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Introduction

Who Gets What and Why? Answers From Sociology

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> Who gets what and why? This is the question that underlies all the discussions of classes and strata and their structural relationships though in some recent empirical research it seems to have been almost forgotten.
>
> —Gerhard Lenski (1966, p. 3)

> The distribution of income [has] grown markedly more unequal over the past three decades. . . . Sociologists have been strangely and remarkably silent on these issues.
>
> —Martina Morris & Bruce Western (1999, p. 623)

For the generation of sociologists who grew up in the turbulent 1960s and were educated in the 1970s and early 1980s, explaining who gets what and why was what sociology was all about. Capturing the temper of the times, the field of "social stratification" moved to the center of the sociological enterprise. The main research focus during the ensuing decades, however, was not on what sociologists often call the "structure of inequality" but on how individuals and groups are distributed *within* that "structure." Sociologists conducted studies on differences in earnings and income between men and women or between races but largely neglected questions related to why some societies are more equal than others or why societies become more or less unequal with time.

To be fair, there was good historical reason for this neglect. From the end of the Second World War to the end of the 1970s, the distribution of income in most affluent democracies and in the United States in particular remained relatively stable. Studying trends in income inequality was like watching the grass grow. All this changed in the 1980s when the secular trend of rising inequality in earnings and family income that began in the 1970s became apparent. It is striking, however, that although many economists rose to the challenge of trying to account for this development, sociologists remained largely on the sidelines. As Morris and Western (1999) concluded, "If you had been reading only the flagship journals in sociology, you probably would not know about these trends" (p. 624).

Two questions motivated the preparation of this issue: First, How do we account for sociology's relative silence on what surely must count as one of the major *social* developments of the past three decades? and second, What do sociologists have to contribute to our understanding of income inequality? To answer these questions, we turned to a group of distinguished sociologists who have begun to make serious inroads into these issues.

Sociology and the Study of Income Inequality

The issue begins with three articles that provide a broad introduction to recent trends in economic inequality among workers and their families. These articles suggest reasons for sociology's relative inattention to these developments and highlight avenues of research where sociology has the potential to make a distinct contribution to our understanding of *who gets what and why*.

Lane Kenworthy's "Inequality and Sociology" serves as a good starting point because it functions both as a "primer" on basic concepts in the study of income inequality and as a concise introduction to cross-national differences in inequality trends. Kenworthy's work highlights the important role of historical comparative work as a diagnostic tool. He shows that *household* income inequality has risen much more sharply in the United States than in other affluent countries and that the reasons for this lie mainly (although not exclusively) in the labor market.

Thomas DiPrete picks up where Kenworthy leaves off. He argues that institutional forces such as labor unions and minimum wages are a major cause of cross-national variation in the rise of earnings inequality. In arguing for the importance of "institutional" forces, DiPrete challenges the "skill biased technological change" (SBTC) theory that has dominated the economics literature. SBTC theorists have argued that institutional changes such as the decline in the minimum wage are themselves an effect of technological changes. Falling minimum wages, in this view, simply reflect the falling productivity of low-skill workers. DiPrete shows that Europe presents a major challenge to this hypothesis. Technological change has followed a similar course in both western Europe and the United States, but in Europe, inequality trends are either absent or greatly moderated. As DiPrete explains, "If heterogeneity of institutional forms persists in Europe, then why should scholars believe that institutional change in American labor markets has an essentially technological explanation?" Here, he carves out a role for a distinctively sociological perspective, arguing that if the explanation is also or even primarily social and political, then sociology has a central role to play in the theoretical or empirical work that lies ahead.

François Nielsen takes us in a quite different and provocative direction. He argues that the principal obstacle sociologists face in developing a theory of income inequality is a deeply ingrained theoretical bias against recognizing the role of human heterogeneity in social mobility processes. Nielsen develops his argument by drawing from the work of Vilfredo Pareto, a controversial but now largely forgotten engineer turned economist turned sociologist. A key motivator in Pareto's work is the assumption that individuals are not identical pawns that can be interchangeably placed into the empty slots of a social structure determined by a specific division of labor. This emphasis on a continuous rather than discrete view of social status resonates well with current thinking on economic inequality but not, according to Nielsen, with sociology's penchant for thinking of the world as being organized into discrete social classes. Nielsen's argument provides a sharp theoretical counterpoint to the empirical results of Weeden et al. discussed below.

Sociological Explanations of Income Inequality

The claim that sociologists and sociology have little distinctive to offer to the study of income inequality is at least partially refuted by the three articles in part 2. Gøsta Esping-Andersen highlights the important role of family dynamics and family demography for explaining cross-national differences in trends in economic inequalities among families and households. He identifies three great sociodemographic transformations that have influenced income distributions: the rise in single-parent families, increased marital homogamy (individuals selecting partners with similar education levels), and the rise in female employment. He concludes by arguing that if there is one variable that connects across all the facets of inequality, it is the class-specific asymmetry of women's labor supply. As Esping-Andersen explains, extending the revolution in women's behavior is potentially a very powerful antidote to the new inequalities, especially if female employment goes hand in hand with universal high-quality child care.

Jesper Sørensen reviews the actual and potential contributions of organizational sociology to the study of inequality in earnings. Sørensen reminds us that there is significant variation in organizational forms chosen by different firms even within the same industry. He argues that this diversity, which is generally lost in standard economic models of labor markets, may have significant consequences for wage inequality. For this reason, sociological thinking about wage inequality can benefit from a tighter integration with contemporary organizational theory; specifically, how the world of organizations has changed and how these changes influence the matching process in the labor market. He concludes that such an emphasis promises to deliver on long-standing sociological calls for a deeper understanding of how the structure of the demand side of the labor market shapes inequality.

Building on the late Aage Sørensen's theory of "rent destruction," Stephen Morgan and Youngjoo Cha bring the role of power, so central to Lenski's (1966) analysis, back on to the agenda. In particular, they present interesting evidence that wealth inequality has increased, that the increase was stronger for stocks, and that increases are particularly evident for top socioeconomic class individuals—those who are able to influence firm outcomes. They argue that such evidence favors a theory in which those at the top of the power structure within firms have been adopting firm policies that destroy worker rents in favor of stock values from which they directly benefit.

Sociology Vindicated? From Income Inequality to Economic Classes

For many sociologists, the conclusions of Weeden, Kim, Di Carlo, and Grusky concerning the effects of rising earnings inequality on the class structure of the United States will prove to be among the more important and empirically surprising in this volume. The conventional wisdom from past research has been that most of the increase in earnings inequality has taken place *within* occupational classes. This development was said to have weakened the salience of occupationally based class divisions that had historically been the hallmark of sociological studies of the structure of inequality (Myles, 2003). Weeden et al. demonstrate that this is decidedly not the case. They show that the class principle, as expressed via big classes and micro classes together, accounts for a growing share of the total variance in earnings, whereas the residual of "individualized inequality" is declining in relative size. The earnings distribution, thus, suggests a new type of dual closure characterized by two types of nested social groupings, the big classes and the detailed occupations. Although the majority of earnings inequality is still generated within occupations, the relatively rapid growth of the between-class and between-occupation components implies that the labor market is not only becoming more unequal but lumpier as well.

Toward a Sociology of Income Inequality: The View From Economics

David Green, a labor economist well known for his studies of earnings inequality, provides an intriguing and perhaps unexpected response. The most disturbing feature of the sociological literature on inequality, he argues, is the tendency to uncritically accept the economics orthodoxy. By so doing, sociologists vitiate their potential contribution. The most important advances, Green argues, are made by reexamining "old" data through new and different *theoretical* lenses. To make progress, he concludes, it is important that sociologists do not uncritically buy into the economics orthodoxy, even where it appears to be backed by a massive body of research.

The question of who gets what and why has long been at the center of the sociological enterprise. Collectively, the articles in this issue demonstrate the potential of the "sociological imagination" to contribute to the answer.

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John Myles is Canada research chair and professor of sociology at the University of Toronto, Ontario, Canada, and visiting research scholar at Statistics Canada. He has published widely on comparative welfare state politics and income inequality. He is a coauthor of *Why We Need a New Welfare State* (Oxford University, 2002) and *Relations of Ruling: Class and Gender in Postindustrial Societies* (McGill-Queens, 1994).

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