that support current divisions of labor.

Meanwhile, categorical segregation does the crucial work of exploitation. Skewed returns are difficult to estimate for many of the same reasons that have made it impossible to verify neoclassical claims about wage determination. Do workers tend to receive pay equivalent to the marginal product of their labor? Adjudication of that claim requires disentangling the interactions of capital, technology, organizational form, labor, and accounting conventions. Similarly, alas, we lack effective means for isolating the value added by a single worker or a single category of workers. Study after study reveals that women get lower returns than men for similar increments of human capital and that job segregation plays a central part in the difference (e.g., England and McCreary 1987; England, Reid, and Kilbourne 1996; le Grand 1991; McGuire and Reskin 1993; Tomaskovic-Devey 1993), but such investigations rarely provide much direct evidence on the categorical processes producing unequal rewards.

The exploitation model nevertheless alerts us to a series of indirect indicators for the presence or absence of category-assisted exploitation:

- Scrutiny of a firm's day-to-day operation reveals boundary-maintaining practices, sanctions against persons and actions who violate boundaries, categorically framed public distinctions between essential and nonessential workers, and private contestation of those distinctions.

- Quantities and qualities of rewards within a firm vary discontinuously, with big breaks at categorical boundaries.
- Distinctly different schedules of return to experience and human capital obtain on opposite sides of categorical frontiers, notably where interior and exterior categories coincide.
- For a given pair of categories, schedules of return differ significantly more when a mobility boundary intervenes than when members of the two categories operate within the same mobility system.
- Qualitatively different treatments of incompetence, dereliction, or unscheduled departure exist on either side of categorical lines.
- Barriers in mobility networks correspond closely to category edges—"glass ceilings" and the like.
- Relations between members of the same unequal categories differ significantly at interior boundaries and away from them.
- Categorical differences and taboos operate with respect to control over the firm's central resources.

All these organizational phenomena characterize gender differences in capitalist firms.

Past research on gender inequality, so often implicitly or explicitly individualist rather than organizational in its orientation, has left us less information about boundary work within organizations than we need to trace out the necessary causal connections. Nevertheless, a wide variety of findings concerning gender segregation of jobs and their connections with other jobs point in the expected directions. William Bielby and James Baron's punctilious examination of job segregation in California, for example, yields the following conclusion:

> If jobs are almost perfectly segregated by sex, authority hierarchies and career ladders are likely to be segregated as well. Preliminary analyses of our data on job hierarchies show that women in positions of authority almost always supervised other women, though it is also common for women to be supervised by men. Women are much less likely to be in jobs with promotion opportunities, and career ladders are typically

> longer for men. The few jobs containing men and women are mostly in entry-level slots at the bottom of organizational hierarchies, and typically women's promotion opportunities diminish almost entirely after moving a step or two beyond entry level. (Bielby and Baron 1986, 790)

The Bielby-Baron findings dovetail perfectly with the configuration of jobs and promotion opportunities that Reskin and Padavic found in their grocery chain. Similarly, Sharyn Roach's examination of lawyers working in corporate legal departments describes this situation:

> Women were located mainly in financial services and in medium-sized legal departments in lower-paying jobs with fewer opportunities. Men in-house counsel were employed in corporations in the manufacturing sector and in large departments that offered opportunities for career development and lucrative salaries. The different career outcomes of men and women in-house counsel resulted from organizational practices—hiring policies and job-allocation decisions—rather than from individual career choices or preferences. Career development especially appeared to depend on visibility to those in positions to make hiring decisions. (Roach 1990, 209; on similar sorting within law firms, see Rosenberg, Perlstadt, and Phillips 1993; Pierce 1995)

Both current assignments and mobility opportunities, in short, corresponded to gender boundaries within these firms. Similar patterns show up widely outside the world of legal professionals. We can reasonably conclude that whatever contributions male/female human-capital differences, employer preferences, opportunity hoarding, emulation, and adaptation make to gender inequality, exploitation also permeates today's American firms. South Africa is not the only country where exploitation drives categorical inequality.

Widespread coincidence of gender boundaries with exploitation-mobility frontiers within firms has an unexpected, fascinating implication: men should cast women in the conventional roles defined by exterior male/female relations more often *within* exploitation-mobility frontiers than *across* them. Despite greater equality in material rewards, we should find not only more male sexual predation toward females but also more casting of relations as brother-sister, son-mother, or father-daughter where men and women belong to the same crafts, professions, jobs, hierarchies, and mobility systems than where their organizational positions differ sharply. These effects should be exacerbated close to exploitation-mobility boundaries: for females who have recently arrived from across a boundary or in a previously all-male domain; for positions that span boundaries, as in the cases of temporary and probationary workers; for locations along contested and changing boundaries, as in the early phases of affirmative action. Once a gendered mobility boundary settles into place, adaptation occurs, and local knowledge accumulates, both men and women will generally accept the organizational definition of that boundary, will less frequently define relations across it in conventional familial or sexual terms, and will less often establish intimate relations.

Although she does not make the within-across comparison, Rosabeth Kanter identifies four "informal role traps" into which token senior women could easily fall at Indsco: mother; seductress; pet, or kid sister; and iron maiden, or virgin aunt (Kanter 1993, 233). She is talking about female/male relations within the same mobility systems, not across the exempt/nonexempt barrier. Kanter also points out that through sustained performance women sometimes evade the traps, especially if they wield significant power: "power wipes out sex." "On one occasion," she reports,

> a senior Indsco salesman told a long story to colleagues about a problem with a "very, very smart, tough-minded" president of a small company. The president had made good friends among a number of senior Indsco people and therefore managed to get all kinds of concessions. The salesman had to bring this to an end, as well as tell this very powerful client that there would be no credit for the material that had failed when her customers, in turn, used it . . . It took a long time for the audience to this story to realize that the salesman was saying "she." Some even interjected comments using "he." The salesman presented the story with such awe of the powerful customer that sex made no difference. He said later that she was someone he would eagerly work for. (Kanter 1993, 200)

Thus the salesman's colleagues began with standard sexual stereotypes and abandoned them only reluctantly.

Why should such casting occur more widely inside exploitation-mobility frontiers? Both because mobility boundaries encourage taboos on intimacy and because in their absence fellow workers turn to widely available scripts that govern relations between the sexes. Without denying that bosses occasionally seduce their secretaries, that doctors marry nurses more often than chance would predict, that male assembly-line workers sometimes make lewd remarks to passing female clericals, or that American slaveowners sometimes impregnated their female slaves, I speculate that explicitly gendered scripts drawn from routine social life outside a given organizational setting control fewer transactions across exploitation-mobility boundaries than within them. Recent sexual-harassment incidents in the American military appear to follow the expected pattern: male naval officers attacking female naval officers in the Tailhook scandal, male enlisted drill instructors attacking female recruits in the Aberdeen training base affair.

Indeed, a reciprocal effect may well occur: the establishment of strongly gendered relations across an exploitation-mobility barrier may induce the more powerful partner to obscure the barrier, to struggle against it, or to pull the partner across it, as when slaveowners manumit their slave mistresses and children (Stinchcombe 1995, 139). In general, people who erect exploitation-mobility boundaries also limit intimacy and unauthorized gender scripting across those boundaries.

Fear of just such gendered scripting within exploitation-mobility boundaries seems to impel operators of newly coeducational institutions to formulate elaborate counterscripts. When the Citadel military academy in Charleston, South Carolina, finally bowed to legal pressure and prepared to accept women in the fall of 1996, its authorities produced a new code of behavior that, among other things, maintained hazing ("adversative treatment") of newcomers by upperclass cadets but strictly regulated physical contact:

> Female cadets of the fourth class will receive the same adversative treatment as male fourth class cadets.
>
> An upperclass cadet does not touch a fourth class cadet (male or female) without first asking permission and stating the purpose and specific area(s) that will be touched (i.e. touch hand to correct salute or touch head to correct angle of hat). After receiving permission from the fourth class cadet involved, the upperclass cadet may touch only those

> areas that permission was granted to touch. This procedure is to be employed only for the purpose of providing instruction or correcting a uniform or posture discrepancy. Whenever this procedure is used, it will take place on the gallery and in full view of at least one other cadet. (Allen 1996, E7).

Other new regulations govern tucking shirts, showering, entering rooms, and walking or sitting together. More than anything else, the regulations block standard routines of courtship, sexual play, and harassment. What is more, the actual harassment of the four women in the first Citadel class to enter after these regulations were enacted combined the hazing that male workers have commonly given the first female entrants into their trades with the sort of rough treatment sometimes visited by fraternity men on their sorority neighbors: pouring nail polish on the women and setting their clothing afire, "entering the women's rooms in the middle of the night, singing sexually explicit songs and forcing alcoholic beverages on them in the dormitories," and so on (*New York Times* 1996a). Moreover, the men triumphed; two of the four female cadets left the academy in January 1997, declaring that harassment had driven them out (*New York Times* 1997). The academy's authorities had rightly anticipated "adversative treatment" based on exterior male/female categories rather than on the timeless traditions of military discipline.

Does such gendered scripting occur chiefly within rather than across mobility systems? Because previous research into gender relations at work has followed such different assumptions, we lack systematic evidence to confirm or deny this conjecture. Both Jean Reith Schroedel's life histories of women in predominantly male trades and Cynthia Cockburn's study of women's experience in self-consciously egalitarian organizations, nevertheless, indicate that some such process is going on: where they share a common fate, men map women into relations of gender bonding, rough courtship, or family long before they deal with them as asexual fellow workers. Cockburn relates how this happens:

> A top woman manager at High Street Retail reported a curious exchange with a senior male colleague who had been staring at her during meetings, behaving in a way she found unsettling. Eventually she asked

> him, "What's the matter?" He said, "I'm sorry, but I can't help it. Everytime I look at you I see my *wife*." She answered curtly, "That's your problem." But she commented to me on men's confusion in their experience of women in two worlds. "Men do have difficulty in seeing a woman as anything other than a secretary, a sex object or a wife." (Cockburn 1991, 95)

Still, sometimes men and women in the same mobility systems establish relations in which performance trumps gender. Elaine Canfield told Jean Schroedel about how much trouble fellow construction workers had accepting her and then reported:

> The crew I'm working with now—it's never been better. I'm accepted. They kid me like one of the guys. They pay me compliments. They treat me like an equal. It has been a real breakthrough. I've had other crews that have been really nice, but I know enough now so that I can talk business as well as pleasure. Not only am I compatible, but I feel they recognize me as a fairly good carpenter. I haven't had that recognition before. (Schroedel 1985, 39)

Many of the other women Schroedel interviewed told similar stories. Exploitation certainly continues to thrive in the construction industry, but Elaine Canfield is undermining exploitation's coincidence with gender. As "one of the guys," indeed, she is now enjoying the benefits of the opportunity hoarding practiced by all construction trades. She has overcome the indirect effects of categorical exploitation in other settings by acquiring visible job skills few other women have had a chance to learn. Driven by the imperatives of their craft, her fellow workers have adapted to her presence, joined with her in the creation of shared local knowledge, and largely abandoned the standard scripts of gender relations.

Experiences of men in predominantly female occupations seem to confirm the process illustrated by Elaine Canfield's eventual acceptance. When men first arrive on the job, women map them into available familial and sexual categories, only later shifting to criteria of competence in which gender plays little or no part. A fifth-grade science teacher, whom Jim Allan calls Bill, describes what happened to him:

> When I started in elementary education I was the only male teacher, and my reactions were always looked at a little differently, and they were judging me, I think, a little differently because I was a man. They wanted to see how I would handle the young kids' emotions . . . or if I'd be too macho. You know, I've had contact with a number of prejudging teachers as I've entered the field as an elementary teacher . . . People think the reason I'm doing the teaching is because I'm in athletics, and I think I've proven myself, at least in this school system, that my first priority is teaching. (Allan 1993, 118)

Construction worker Elaine Canfield and elementary teacher Bill mark, however, the great exceptions: the vast majority of women workers find themselves separated from the vast majority of men workers by frontiers of exploitation and job mobility.

If we enlarge our view from firms to the entire world of work, furthermore, we begin to see that crucial boundaries of exploitation—as always, in the sense of categorically unequal rewards for value added by pooled effort—often form not within firms but at their edges. With respect to male / female relations, households provide the crucial sites. Whatever else households do, they reproduce the labor power that firms deploy. Despite enormous increases in women's paid employment in firms since World War II throughout the capitalist world, women continue to perform the vast bulk of household labor, the essential work of reproducing labor power through feeding, cleaning, child care, health care, personal service, and emotional support. Where their husbands hold high-ranking occupations, wives commonly perform directly in their spouses' working worlds, regardless of their own commitments, as hostesses, symbols of success, and members of influence networks. Women contribute these efforts for far less material reward than the value they add to the relevant firms' production. Within firms, among firms, and between households and firms, categorical inequality enhances and results from the gains of exploitation.

Nor is gender inequality in rewards for work a peculiarity of capitalist labor markets. Feminist critics of capitalist work are surely right to accent contradictions between declarations of equal opportunity and practices of enduring gender inequality, as well as to pinpoint job segregation as a crucial mechanism producing unequal rewards. But their opponents properly point out how regularly noncapitalist economies have also instituted gender-divided exploitation, with women contributing major efforts to production while getting less than value added as their rewards. The form and degree of gender exploitation have varied greatly, but no economy so far has lived without it.

How, then, does exploitation interact with opportunity hoarding, emulation, and adaptation? Very strongly, as succeeding chapters will show.