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# Toward an Integrated Theory of Social Stratification

By DOUGLAS BOWLES

**ABSTRACT.** In the discipline of sociology, Marx, Durkheim, and Weber represent “classical” approaches to the study of stratification, from one or another of which most modern theory derives. In economics, Veblen’s *Theory of the Leisure Class* represents an under-utilized alternative to Marxian class analysis.

The argument advanced in this article is that a close reading of the introductory chapter to Veblen’s *Theory of the Leisure Class* provides a useful framework for productive integration of the diverse traditions of stratification theory and class analysis descending in sociological thought from Marx, Durkheim, and Weber.

## The Need for Theoretical Integration

For those trained primarily in the discipline of economics, opportunities to investigate the domain of social stratification and class analysis are limited, for the most part, to the Marxian framework. And within the discipline of economics as a whole, of course, Marxian analysis remains a relatively marginal enterprise. One familiar with diverse bodies of economic thought and not yet an economist, however, might wonder why Veblen and the “institutional” tradition that follows him might not also be cited as a similar opportunity, for Veblen made his reputation with publication of *The Theory of the Leisure Class* in 1899. An economist of the institutional persuasion would know that those following Veblen have made little use of that particular patch of plowed ground. And contemporaneously, the institutional economists who find class analysis to be of interest usually return to Marx for their inspiration.

Sociologists, on the other hand, experience an embarrassment of riches when it comes to the field of social stratification: they own it—lock, stock, and barrel, as the saying goes. Marx, Durkheim, and Weber stand on the disciplinary horizon like the Patriarchs of Zion; almost all contemporary stratification theory and research in sociology

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traces itself back, in some fashion, to one of these three. Interestingly enough, Veblen is also marginally known to stratification sociologists, where he is usually characterized (typically in a throw-away manner) among “consumption” theorists—kind of an antique American proto-Bourdieu.

Social stratification can be succinctly defined as *the systematically unequal distribution of power, wealth, and status* (Kerbo 2000).<sup>1</sup>

In turn, *power, wealth, and status* can be thought of as the *primary dimensions* of stratification. Each of the Three Patriarchs (Marx, Durkheim, Weber) takes a different theoretical view of the relationship of these three dimensions. For Marx (1844, 1845, 1859, 1867, 1875, 1885; Marx and Engels 1848), wealth is the primary dimension; power and status are derivative, and the relevant empirical domain is the structure of property ownership. Durkheim (1893), in contrast, sees social status (related to the exemplification of certain social norms) as the primary dimension of stratification, with income (and consequent wealth) as derivative; for this approach, the relevant empirical domain is the occupational structure. As the antecedent of functionalist sociological theory, Durkheim largely ignores the role of asymmetric social power relations and, further, views social relations as essentially harmonious, finding the higher status accorded to certain occupations to be socially beneficial, or *functional*.<sup>2</sup> Weber (1921) argues that the three dimensions are theoretically independent, while his work on the evolution of rational bureaucratic authority structures implicitly places great emphasis on the power dimension.

Any complete empirical specification of stratification for industrial capitalist societies requires the utilization of all three empirical domains engaged by the theoretical work of the Three Patriarchs: the property, occupational, and bureaucratic power structures. Yet, we lack any integrated theoretical approach with the capacity to drive, or organize, that specification. It is the purpose of this article to advance the proposition that Veblen (1899) in fact provides us with a sufficiently robust theoretical view of stratification that we may utilize it as a framework for the theoretical integration of Marx, Durkheim, and Weber. This integrated framework will, in turn, lay the groundwork for a comprehensive empirical specification of stratification in industrial capitalist societies, entailing the property, occupational, and bureaucratic authority structures. While the

current effort may represent only a down-payment on such an ambitious project, it's my hope that it will be seen to provide at least a minimal baseline formulation. And, to accomplish this, all that will be required of Veblen is a relatively close reading of his short introductory chapter to *The Theory of the Leisure Class*.

### **The Theory of the Leisure Class: Introductory Chapter**

Veblen begins by looking at feudal, or what he frequently calls "barbarian"<sup>3</sup> society, where he finds the institution of a leisure class first appearing at its "best development."

The institution of a leisure class is found in its best development at the higher stages of the barbarian culture; as, for instance, in feudal Europe or feudal Japan. In such communities the distinction between classes is very rigorously observed; and the feature of most striking economic significance in these class differences is the distinction maintained between the employments proper to the several classes. The upper classes are by custom exempt or excluded from industrial occupations, and are reserved for certain employments to which a degree of honour attaches. Chief among the honourable employments in any feudal community is warfare; and priestly service is commonly second to warfare. (Veblen 1899: 21)

. . . Manual labour, industry, whatever has to do directly with the everyday work of getting a livelihood, is the exclusive occupation of the inferior class. This inferior class includes slaves and other dependents, and ordinarily also all the women. (Veblen 1899: 22)

Veblen identifies a clear distinction between "the employments proper to the several classes." Industrial employments, "whatever has to do directly with the everyday work of getting a livelihood," are the exclusive occupation of the "inferior" class. The upper classes, are, in contrast, "reserved for employments to which a degree of honor attaches," specifically warfare and priestly service.

Why does this difference in accorded status exist between what Veblen identifies as the "industrial" and the "non-industrial" employments of barbarian, or feudal, societies? The answer to that question requires a bit more historical excavation, and for this he looks to the "lower stages of barbarism," as exemplified by "nomadic hunting tribes in various parts of the world," where we "no longer find the leisure class in fully developed form" (Veblen 1899: 22).

The work of the men in the lower barbarian culture is no less indispensable to the life of the group than the work done by the women. It may even be that the men's work contributes as much to the food supply and the other necessary consumption of the group. Indeed, so obvious is this "productive" character of the men's work that in . . . conventional economic writings *the hunter's work is taken as a type of primitive industry*.<sup>4</sup> But *such is not the barbarian's sense of the matter*. In his own eyes he is not a labourer, and he is not to be classed with the women in this respect; nor is his effort to be classed with the women's drudgery, as labour or industry, in such a sense as to admit of its being confounded with the latter. There is in all barbarian communities *a profound sense of the disparity between man's and woman's work*. (Veblen 1899: 23)

Here, Veblen refers to what he describes as "a profound sense of disparity [in barbarian communities] between man's and woman's work," according to which the man's work may "conduce to the maintenance of the group," but in the process of doing so, exhibits an "excellence or efficacy of a kind that cannot without derogation be compared with the uneventful diligence of the women" (Veblen 1899: 23).

But what is the nature, the source, of this excellence, or efficacy? Veblen next extends his analysis to a discussion of *predation and exploit*, practices that both entail the appropriation of surplus. He observes that the fully developed leisure class of feudal society "emerged gradually during the transition from primitive savagery [or tribal society] to barbarism" or, more specifically, from "a peaceable to a consistently warlike habit of life," subject to two apparently necessary conditions:

(1) the community must be of a predatory habit of life (war or the hunting of large game or both); that is to say, the men, who constitute the inchoate leisure class in these cases, must be habituated to the infliction of injury by force and stratagem; (2) subsistence must be obtainable on sufficiently easy terms to admit of the exemption of a considerable portion of the community from steady application to a routine of labour. The institution of a leisure class is the outgrowth of an early discrimination between employments, according to which some employments are worthy and others unworthy. Under this ancient distinction the worthy employments are those which may be classed as exploit; unworthy are those necessary everyday employments into which no appreciable element of exploit enters. (Veblen 1899: 24–25)

The honorable or worthy employments that eventually evolve into the feudal leisure class are, thus, those that originate in primitive, tribal societies, and that may be classed as predatory, and/or exploitative. It's clear from this passage that the salient distinction between industrial and non-industrial occupations in primitive and feudal societies is the capacity of non-industrial occupations for "predation," or "exploit." And it's also clear that both of these entail a capacity for the appropriation of surplus product. We must note that such capacities were perceived under these social arrangements as both *instrumentally important*, and *fundamentally superior* to the "uneventful diligence" required of the industrial occupations.

But the basis for regard of non-industrial occupations as fundamentally superior to industrial ones remains, at this point, obscure. Finally, Veblen draws out the connection between predation, exploit, and what he calls *prowess* (which we can understand as a typical, charmingly archaic Veblenian expression that connotes a capacity for the exercise of *coercive power*).

The tacit, common-sense distinction to-day is, in effect, that any effort is to be accounted industrial only so far as its ultimate purpose is the utilisation of non-human things. The *coercive utilisation of man by man* is not felt to be an industrial function; but all effort directed to enhance human life by taking advantage of the non-human environment is classed together as industrial activity. By the economists who have best retained and adapted the classical tradition, man's "power over nature" is currently postulated as the characteristic fact of industrial productivity. This industrial power over nature is taken to include man's power over the life of the beasts and over all the elemental forces. A line is in this way drawn between mankind and brute creation. (Veblen 1899: 26)

Here, Veblen articulates the understanding that governs the modern distinction between "industrial" and "non-industrial" activity. Man's "power over nature" is the characteristic fact of modern industrial productivity, and includes power "over the life of beasts and over all the elemental forces." What is the characteristic fact of modern "non-industrial" activity? The "coercive utilization of man by man."

In what Veblen calls the savage or the barbarian scheme of life, the understanding that governs the distinction between what constitutes industrial vs. non-industrial activity is similar but not identical to the modern view. He describes this as to do with the distinction between

activity dealing with what is animate, and what is inert. The crucial difference for the barbarian or savage is that the category of animate includes humans, but it also includes such striking natural phenomena as a storm, a disease, a waterfall. These are included because in the apprehension of the *animistic* savage or barbarian, they are formidable by virtue of a *real* or *imputed* habit of initiating action.

To the class of things apprehended as animate, the barbarian fancy imputes an unfolding of activity directed to some end. It is this teleological unfolding of activity that constitutes any object or phenomenon an “animate” fact. Wherever the unsophisticated savage or barbarian meets with activity that is at all obtrusive, he construes it in the only terms that are ready to hand—the terms immediately given in his consciousness of his own actions. Activity is, therefore, assimilated to human action, and active objects are in so far assimilated to the human agent. (Veblen 1899: 27)

The concluding point is driven home in these two sentences:

Phenomena of this character—especially those whose behaviour is notably *formidable* or *baffling*—have to be met in a different spirit and with proficiency of a different kind from what is required in dealing with inert things. To deal successfully with such phenomena is a work of exploit rather than of industry. It is an assertion of *prowess*, not of *diligence*. (Veblen 1899: 27)

For Veblen, it is the *instrumental* demonstration of prowess in dealing with active agents (the successful application of *coercive power*) upon which the system of social stratification ultimately and historically rests. Wealth (appropriated surplus) and status are the clear derivatives.<sup>5</sup>

By now, it should be clear that Veblen has neatly worked his way through all the fundamental theoretical drivers of stratification that concerned the Three Patriarchs: occupation and status (Durkheim), exploitation and wealth (Marx), and power (Weber). He has done this by tracing their evolutionary path from and through what he calls savage and barbarian societies (which we will subsequently refer to as primitive and feudal) to modern industrial society. In the chapters to follow, bearing titles now embedded in both our literary and scholarly lexicon (titles such as “Pecuniary Emulation” and “Conspicuous Consumption”), Veblen goes on to critique the customs, motives, and behaviors of the modern industrial leisure class with the sonorous phrasing, acid wit, and

astonishing vocabulary that made him a household name with publication of that work at the turn of the 20<sup>th</sup> century.

And yet, with regard to the project of a comprehensive analysis of stratification in modern industrial society, what he left us is as tantalizingly incomplete as that for which Marx is known. But it remains an analysis that can be built upon, if we are so inclined, and built upon in such a way (here executing a deft metaphorical shift) so as to convert the competition of the Three Patriarchs into the fellowship of the Three (or is it now Four?) Musketeers.

**Empirical Specification of the Modern Industrial Class Structure**

Figure 1 is designed to both summarize the foregoing explication of Veblen, and to indicate how it can be applied to a subsequent

Figure 1

Veblen's *Theory of The Leisure Class* (Chapter 1)—evolution of stratified social roles: invidious and instrumental distinctions

Power	Demonstrations of "prowess" in dealing with active agents		Demonstrations of "diligence" in dealing with inert materials
	"Natural" prowess: predatory, protective, productive	"Supernatural" prowess: pseudo-instrumental and instrumental	
Wealth	Exploit (appropriation of surplus product)		Industry (elaboration of the material means of existence)
Status	Honorable (or worthy) employments		Dishonorable (or unworthy) employments
Primitive Tribal or "Savage" Societies	Warrior, Hunter	Shaman	Domestic Labor
Feudal European or "Barbarian" Societies	The Aristocracy, Feudal Landlords (the "2nd Estate")	The Roman Catholic Clergy (the "1st Estate")	"Commoners" Peasants, Artisans, etc. (the "3rd Estate")
Industrial Capitalist Societies	Capitalists The Propertied Classes The Leisure Class The Power Elite Managerial, Entrepreneurial Occupations	Professional Occupations	Working Class Occupations



comprehensive analysis of the stratification systems that prevail in societies organized along the lines of modern industrial capitalism.

Invidious is one of Veblen's favorite adjectives. With its use he aims to describe "a comparison of persons with a view to rating them in respect of relative worth or value" (Veblen 1899: 40). He also says that the term is used in a technical sense, with no intention to extol or deprecate, or to commend or deplore, any of the phenomena that the word is used to characterize. However, standard definitions of the term do in fact entail such an intent, according to which an invidious comparison is one that is offensively, or unfairly, discriminating. Thus, Veblen's application of the term invidious also entails the implication not only of a process of valuation, but of an unwarranted process. It is this sense of the term that ultimately gives rise to a methodological approach characteristic of the school of institutional economics that has come to be known as the Veblenian, or analytical, dichotomy.

The top section of Figure 1 summarizes the distinctions found in our earlier reading of Veblen for each of the primary dimensions of stratification. Note that these fall into a correlated dichotomous relationship: employments that constitute demonstrations of prowess in dealing with active agents vs. diligence in dealing with inert materials, entail exploit in the appropriation of surplus vs. industry in its production, and that are thereby accorded honorable (or worthy) vs. dishonorable (or unworthy) status. The lower section of Figure 1 illustrates the historical social evolution of the occupational and class structure through this correlated dichotomy. Veblen's own analysis is represented with a schematic stratification structure of savage, or primitive, societies and those described as barbarian, or feudal. My proposed application of this analysis to modern, industrial, capitalist societies is represented in the third row of the second section. The more obvious sense in which these distinctions can be characterized as invidious is with the internal social accordance of higher status to occupations that are of a predatory, exploitative character vs. the lower status that is accorded to occupations that are productive of material subsistence and surplus. Less obvious, but no less crucial to our analysis, may be the sense in which Veblen himself, despite his apparent disclaimer, implicitly regards these distinctions as

unwarranted. To get at this more obscure but crucial understanding, it is unavoidably necessary for us to invest a bit of time in a more detailed elaboration of the dichotomy itself. At the same time, this elaboration will also allow us to gain a more specific understanding of what is meant with our employment of the term “instrumental.”

Veblen was very much a *modernist*. He accorded both the natural and social sciences a superior position among the practices of human culture.<sup>6</sup> This, of course, runs very much against the *post-modern* grain, of which if anything may be said in a summary fashion, is most suspicious of the “privileged” position uncritically accorded to science as the handmaiden of industrial power and domination, wealth, and status. Following Veblen, we continue to assert the superior position and instrumental value of science (understood as disciplined, reasoned inquiry and valuation) in human culture; we would argue, however, that this need not offend the post-modern sensibility described above if we are prepared to thoroughly and systematically employ those practices in a critical analysis of the privileges (and abuses) of power, wealth, and status, which is of course precisely the purpose of this exercise.<sup>7</sup>

The fundamental nature of the analytical dichotomy is grounded in the distinction between a scientific versus an un-scientific approach (see above) to the problems of both knowledge and value. The old positivist duality of fact and value has long been discredited in the philosophy of science, although an unreflective positivism still has its adherents among practitioners in both the natural and social sciences. But the kind of social science grounded in Veblen’s thought has never subscribed to that positivist fallacy. Veblenian analysis, later buttressed by the incorporation of Deweyian pragmatism,<sup>8</sup> has always asserted that while the problems of knowledge and value may be different from one another, both are susceptible of solution through the rational, instrumental processes of inquiry and valuation. Both processes are crucial. Both are necessary to the successful solution of social problems. Neither, by itself, is sufficient.

Figure 2 presents two contrasting “alignments” of elements typically represented in the Veblenian dichotomy. The *instrumental* and *pseudo-instrumental* (or invidious) alignments<sup>9</sup> can be thought of as representing different paired processes with different outcomes. The

Figure 2  
Knowledge, value, social stratification, and human nature in the Veblenian (analytical) dichotomy:  
pseudo-instrumental (invidious) and instrumental alignments

Knowledge, Value, Social Stratification, and Human Nature in the Veblenian Dichotomy Instrumental and Pseudo-Instrumental (Invidious) Alignments (Portrayal of elements in normal typeface reflects positive instrumental valuation; portrayal in italics reflects instrumental negativity.)			
Instrumental Alignment		Pseudo-Instrumental (Invidious) Alignment	
Positive Instrumental Valuation	Negative Instrumental Valuation	Positive Pseudo-Instrumental Valuation	Negative Pseudo-Instrumental Valuation
Process: methods of inquiry and valuation	Process: methods of inquiry and valuation	Process: methods of inquiry and valuation	Process: methods of inquiry and valuation
Instrumental Science; Reason	<i>Ceremonial, invidious Tradition &amp; myth; Doctrine, Unreason</i>	Instrumental Science; Reason	<i>Ceremonial, invidious Tradition &amp; myth; Doctrine, Unreason</i>
Actual outcomes: knowledge and value		Actual outcomes: knowledge and value	
Warrantable knowledge & value: Accuracy, clarity, truth	<i>Unwarrantable knowledge &amp; value: error, confusion, falsehood</i>	Warrantable knowledge & value: Accuracy, clarity, truth	<i>Unwarrantable knowledge &amp; value: error, confusion, falsehood</i>
Perceived outcomes: knowledge and value		Perceived outcomes: knowledge and value <sup>1</sup>	
Same as <b>Actual</b>	Same as <b>Actual</b>	Warrantable knowledge & value: Accuracy, clarity, truth	<i>Unwarrantable knowledge &amp; value: error, confusion, falsehood</i>
Dimensions of stratification <sup>2</sup>			
High status: honorable, worthy	Low status: dishonorable, unworthy	High status: honorable, worthy	Low status: dishonorable, unworthy
Instrumental prowess ... ... natural (protective) & productive Diligence & Industry	<i>Pseudo-instrumental prowess ... ... natural (predatory) &amp; supernatural Exploit</i>	Instrumental prowess ... ... natural (protective) & productive Diligence & Industry	<i>Pseudo-instrumental prowess ... ... natural (predatory) &amp; supernatural Exploit</i>
Capitalist roles of production (occupations)		Capitalist roles of production (occupations)	
Industrial	<i>Pecuniary</i>	Pecuniary	Industrial
Human "Instincts" <sup>3</sup>		Human "Instincts" <sup>3</sup>	
Workmanship Idle curiosity Nurture (Parental bent)	<i>Ownership Vested interest Predation</i>	Ownership Vested interest Predation	Workmanship Idle curiosity Nurture (Parental bent)
<sup>1</sup> Inversion of the perceived outcomes of instrumental and ceremonial processes is the source of "pseudo-instrumentality." This inversion gives the pseudo-instrumental alignment its "invidious" character.			
<sup>2</sup> Inverted alignment of higher status with predatory and exploitative social roles, and lower status with protective and productive roles, adds a further invidious dimension to the pseudo-instrumental alignment.			
<sup>3</sup> This depiction of the Veblenian "Instincts" represents conventional historical treatment. See Concesiao and Dean (2010) for a more contemporary and robust inventory of the the Veblenian instincts and analysis of their relationship to institutionalized habits of thought. In either case, note that the pseudo-instrumental alignment correlates with a traditional (conservative), predatory, authoritarian worldview (i.e., view of human nature), while the instrumental alignment correlates with a more modern (liberal/progressive), nurturant, communitarian view.			

typical representation of the dichotomy is that of the instrumental alignment, portrayed on the left side of Figure 2. There, looking first at the top section only, instrumental processes of inquiry and valuation result in the production of “warrantable” knowledge and value. In the instrumental alignment, these actual outcomes of instrumental processes are accurately perceived and valued positively. In contrast to the warrantable knowledge and value produced by instrumental processes of inquiry and valuation, we find “unwarrantable” knowledge and value to be a function of the repressive influence of past and existing social arrangements as embodied in myth and tradition. From an instrumental perspective, the unwarrantable outcomes of this ceremonial process are likewise accurately perceived, but negatively valued.

On the right side of Figure 2, top section, we find the pseudo-instrumental, or invidious alignment of the dichotomy. Pseudo-instrumentality exists where ceremonially validated processes of inquiry and valuation, grounded in tradition, myth, and doctrine—the actual outputs of which (in terms of knowledge and value) are not warrantable—are nevertheless perceived to be so. It is this inversion of the warrantable character of the perceived outcomes of instrumental and ceremonial processes that is the origin of pseudo-instrumentality. And, it is this inversion that gives the pseudo-instrumental alignment its fundamentally invidious character.

In the lower section of Figure 2 we see the application of the dichotomy as represented in its top section to the dimensions of stratification already laid out in the top section of Figure 1, toward which our attention is now about to return.<sup>10</sup> Before that can happen, however, there remain two principal points to be made here with regard to the alignment of the dimensions of stratification in Figure 2. First note that, within the pseudo-instrumental alignment, higher status is accorded to the pseudo-instrumental distributive or re-distributive employments (exploit), with lower status accorded those that are genuinely instrumental with regard to actual production of material goods (diligence and industry). This is consistent with what we were able to identify (in the initial discussion of Figure 1) as the more obvious invidious quality of these distinctions. Second, now that we have sufficiently elaborated the instrumental and pseudo-

instrumental qualities of the analytical dichotomy, we are now adequately positioned to understand the critical distinctions we must make in our analysis of *instrumental* and *pseudo-instrumental prowess*.

The world is a difficult and dangerous place, filled with “formidable or baffling”<sup>11</sup> phenomena: storms, earthquakes, floods, disease, vast continents and oceans to be traversed, predators, and prey; sometimes the predators, or the prey, are other people. Sometimes other people are whole tribes, or nations, or societies, or peoples; sometimes they are members of the same community. Veblen connects the emergence of stratified society with the emergence of a “predatory habit of life,” where “subsistence must be obtainable on sufficiently easy terms to admit of the exemption of a considerable portion of the community from steady application to a routine of labour.” He characterizes what we can call predation as “the infliction of injury by force or stratagem.”<sup>12</sup> Given what we have already elicited from Veblen’s analysis, we can here connect the infliction of injury by force with the idea of prowess, and by stratagem with the idea of exploit. Both are connected with the appropriation of surplus product.

However, one thing Veblen actually neglects to take into explicit account here is that in dealing with or defending against danger or difficulty, including the predatory behavior of other people, prowess can (and sometimes must) exhibit a crucial instrumental, *protective* quality. Further, when Veblen does acknowledge what he explicitly refers to as the *productive* character of the predatory hunt, commonly understood as a “type of primitive industry” (in contemporary, conventional economics)<sup>13</sup> he is implicitly acknowledging another aspect of genuinely instrumental prowess.

Now, let us return, as promised, to the analysis of Figure 1. In the top row, “demonstrations of prowess in dealing with active agents” are divided into the *natural* and the *supernatural*. In the primitive world, demonstrations of supernatural prowess over formidable dangers or adversaries lie in the domain of what we typically call shamanism, or the practice of primitive magic, in which the powers of supernatural entities are invoked. These imagined powers can, from a modern perspective, clearly be regarded as pseudo-instrumental in fact. (In what sense can supernatural prowess be

viewed as instrumental, as is also indicated there? The answer to that question will be provided in due course.) Demonstrations of natural prowess lie in the domain of the warrior and the hunter. In accordance with the discussion above (of instrumental prowess and predation), these powers can be viewed as either predatory and (re)distributive (pseudo-instrumental) or protective and productive (instrumental).<sup>14</sup>

The evolution of occupational and class structures from primitive to feudal societies represented in Figure 1 appears relatively straightforward. The roles of warrior and hunter evolve into those of feudal landlords and the noble or aristocratic classes; in feudal Europe, the Catholic clergy assume the roles and status accorded to the demonstrations of supernatural prowess. Both of these classes are wealthy, in terms of the ownership of the only category of productive property in existence during that historical period: land. That is, both of these classes demonstrate their prowess, natural and supernatural alike, in terms of the capacity for appropriation of surplus. These can also be described as the propertied classes. Everyone else—serfs, peasants, artisans, merchants—the unworthy, industrial occupations—all belong to the class of commoners, to the third estate, the un-propertied classes.

The evolutionary path of occupational and class structures from feudal to industrial society is, of course, more complex. First, we must explicitly recognize the astonishing transformation of society represented by the emergence of capital as a new form of productive property that forms the basis of appropriated wealth for an entirely new class. The simplest and yet most eloquent description of this emergence ever penned still belongs to Marx and Engels (1908: 14) in the *Manifesto*:

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjection of Nature's forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalisation of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour?

Ownership of these productive forces, together with the capacity for the appropriation of surplus from the newly created working classes who were forced off the land and into the urban factory system, raises up a new, industrial propertied class: the capitalist, the *bourgeoisie* indicted by Marx, or the “leisure class” later pilloried by Veblen. In this system, the capacity of the captains of industry to appropriate surplus is ultimately conflated with the historical status accorded to the demonstration of natural, predatory prowess. The actual mechanism, however, by which the appropriation of surplus is accomplished is not that of predatory prowess—the infliction of injury by force—but by stratagem. This, after both Marx and Veblen, we call exploit.

Notice that for the industrial system, occupational roles and classes other than the capitalist (specifically, the managerial and entrepreneurial) also participate in the appropriation of surplus under the aegis of natural prowess, while the demonstration of supernatural prowess, together with its share of appropriated surplus, is now attributed to the role of something called professional occupations. Meanwhile, industrial occupations (those involved with elaboration of the material means of existence) are now identified with what is called the working class.

Taken together, managerial, professional, and entrepreneurial occupations constitute the middle classes of modern industrial capitalism. Entrepreneurial occupations can be identified with the Marxian *petite-bourgeoisie*, or what is often called the old middle class. Managerial and professional occupations, which emerge from the later development of bureaucratic corporate structures, are commonly referred to as the new middle classes.<sup>15</sup>

By use of the term *power elite* (which can also be a bit more widely viewed as the corporate class), we refer to the amalgamation of institutional, bureaucratic corporate authority rising from the nexus of certain dominant economic, political, educational, and military institutions.<sup>16</sup> The power elite is comprised of those members of the propertied classes who take active executive (and/or directorship) roles in these key institutions, and those members of the managerial and professional classes—the best and the brightest—recruited by them.

At the level of analysis described above, the class structure of industrial capitalism can be fundamentally defined in terms of a *pluralistic relationship to the social surplus*.<sup>17</sup> This is in contrast with the fundamental Marxian distinction between the *bourgeoisie* and the *proletariat*, which is conceived in terms of a *dualistic relationship to the means of production*.<sup>18</sup> The definitive relationships can be stated as follows:

- The *propertied classes* own a share of the surplus sufficient to produce income adequate to maintain a socially determined, appropriate level of consumption.<sup>19</sup> Members of these classes do not need to work for income (thus, the *leisure classes*) but they often do. And when they do, it is typically in roles that place them among the power elite; in these roles, they work both to exercise power and to build additional wealth.
- The *professional, managerial, and entrepreneurial classes* can potentially earn incomes sufficiently in excess of socially determined levels of consumption (for their class) to acquire a share of the surplus. The goal of surplus acquisition, of course, is membership in the propertied classes. Whether or not this is in fact achievable for any given individual depends, at least in the cases of the managerial and professional classes, on their recruitment and promotion into the power elite.
- The *working classes* can earn no more than a (socially determined) *subsistence* income, by which we mean that all income is consumed. Saving is possible in theory, but full consumption of income, and even the accumulation of consumer debt, is the norm. Retirement savings are eventually consumed, and any implicit income realized by means of unmortgaged home ownership is not sufficient to a life of leisure at any consumption level.
- The *underclass* cannot earn its own subsistence income, and must be socially subsidized. While definition and use of the term *underclass* has a somewhat contested history, its definition here is relatively circumscribed and is consistent with most past usage.

These class divisions, as noted above, are made in terms of a specified relationship to the social surplus, namely, the capacity to



The Skills Matrix: instrumental differentiation of the middle and working classes

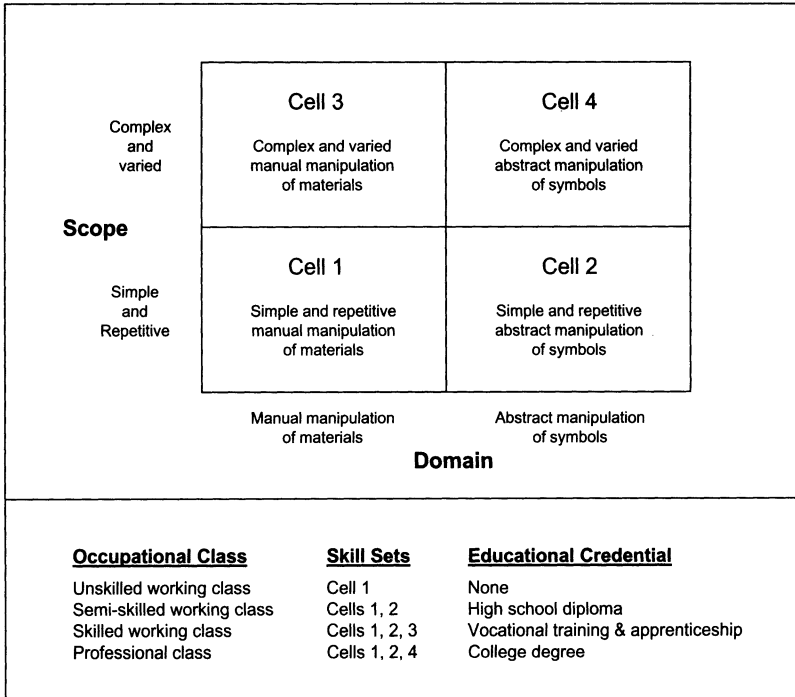
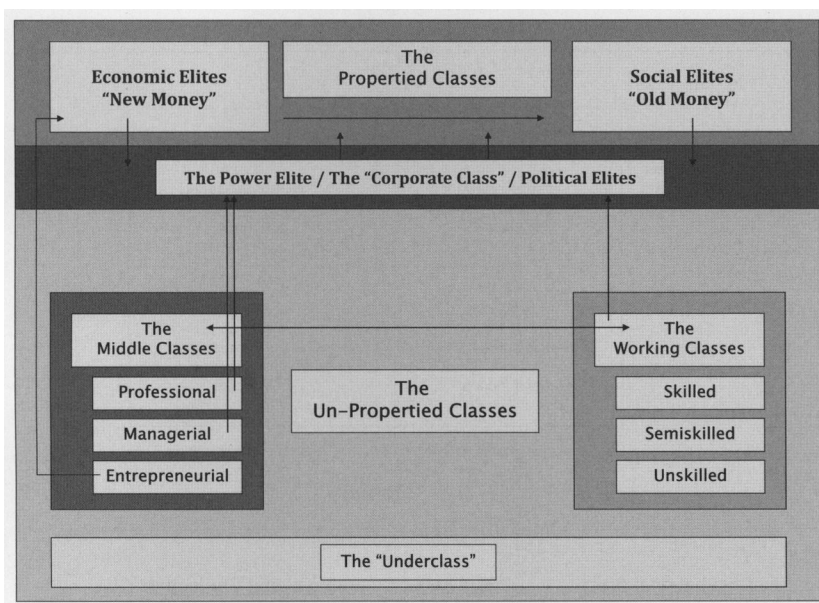


Figure 3 is constructed in two dimensions. The horizontal dimension represents a distinction between the material and the symbolic

Figure 4

Dynamic model of the integrated stratification system



domains of human activity.<sup>20</sup> The vertical dimension measures the scope of these activities, from the simple and repetitive to the complex and varied. Plotting the covariant possibilities for these dimensions produces a matrix with four cells.

Located in each of these four cells is a relatively distinct range of human activities. It is called the Skills Matrix because we are interested in the corresponding skill sets that are required to perform these activities. Note that skill sets are necessarily cumulative vertically, but not horizontally. That is, the skill sets required for the activities defined in Cell 3 are necessarily sufficient for performance of the activities of Cell 1; likewise for Cells 4 and 2. The same relationship does not exist on the horizontal dimension between Cells 2 and 1, or between Cells 4 and 3. This can be explained with the understanding that the scope of activity is an arbitrarily dichotomized representation of what is in reality a continuous, quantifiable variable. In

contrast, the distinction between the material and symbolic domains of human activity represents a genuinely qualitative, non-quantifiable dichotomy.

Appearing below the Skills Matrix in Figure 3 is the differentiation of occupational class according to the skill sets required for each. Each occupational skill set is identified with a distinct educational credential. The skill set requirements can be thought of as cumulative for what are identified as the unskilled, semi-skilled, and skilled working classes. Whether the skill sets of Cell 1 are considered cumulative for professional class occupations is largely moot.

The Skills Matrix demonstrates quite clearly how the instrumental capacity of working-class skills are related to what Veblen called the "industrial employments," which were concerned with elaboration of the material means of existence. We can view the instrumental skill sets of professional class occupations, which entail the complex and varied abstract manipulation of symbols, as representing the evolution of pseudo-instrumental, supernatural demonstrations of prowess governed by superstition, magic, and religion into instrumental demonstrations of cognitive prowess obtained via the studied application of reason and scientific method.

Analysis of the instrumental character of managerial and entrepreneurial occupations might at first glance appear to lie outside the bounds of the Skills Matrix. These occupations constitute demonstrations of natural predatory prowess by means of their command role in the economic/business system, and their associated capacity for the exploitative appropriation of surplus. However, in addition to the predatory aspect of this natural prowess indicated by the capacity to appropriate surplus, we must consider its potential instrumentality. This is best viewed in terms of the idea of *leadership*, which in turn must be viewed, at least initially, in terms of the military hierarchy on which the business system is modeled. This connects the idea of business or managerial leadership with the protective instrumentality of natural prowess. However, genuine leadership must ultimately be viewed in terms broader than those of strictly instrumental protective capacity. Genuine leadership is *visionary*, and that has an instrumental quality all its own that is connected with a capacity for the manipulation of certain classes of abstract symbols, whereupon we suddenly,

and somewhat surprisingly, find ourselves back in Cell 4 of the Skills Matrix.<sup>21</sup>

We are now positioned to present a dynamic model of the integrated stratification system, which appears in Figure 4. Three principal strata are shown, with the propertied classes at the top and the un-propertied classes at the bottom, mediated by the power elite. We can think of the distinction between the propertied and the un-propertied classes as the fundamental Marxian distinction between capitalist and worker, bourgeoisie and proletariat. As noted earlier (see endnote 16), the power elite is fundamentally a Weberian bureaucratic structure grounded in rational-legal authority. Although it may not be immediately evident, the un-propertied stratum is identically equivalent to the occupational structure. That is, no occupational roles appear in either the propertied or power elite strata that are not already defined among the un-propertied classes. This neatly illustrates the fundamental flaw in the functionalist approach to stratification,<sup>22</sup> which is carried out entirely in terms of the occupational structure: from that perspective, the upper strata are invisible. But note that in using the approach laid out here so far, we have not only utilized the occupational structure in a fundamental way, but we have also incorporated an analysis of its functional (or instrumental) qualities. In fact, we have gone beyond preserving the basic functionalist assumption and have actually identified some of the specific functional mechanisms at play (such as elaboration of the material means of existence, protective instrumental prowess, and so on). Yet, all this remains fully integrated with both the Marxian and Weberian views.

It remains to discuss the dynamics of the system. In terms familiar to stratification theorists and researchers, what we are talking about now are the paths of mobility.<sup>23</sup> These are illustrated in Figure 4 by the directional arrows; some have already been alluded to in earlier discussion. The recruitment of the professional and managerial classes into the power elite represents the opportunity to participate in the appropriation of surplus and advance into the propertied classes. The path of advancement for the entrepreneurial class bypasses the power elite and, with the accumulation of sufficient wealth, takes the successful entrepreneur directly into the ranks of the propertied classes.

Note, however, that this movement is into something designated as the *economic elites*. Full specification of the stratification system must also account for the presence of another category of elites in the propertied class: the *social elites*, or what is often referred to colloquially as "old money." Here is the invidious distinction referred to earlier that differentiates the propertied classes. Advancement of newly minted economic elites into the ranks of the social elite is only possible through the inter-generational process of what we may succinctly refer to as *prep-school socialization*. True membership in the social elite is not possible for first-generation economic elites: the only path of entry is for their children to gain admission to the designated preparatory schools, where they will then become socialized with the children of adult social elites, and in that way become their social peers.<sup>24</sup> Gradations of status within the families of the social elite are related (but not limited) to the number of generations their membership has endured. Both economic and social elites, as members of the propertied (or leisure) classes, can choose whether or not to assume (or perhaps compete for) positions of institutional power and influence among the power elite.

Professional, managerial, and entrepreneurial occupations that do not advance into the upper strata are unable to appropriate a share of the surplus, and thus remain among the un-propertied classes. For this reason, movement between middle-class and working-class occupations is portrayed as essentially horizontal. We should note, however, that middle-class occupations still retain both the instrumental and invidious qualities of their occupations that set them apart from the working classes, even though these qualities are not adequately positioned in the system for successful surplus appropriation. Thus, we will observe that gradations of income and of status among these occupations will still apply. This, of course, constitutes the operative realm of functionalist stratification analysis, but with its invidious character now exposed to view.

The only direct path to a position in the power elite stratum accessible to the working classes is via membership in the political elites. This could be achieved either through union leadership or election to public political office; the latter opportunity, of course, is available to the middle classes as well.

It may be remarked that no mobility paths out of the underclass are indicated. This is because members of the underclass must by definition already belong to one or another of the previously specified classes, typically the unskilled or perhaps the semi-skilled working classes. Membership in the underclass, however (again by definition), entails the specified characteristics of chronic unemployment and poverty: they are by definition immobile.

### Concluding Remarks

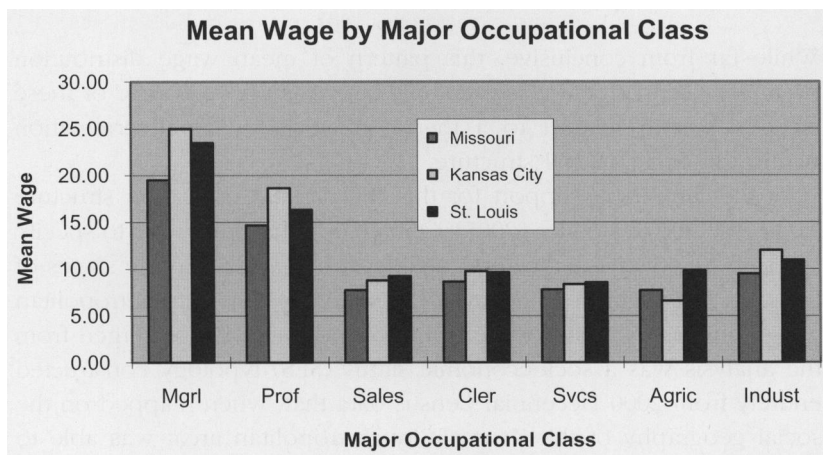
While the forgoing analysis clearly fails to touch on every topic and issue entailed in the extensive field of stratification theory and research, we have managed to address most major issues of contention that separate the diverse traditions handed down to us from Marx, Durkheim, and Weber. And, we have reached the point in the current effort where only a few concluding points remain to be made. These points will perhaps suggest a path of engagement with skirted issues, or they will represent directions in which further development of this analysis needs to go.

First, it is important to explicitly point out the clear utility of the Veblenian analysis already presented here for our understanding of the fundamental role played by the early division of labor between women and men, leading to the evolved property ownership of women and slaves, and culminating in the structurally disadvantaged position of women and African Americans in the modern American stratification system. This issue is addressed in precisely these terms at the outset of Chapter 2 of *The Theory of the Leisure Class*.

Second, nothing has been said here so far with regard to one of the central components of Veblen's implicit theory of human nature: the capacity for emulation. For Veblen, the capacity for and disposition to emulation plays a key role in human social behavior, serving to propagate and eventually institutionalize both instrumental and invidious behaviors. In the second chapter, he identifies emulation as the mechanism by which the behaviors, tastes, and prerogatives of a predatory leisure class become the emulatory standards of the working classes. This eventually leads, in modern society, to what Veblen refers to as *pecuniary emulation*. Without going any further

Figure 5

1994 mean wage by major occupational class for Kansas City, St. Louis, and the State of Missouri. Data source: Missouri Occupational Information Coordinating Committee (MOICC)



into the subject at this time, my goal in introducing this topic is to suggest that in the operation of pecuniary emulation, we have a potential explanatory mechanism for the failure of the working classes, at least under conditions operative in the United States, to develop a class consciousness and carry off the proletarian revolution anticipated by Marx. I do not believe this is a novel idea among institutional economists, but I do believe it warrants mention here, given the subject matter with which we have been engaged.

Third, some supportive empirical research already carried out within this framework of analysis can be cited. A 13-year-old study of trends in occupational employment for the State of Missouri (Bowles 1997) produced the interesting pattern of mean wage distribution by occupational class presented in Figure 5. It was described in the following way:

Mean wages display both significant variation and significant similarities when analyzed by major occupational class. Executive/managerial salaries measure in the range of \$20–25 per hour, professional/technical

wages at around \$15–20, and working class wages in the remaining categories approach \$10 per hour. This interesting relationship is further emphasized if supervisory wages are extracted from the working class categories; supervisory wages in those categories consistently measure in the \$15–20 range, equating with those in the professional/technical category.

While far from conclusive, this pattern of mean wage distribution by major occupational class certainly suggests the relevance of these categories with respect to a theory of social wage determination within the occupational structure.

Further empirical support for this theorized stratification structure was presented in Bowles (2005). One goal of that study was to specify a set of quantitative indicators capable of characterizing the stages of the complex metropolitan development process at sub-metropolitan geographic levels. One of the principal indicators that emerged from the analysis was a socioeconomic status (SES) typology constructed entirely from 2000 Decennial Census data that, when mapped on the social geography of the Kansas City metropolitan area, was able to produce a complete pattern of geographic, or spatial, stratification for the entire specified stratification structure, including the residential enclaves of the social elite.<sup>25</sup> Quoting from the description of this result in that study: “The SES construction presented . . . represents a complete empirical specification for geographic stratification of the entire theorized class structure. All things considered, this is a rather extraordinary and quite unexpected result from what began as an exploratory exercise” (2005: 243).

Finally, speaking of empirical evidence, while this analysis could have been written and presented at any time over the course of the last eight to ten years, it happens to emerge at a moment in history when the true predatory capacity of American industrial and financial capitalism has been dramatically and catastrophically laid bare before the entire world. This predatory nature and capacity is thoroughly documented, with explicit recourse to Veblen, by Galbraith (2008) in his book, *The Predator State*. There he shows us how Veblen’s Captains of Industry evolved into the Titans of Wall Street, now reduced before our wondering eyes to the stature of rapacious pygmies.



So, can Veblen play d'Artagnan to the Athos, Porthos, and Aramis of Marx, Durkheim, and Weber? The metaphor of the Musketeers ultimately breaks down, of course, because they fought to defend the predatory prerogatives of the French monarchy. But let us instead, in the spirit of that Revolution, appropriate their battle cry for our own instrumental egalitarian purposes: one for all, and all for one! *Liberté, égalité, fraternité!*

*En garde!*

### Notes

1. As an economics graduate student in an interdisciplinary doctoral program, I had the opportunity to teach social stratification in the field of sociology for a number of years, for which I used Kerbo's standard text to organize presentation of the course.

2. It may be worthwhile to note here that functionalist views of stratification, which originate with Durkheim's work, are highly consonant with the implicit view of stratification to be found in mainstream, or "orthodox" economics.

3. Veblen conventionally uses the term "barbarian" to refer to societies of the (primarily European) medieval period, and "savage" as a reference to what might be thought of as more primitive, tribal societies.

4. All italics appearing in these excerpts are mine for emphasis.

5. Veblen finds demonstrations of prowess to be (perhaps) *instrumental* in their historical origins, but more often *pseudo-instrumental* and *predatory* in their institutional evolution. The analysis to follow will explicate these as well as a number of additional important distinctions for this fundamental analytical construct.

6. Further than that, he viewed evolutionary biology as a model suitable for emulation by the social sciences, as is indicated in publication of his first notable essay, "Why is Economics Not an Evolutionary Science?" (1898).

7. We should also note that an express willingness to undertake a critical analysis of social stratification in a uniquely Veblenian framework represents a direct (and long-postponed) engagement with the Marxian tradition of class analysis, as well.

8. It is especially important here to distinguish between genuine Deweyian pragmatism, and its popular confusion with numerous illegitimate variants. For a clear exposition of these, see Webb (2007).

9. What I have here identified as the *instrumental* and *pseudo-instrumental* dimensions of the Veblenian dichotomy have been expressed in various other terms over time, among the most prevalent having been *technological/institutional* and *instrumental/ceremonial*.

10. Below the dimensions of stratification are shown the application of the dichotomy to capitalist roles of production, which represent a further elaboration by Veblen (1904) of the instrumental and pseudo-instrumental qualities of social roles and occupations in industrial capitalism, and Veblen's "theory of human nature," or "instincts." These elements are included in Figure 2 because they are such well-known applications of the dichotomy in institutionalist literature, and it was deemed useful to incorporate them for illustrative purposes. They play no further substantive role in this analysis of stratification.

11. See previously quoted passage from Veblen (1899: 27).

12. Also referring to previous quotation (1899: 24–25).

13. Previously quoted (1899: 23).

14. This analytical distinction should not, of course, be read as an assertion that distributive roles in an otherwise instrumental division of labor would be by definition pseudo-instrumental. That would obviously not be the case. It is aimed at recognition of the pseudo-instrumental character of predatory prowess and exploit, both of which entail the re-distributive appropriation of surplus.

15. See Mills (1951) for a definitive analysis.

16. Mills (1956) constitutes the seminal statement on this subject. Domhoff (2009) is the reigning authority. Power elite theory and analysis is a fundamentally Weberian framework, operating in terms of rational-legal authority grounded in bureaucratic structure.

17. Remember that a capacity for exploitative appropriation of surplus constitutes the relevant demonstration of prowess in the system of industrial capitalism.

18. Resnick and Wolff (1987, 2001, 2006) have consistently proposed an alternative Marxian view of class that is also understood in terms of the capacity for surplus appropriation.

19. Appropriate levels of consumption vary by class, and those levels are socially determined. It is beyond the scope of this effort to consider those levels and their determinants in detail.

20. The Skills Matrix first appeared in an unpublished paper I presented in the summer of 1996 at the annual conference of the Society for the Advancement of Socio-Economics (SASE). My original inspiration for taking Veblen's analysis in this direction came from reading Reich's (1992) discussion of the role of "symbolic analysts" in the global economy.

21. As it happens, scholars in the fields of management and business administration are very keen on exploration of the connection between management and leadership. In my experience, these efforts are usually handicapped by a failure to ask the essential question of "who is management to lead?" The answer, of course, in terms of the organization itself, can only be "the worker." Unfortunately, the capacity for visionary leadership of labor by management is more a figment of managerial imagination than anything

grounded in possible reality, given the prevailing state of affairs with regard to labor/management relations in American business culture.

22. Davis and Moore (1945) constitutes the classic statement of modern functionalist stratification theory.

23. According to Kerbo (2000): "It can be said with only some overstatement that since the 1960s the empirical study of social stratification *has been* the study of social mobility and status attainment" (2000: 332). He traces this to the influence of Blau and Duncan (1967), a study carried out, incidentally, wholly within the context of occupational structure and status.

24. See Domhoff (2009: 46–49) for an introductory discussion of this process. A more detailed survey of relevant research in this area is provided in the earlier 3<sup>rd</sup> edition (2000, 81–86).

25. It is of some interest to note here, with reference to our earlier discussion of prep-school socialization as the definitive characteristic of membership in the social elite, that the specific census variable with the demonstrated capacity to isolate those residential enclaves was *educational attainment*.

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