Since the earliest-known writings on the nature of human societies, there has been recognition that social stratification is a central part of all human organization (Lenski 1966). In his *Politics*, in 350 BCE, Aristotle wrote of the natural ranking of free people and slaves. More recently, during the Age of Enlightenment, philosophers such as Locke, Rousseau, and Montesquieu wrote of the feudal system of social stratification and its inequities (Zeitlin 1968; Strasser 1976). By the mid-1800s, the classic sociological theorists such as Marx, Durkheim, and Weber began more systematic analyses of system of social stratification using concepts that remain with us to this day.

From the root word *strata*, we can recognize that social stratification refers to a ranking of people or groups of people within a society. But the term was defined by the earliest sociologists as something more than the almost universal inequalities that exist in all but the least complex of societies. Social stratification refers to a system with rather predictable rules behind the ranking of individuals and groups, which theories of social stratification are meant to uncover and understand. The existence of a system of social stratification also implies some form of legitimation of the ranking of people and the unequal distribution of valued goods, services, and prestige. Without belief systems justifying the inequality and unequal ranking, it is unlikely that a stratification system would remain stable over time. Beyond agreement on a definition of social stratification, however, the classic sociological theorists agreed on little else. From this classic period of sociology, we have, in fact, a triple legacy of social stratification theories from the works of Karl Marx, Emile Durkheim, and Max Weber.

More than anyone, it was Karl Marx who attempted a more or less comprehensive theory of social stratification. Along with Engels, in 1848, Marx began one of the world's most famous political writings on the subject. *The Communist Manifesto* (Marx and Engels 1(64), by writing,
fight that each time ended, either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes. (P. 5)

But when Marx was finally about to undertake a more detailed and systematic discussion of class at the end of the third volume of *Capital*, he died (see Dahrendorf 1959:8). Although Marx referred to several different classes or class segments throughout history, he clearly saw the ownership of property as the basis of class divisions. In preindustrial agricultural societies, the primary division was between the landowners, or landed aristocracy, and those who owned no land, peasants and serfs. In capitalist industrial societies, the primary division was between the owners of industrial capital and the working class, or proletariat. It was this exclusively economic definition of class—that is, owners versus nonowners—that allowed Marx to conclude that the elimination of private property in any future communist nation would eliminate extensive inequality and even social stratification itself.

In strict contrast to a Marxian theory of social stratification are functional theories of social stratification. In tracing the development of functional theory, most historians of social thought draw a direct line from Saint-Simon and Auguste Comte, through Durkheim, to modern functional theorists such as Talcott Parsons (see Gouldner 1970; Giddens 1973; Strasser 1976). More than anyone else though, it was Durkheim who established this general perspective, though interestingly he had little to say about social stratification specifically. This is somewhat understandable when considering that Durkheim's holistic perspective focused on how parts and processes within societies work for the good of the whole. Divisions between people within societies were given little recognition.

Durkheim, however, did make brief mention of inequalities within societies. He saw two types, what he called *external inequality* and *internal inequality*. As he described them in *The Division of Labor* external inequalities are those imposed on the individual by the social circumstances of birth, in other words, ascribed status. It was in mechanical solidarity, or preindustrial societies, that these external inequalities predominated. In industrial society, on the other hand, there was a need for internal inequality: "All external inequalities compromise organic solidarity" (Durkheim 1964:371)—that is, threaten social order and the proper functioning of the division of labor in industrial societies. Internal inequalities were seen as inequalities based on individual talent, or achieved status. For the proper functioning of the industrial system,
Durkheim implied that the people with the proper talents must be allowed to move into positions for which their talents are best suited.

What Durkheim anticipated was a meritocracy based on equality of opportunity. Inequality would be there, but he believed an inequality based on merit was needed. And although Durkheim's ideas paralleled somewhat those of many modern functionalists, given his overriding concern with solidarity and moral integration in society, his stress was different. The dominance of internal over external inequality, he believed, was most important for the maintenance of social solidarity. If external inequalities were forced on individuals, "constraint alone, more or less violent and more or less direct. binds them to their functions; in consequence, only an imperfect and troubled solidarity is possible" (see Lukes 1973: 175). Thus, in contrast to Davis and Moore (1945), Durkheim was more concerned with moral integration and cooperation than he was with the efficient staffing of "important" positions in industrial society.

Soon after Marx's death, sociologist Max Weber took issue with Marx's one-dimensional view of social stratification in writings often referred to as a debate with Marx's ghost. Weber recognized that humans have always been divided by not only economic ownership but also occupational skills, status, and organizational power or class, status, and power/party (see Gerth and Mills 1946: 181-(4). In a sense, Weber recognized two forms of economic divisions under the term class-divisions based on ownership as well as divisions based on occupational skills (or one's relation to the marketplace). Weber then recognized that people could be divided over honor, status, or prestige with respect to a strongly held value system (particularly one based on religion) and political or organizational power. It was this power/party dimension that Weber believed would be increasingly important in modern industrial societies, especially because of the necessity of political and corporate bureaucracies and organizations (such as labor unions), which challenge those in higher ranks in these bureaucracies.

Max Weber's multidimensional view of social stratification became the most accepted perspective among twentieth-century sociologists. Among other things, Weber's more complex view of social stratification allow sociologists to explain the rapidly growing middle class, as more occupations emerged between the owners of capital and the unskilled working class. Equally important, Weber's multidimensional view of social stratification could explain why social stratification and inequality did not go away in twentieth-century societies that called themselves communist. As Weber predicted, when one dimension of social stratification is
minimized, such as private ownership of property, another dimension would come to be more important. In communist societies, this was the dimension of power and control over state bureaucracies.

A HISTORY OF SOCIAL STRATIFICATION IN AMERICAN VERSUS EUROPEAN SOCIOLOGY

Although today most American sociologists consider social stratification as one of the most important areas of study, this has not always been the case. In fact, the importance of this subject in understanding societies and human behavior has been widely recognized by American sociologists only in the past 50 years. The contrast to European social thought is clear. Sociology as a separate discipline of study in the United States dates back only to the early 1900s. But in the works of the founders of American sociology (e.g., William Graham Sumner, Albion Small, and Edward Ross), we find a rather classless view of American society (Gordon 1963; Page 1969; Pease, Form, and Huber 1970). The relative neglect of social stratification is not surprising, however. Unlike in European societies, the old rigid class and estate inequalities were less in evidence. The value system stressed equality of opportunity for all, and at least an appearance of opportunity and democracy was in greater evidence. Not until the Great Depression of the 1930s was this classless image seriously reexamined, and then only by a few American social scientists. Even then, many years passed before the study of social stratification was able to make a significant break with American classless mythology.

The first detailed American study in social stratification appeared in 1929 with Robert and Helen Lynd's (1929) Middletown, followed later by Middletown in Transition (1937). This first work was to establish a long tradition of stratification studies of small community life in the United States. But the general conflict perspective of this study was only much later a part of this tradition. The Lynds' focus was on power and economic inequalities, and the overpowering image of equality of opportunity in American society was exposed as a myth (see Gordon 1963:66). With the end of the Great Depression, their view of American society was placed on the shelf and all but forgotten for three decades.

Of the social stratification research stimulated by the Great Depression, Lloyd Warner's work (in the 1930s and 1940s) had the most significant impact, at least for the next 20 to 30 years. Like the Lynds' research, Warner's many volume Yankee City study was centered on social stratification in small communities (Warner and Lunt 1941, 1942; Warner and Srole 1949).
Using various methods of study, from survey research to detailed participant observation, these works sought to examine the extent of inequality and social mobility, as well as the meaning of social stratification for the people involved. But the Warner School differed from the Lynd tradition in three ways. Most important, the Warner School came to define social stratification in terms of status (Weber's second dimension of social stratification). As Warner and Lunt (1941) wrote, "By class is meant two or more orders of people who are believed to be, and are accordingly ranked by the members of the community, in superior and inferior positions" (p. 82). With such a view, inequalities of economics and power were easily ignored, and the dynamics of conflict related to these stratification dimensions were dismissed. Second, the Warner School failed to examine the actual extent of equality of opportunity critically. In the face of contrary experience highlighted by the Depression, this research tradition continued to stress a reality of social mobility for all who had the talent and ambition to succeed, a finding now disputed in a reanalysis of *Yankee City* (Thernstrom 1964). We find in the Warner School, therefore, an emphasis on social stratification as functional and necessary for complex societies like our own. The conflict, the structured and hereditary nature of inequalities, the harsh conditions for workers, and the extensive poverty all too often found in the expansion of American capitalism were all but ignored.

Despite its neglect of class and class conflict, a tradition of stratification theory and research was at least begun. The Warner School stimulated many students, and there was soon a wide variety of research on subjects such as differing class values and lifestyles, occupational prestige, and the degree and causes of social mobility (Pease et al. 1970). One review of the early stratification literature found at least 333 research articles and books on the subject published between 1945 and 1953 (Pfautz 1953). By 1954, the first American textbook on the subject was published (Cuber and Kenkel 1954).

The break with functional theory came first with Floyd Hunter's (1953) study of community power, then most dramatically with C. Wright Mills's (1956) description of a power elite on the national level. Before Watergate, Vietnam, and America's discovery of poverty and discrimination in the 1960s, these works were ahead of their time. There were soon new neo-Marxist theories, more empirical research on elite power and conflict, and a greater recognition of the long history of conflict theories of social stratification from the European traditions.
SOCIAL STRATIFICATION THEORY TODAY

Toward the end of the twentieth century, many theorists began combining the insights of Marx and Weber for more realistic explanations of social stratification. For example, rather than accepting Marx's view of the state as simply an institution run by and for the capitalist class to control others, the concept of state autonomy emerged as a means of understanding how political elites are able to control or regulate modern economic systems to prevent the meltdown of capitalism predicted by Marx (see, e.g., Skocpol 1979; Skocpol and Amenta 1985).

Class Categories and the Meaning of Class

Other theorists began combining dimensions of stratification from Marx and Weber for more sophisticated conceptions of class categories. The most impressive of these attempts has been Erik O. Wright's empirical work (Wright 197Xa, 197Xb, 1997; Wright et al. 1982; Wright and Martin 19X7). By following Marx's idea that class must be defined in relation to the productive system in the society (i.e., by one's relation to the means of production), rather than simply occupational status levels, as functionalists suggest, Wright has developed a four-class model. With this four-class model, Wright is able to show the usefulness of both the Marxian and the Weberian views of class.

Defining class in relation to the productive system, we have what Wright calls capitalists, managers, workers, and the petty bourgeoisie. Capitalists own the means of production (factories and banks), purchase the labor of others, and control the labor of others. Managers merely control the labor of others for capitalists and sell their labor to capitalists (such as managers of corporations). Workers, of course, have only their labor to sell to capitalists, while the petty bourgeoisie own some small means of production but employ very few or no workers.

Most previous empirical research in social stratification has been done from the functional perspective. Class positions, or, more accurately, occupational status positions, are viewed by functionalists as skill and status rankings on a continuum from lowest to highest. Pay, status, and education levels are all assumed to roughly follow this continuum. In other words, functionalists do not consider class divisions, but rather rankings, as on a ladder. However, these previous functional studies have many problems. For one, research shows no simple relation between these occupational grades and income. Another problem is that education level does not predict income very well (see Jencks et al. 1972 on these problems).
Research by Wright (1978b, 1997) has produced some interesting findings using these new class categories. With national samples of people in the labor force, Wright's research found class position (the four categories described earlier) to be about as good in explaining differences in income between people as are occupational status and education level. It is also interesting that capitalists have higher incomes, even controlling for or eliminating the effects on income from education level, occupational skill age, and job tenure. In other words, being a capitalist, and especially a big capitalist, irrespective of other factors such as education and occupational skill, brings more income (see also Aldrich and Weiss 1981).

There are other interesting findings using Wright's class categories. For example, education does not on the average help workers attain a higher income, but more education does bring more income for the managerial class. And, examining people within class categories, there is not much difference between males and females, blacks and whites on income. The male-female and black-white overall income differences (males and whites have higher incomes) are due primarily to class position. That is, females and blacks have lower average incomes because they are proportionately more often than white males to be in the working class, as defined by Wright.

Another recent conceptualization of class has been made by Pierre Bourdieu, a French sociologist who came to be respected in the United States in the 1990s. From a French structuralist tradition, Bourdieu (1993) focused on how meanings people have of the world are shaped or limited by objective structures in the society. In social stratification, Bourdieu argued that economic class positions shape the worldviews of members of distinct class positions. Thus, these class subcultures result in class differences in tastes, lifestyles, and even preferences of values (Bourdieu 1984, 1996). Through differing class subcultures, people of different classes tend to draw lines around their class "in-group" and the "out-group" of people in other class positions. Thus, people in higher-class positions come to define those of lower-class positions as different and perhaps not as capable of fitting into higher positions in the class system. One can say that from this perspective, "people compete about culture and they compete with it" (Jenkins 1992: 128). While there are questions about the extent to which these class subcultures are as important in the American mass culture context, this perspective has contributed to our understanding of how social mobility might be restricted or enhanced by how people in
higherclass positions (such as teachers with lower-class children) evaluate others in terms of their knowledge of higher culture (DiMaggio 19X2; DiMaggio and Mohr 1985).

Despite the wide acceptance of these new conceptualizations of class, there are still retractionists who favor older, more functionalist views of continuous hierarchies rather than classes at all. Years ago, Dennis Wrong (1959, 1964) outlined what he called realist versus nominalist definitions of class. As Kingston's (2000) recent attempt at revival shows, the realist places emphasis on clear class boundaries in people identifying themselves as members of a particular class and interacting most with others in the same class; in other words, forming distinct social groupings based on class divisions. There is evidence that Americans are less likely to think about common economic class interests and are more likely to associate with others on the basis of nonclass lifestyle or subcultural preferences rather than within their own economic class (Kingston 2000). For the nominalist, however, most important are the common characteristics that groups of people may have that influence their life chances and share of valued rewards in the society, such as education level, occupational position, or bureaucratic power position. People are then placed in class categories in terms of these common characteristics whether or not they are aware of these characteristics and associate with others in the same class.

Related to this realist view of class are recent questions about the extent to which economic class conflicts are important enough to influence voting behavior. There is evidence that voting in national elections is now more likely based on moral or value issues rather than economic class issues (LeDuc, Niemi, and Norris 1996; Evans 1999; Clark and Lipset 200 I). However, this decline in class voting is occurring to a great extent in the United States only, and the United States is most unique in lower-class nonvoting. In other words, something in the United States has led to the neglect of issues important to the less affluent (Kerbo and Gonzalez 2003). The majority of sociologists who continue to argue that class divisions remain powerful argue that when the interests of the less affluent are being ignored in the political system, this in itself suggests an element of class conflict.

SOCIAL MOBILITY AND STATUS ATTAINMENT

During the second half of the twentieth century, there has been more research in the area of social mobility and status attainment in the United States than any other area in social stratification (Kerbo 2006a, chap. 12). Social mobility refers to the extent of movement up and down the stratification, while the subject of status attainment refers to the process and factors
leading individuals to movement up or down with respect to their parents' position. The most
detailed studies of social mobility in the United States following the functionalist occupational
categories were conducted by Blau and Duncan (1967), and then 11 years later by Featherman
and Hauser (1978). Since the 1973 data, there has been no research as comprehensive from a
functionalist perspective, though we have smaller studies providing updated information. Blau
and Duncan's (1967) mobility data were collected with the help of the U.S. Bureau of the Census
in 1962, with detailed information on the family backgrounds, educational experience, and
occupational history of over 20,000 males in the labor force. Blau and Duncan's study *The
American Occupational Structure* is considered the landmark study of social mobility in the
United States. The Featherman and Hauser study (1978) *Opportunity and Change* is designed as
a replication of this landmark study, with a similar sample of over 30,000 employed males in

The basic conclusions of this research are that intergenerational mobility has been rather
extensive in the United States, at least between the 1950s and 1980s. Furthermore, there has been
more upward mobility than downward mobility, primarily because of changes in the American
occupational structure. That is, with more jobs being created in the middle and upper-middle
occupational categories compared with lower occupational positions in this time period, there
has been more upward mobility due to occupational changes. However, most people move only
short distances in the occupational structure, and those toward the bottom have substantially
lower rates of upward mobility than those born toward the middle.

Unfortunately, large-scale social mobility studies of the Blau and Duncan or Featherman
and Hauser type have not been done since the 1970s. But smaller studies indicate that changes in
the American occupational structure due to corporate restructuring and changes in the global
economy have led to much less upward social mobility. Even during the 1972 to 1985 time
period, Hout (1988) found that the overall rate of social mobility was slowing for the first time
in the years we have data on the subject. He also found that while there was still more upward
than downward social mobility, upward social mobility had slowed. When we move from
indicators of intergenerational occupational mobility to the intergenerational changes in income
attainment, all indicators suggest less upward mobility and significant increases in downward
mobility. For example, data on income attainment between 1980 and 1995 in Europe and the
United States show that the income of the middle class, or incomes of 25 percent above and
below median income, has shrunk by 4 percent in the United States, the highest shrinkage of all industrial nations (Pressman 2001). In almost half of the European Union countries, in contrast, there was in fact an increase in the percentage of the income of middle class. In another study of income mobility employing a sample of over 6,000 American families, Hertz (2004) found considerable drops in upward social mobility and increases in the inheritance of low income over the generations. Other research has found the rate of income mobility to drop between 1979 and 1998. In this time period, almost 70 percent of sons remained in the same 20th percentile income position as their fathers. At the top 20 percent income group, however, most sons had attained more income than their fathers, indicating only significant upward mobility for those born toward the top (Perrucci and Wysong 2003). And finally, other research shows that the position of the United States has dropped below that of Canada and several European countries with respect to income mobility in recent decades (Solon 1992).

As noted, one of the limitations of previous research on social mobility has been exclusive focus on occupational status. In addition, this earlier research was primarily limited to social mobility patterns for sons compared with their fathers. Wright, with research using class categories developed from both Marx and Weber, has overcome these limitations. In particular, the capitalist ownership category and the authority category have been completely missed in previous studies of social mobility. Using a large data set from the United States, Canada, Norway, and Sweden, Wright found that the capitalist property boundary is the least permeable, while the authority boundary is the most permeable in all four countries (Western and Wright 1994; Wright 1997: 169-201). In other words, there is more intergenerational mobility into higher positions of authority than mobility into the category of capitalist property ownership. This is especially so for the United States (and to some extent Canada), which in many ways is the most capitalist of all the industrial societies, has more inequality based on the ownership of property, and has more power in the hands of capitalists and the corporate class than other industrial nations (Wright 1997: 186-90).

In this research, they also investigated the expertise category, which we can generally call a category of professionals and technical experts. The likelihood of moving into this expertise category was mixed in the four countries, but generally between the capitalist property category and authority category in permeability. Thus, given the importance of wealth in the United States, and given that there are different chances of mobility into the capitalist (or owner) class
than into a higher occupational position (occupational skill level and expertise category) and authority positions, it is here that we find the old studies of social mobility focused only on occupational status. In an interesting addition to this research, Wright also examined cross-friendship patterns in these four countries with respect to these class categories (Wright and Cho 1992; Wright 1997:203-22). As expected, fewer people from outside the capitalist property boundary had friendship ties to people in this capitalist class category compared with friendship ties across the other class categories. In other words, it is harder to break into the capitalist class and even more difficult to form friendship ties with people in this class if the person is not already in it.

Another issue of comparative mobility rates can now be addressed that was impossible to address before the Erikson and Goldthorpe (1992) study and Wright's (1997) class categories research on comparative rates of social mobility for women. If the family unit of women is considered (thus the position of the husband entered into the measure), what is most significant "is the evidence of how little women's experience of class mobility differs from that of men" (Erikson and Goldthorpe 1992:275). On the other hand, when the occupations of women are considered, there is more social mobility compared with men, but much of it is downward to manual employment. Women tend to experience more limited prospects of moving into top positions in the society, even when born into families at or close to the top of the occupational structure.

Wright (1997) has found some differences in the social mobility patterns for women across countries. For example, higher-authority positions are slightly less difficult for women to attain in the United States compared with Europe (Wright 1997: 192). Recent research in the United States on women engineers has also suggested that the "glass-ceiling" effect for American women may be becoming less of a problem for younger women (Morgan 1998).

Finally, another issue of comparative mobility rates can be made clear with the studies of Erikson and Goldthorpe (1992) and Wright (1997). The United States has the reputation of being the land of opportunity among many people in the world. These studies, however, indicate that the United States is only about average with respect to its rate of circulation mobility, or equality of opportunity in general. In fact, none of the advanced capitalist societies are radically different with respect to their overall rates of circulation mobility. But in some places in the stratification
system, especially toward the bottom, the chances of moving up are below average in the United States.

**RECENT TRENDS IN SOCIAL STRATIFICATION AND STRATIFICATION RESEARCH**

In terms of the specific subjects researched in the second half of the twentieth century, a content analysis of the five leading sociology journals in the United States showed that more than half of the published research in the general area of social stratification focused on some aspect of social mobility (Kerbo 198 L 2006a, chap. 12). In the last couple of decades of the twentieth century to the present, there is a shift toward more research on race, ethnic, and gender inequalities. But there remains a kind of ambivalent relationship between the field of social stratification and these areas of research. Are theory and research on race, ethnic, and gender inequalities to be considered subareas of social stratification, or are they to be considered subareas of sociology in their own right? The trend seems to be toward the latter as more and more of the research and theory seem less connected to broader theories of social stratification. There are, however, other recent trends in research and theory on social stratification in recent decades.

**Historical and Comparative Research**

Within sociology more generally, there has been a clear trend toward more historical and comparative research, especially in American sociology. As many have observed, since the early days of American sociology there was less interest in research that compared different societies on the same issue, or even research focused on historical trends within the United States. The research methodologies and interests of the classic European sociologists seemed to fade quickly as the young discipline was transported to the United States (Gouldner 1970). Perhaps globalization has had its impact on American sociologists, but new research methods requiring fewer cases and allowing for time series analysis no doubt helped bring about this new research trend.

Despite the value of more historical and comparative research, most of this research has been quantitative and less sensitive to the qualitative differences that exist across societies thereby making indicators and measures of key variables misleading. For example, when comparing rates of social mobility across a sample from modern industrial societies, the issue is whether social mobility up and down a standard ranking of occupations is equally important in
all societies. It is known that there is a strong correlation between how people in different
countries rank occupations in terms of status (Treiman 1977). But there are certainly other
dimensions to status or economic ranking that differ cross-culturally. In Japan, being an
electrician or a manager for Toyota or Sony brings much more status and long-term rewards
than holding similar positions in small companies (Kerbo and McKinstry 1995). There has
recently been more qualitative historical-comparative research that can counter these problems in
the quantitative historical-comparative research, which will likely expand in coming years.

**Modern World-Systems Theory and Research**

Over the last couple of decades, it has become clear that one of the most important new
theories related to social stratification comes under the general title of the modern world-systems
theory. It is now evident that no clear understanding of social stratification in the United States
or any other country can be achieved without reference to the affects of the modern world
system. The growing income inequality in the United States, the growing class conflict in Europe
over changes in class relations and rewards, the Asian economic crisis beginning in 1997 (earlier
for Japan), to name just a few topics, must be considered in relation to changes in the modern
world system. We must also include major world events, such as colonialism, World War I,
World War II, and the Cold War, along with all the events and conditions these world-shaping
events caused, as related to changes in the modern world system.

systems theory considers nations to be ranked in ways similar to the international system of
social stratification. From about 1500 AD, when the new modern world system began, nations
have been in competition with each other for dominance over other nations, especially with
respect to economic domination. Core nations are the richer nations on top of the modern world
system, with semiperiphery and periphery nations in lower ranks in the system, much like middle
class, working class, and the poor in an internal stratification system. Throughout this period of
core nation competition and conflict, aspects of a country’s political economy, including its
system of social stratification, have had negative or positive affects on the country’s ability to
maintain or improve its ranking in the world of nations. Conversely, this modern world system
has had effects on domestic political economies and systems of social stratification in both rich and poor countries.

THE GREAT U-TURN

Another new topic of comparative-historical research in social stratification show the importance of the modern world system in understanding domestic trends in social stratification. Earlier research had established that as nations become more economically developed, there was a clear long-term trend toward reduces income inequality (Jackman 1975; Harrison and Bluestone 1988). New research, however, has shown a clear trend towards increasing inequality in the most advanced and richest nations in the world, especially in the United States (Alderson and Nielsen 2002). Other research has recently shown that government policies can strongly affect the level of income inequality and poverty in advanced industrial nations (most extensively in the United States), and why have not more governments attempted to reduce income inequality and poverty?

Modern world-systems theory suggests two related explanations (Kerbo 2006a, 2006b). First, the greater ability of corporations to move across the world more freely has brought many workers in advanced industrial nations in more direct competition with low-wage labor in less affluent countries. Where the working class has less political influence in rich nations, these workers have their standards of living eroded. Second, in advanced industrial societies where workers have less protection, corporations from these countries are in a stronger position to compete successfully for greater profits in the global economy. While the incomes, benefits, and job security of workers in countries with stronger traditions of working-class political action are more protected in the short term, a history of core competition in the modern world system suggests that the competitive positions of their corporations in the global economy may be eroded, and thus their standards of living may be reduced in the future. But this outcome is far from certain because, as German unions, many German executives argue, more job security and employee influence within the company will give German and other European corporations a long-term advantage in global competition (Thelen 1991; Turner 1991; Kerbo and Strasser 2000).

RESEARCH ON POVERTY
One of the biggest contrasts between sociological research in the 1960s and 1970s compared with the present has been a lack of research on domestic poverty in recent years. The reason is rather obvious; the Great Society Programs of the 1960s generated more interest and funding for research on American poverty in these years. There is evidence of new interest and research on American poverty, however, with several recent books with 1960s-style titles and tables of contents recently published (e.g., Danziger and Haveman 2001; Iceland 2003; Rank 2(04). Ironically, with this new interest in American poverty, under the American administration of the early 2000s, there has been less research support and even less data, as shown in the 2004 Annual Census Bureau report, which combined the previously separate census reports on income and poverty into one report that left out much of the information about poverty that has been provided for many years (U.S. Bureau of the Census 2004).

The reemergence of interest in American poverty is likely related to the continued growth of inequality in the United States as well as the fact that poverty was reduced only slightly and temporarily with the longest economic boom in American history between 1991 and 2001. New data also show that the poor are poorer in the United States than in previous years as measured by how many are below 50 percent of the poverty line, and the percentage of poor people in families with a full-time worker has been increasing steadily in the last two decades (Kerbo 2006a, chap. 9).

The new interest in comparative research in social stratification has also been evident in research on poverty in rich nations. Not surprisingly, comparative research has shown less government action to reduce poverty in the United States than other rich nations, with U.S. government programs reducing American poverty by about 28 percent of what it otherwise would be compared with reductions of 50 to 80 percent in the original 15 European Union nations (Smeeding 1997; Mishel, Bernstein, and Schmitt 1999:377; Smeeding, Rainwater, and Burtless 2001).

There is something of a surprise in this area of research, however. Previous comparative studies of poverty in rich nations had to use spotty data on absolute poverty rates compared with relative poverty rates. Absolute poverty rates are measured using a poverty line that estimates the
actual costs of basic necessities. Relative poverty rates are set at 50 percent of median income in each nation. With the United States having the highest rates of income inequality, the finding of higher rates of relative poverty in the United States is hardly surprising. Now, although, the new Purchasing Power Parity (PPP) measures of income across nations has provided a new tool. The measures for PPP are set at what U.S. dollars would buy and then adjustments are made for real currency when comparing incomes across nations. The current U.S. poverty line is set at about $11 per day using PPP. Thus, we now have figures for many more countries on a poverty line also set for $11 per day in these other countries. The surprise is that about 13 percent of the American population lives below $11 per day (about the figure below the poverty line estimated by the U.S. Census Bureau), while the figures from Great Britain is 15.7 percent and Australia is 17.6 percent (Smeeding et al. 2001). Absolute poverty rates for other rich countries range from 9 to 4 percent of the population.

There has also been increased interest in global inequality and poverty in recent years, no doubt stimulated by figures showing that world inequality has been at unprecedented levels in recent decades (Kerbo 2006a, chap. 17 2006b), and growing protest since the 1999 World Trade Organization protests in Seattle. New PPP measures have provided new perspectives on world poverty, especially with findings that about 1.3 billion people live on less than $1 per day and almost half the world's population lives on less than $2 per day (World Bank 2000).

The belief among antiglobalization protestors has been partly supported by research from the modern world systems perspective. One of the most important research questions has been whether poor countries have more or less long term economic growth when they become extensively tied to multinational corporations from rich nations. While there is certainly variability among periphery nations, especially in Asia, several early studies indicated that many periphery nations do have less long-term economic growth when overly dominated by outside multinational corporations (Chase-Dunn 1975, 1989; Bornschier, Chase-Dunn, and Rubinson 1978; Snyder and Kick 1979; Stokes and Jaffee 1982; Nolan 1983; Bornschier and Chase-Dunn 1(85). Poor nations that receive extensive multinational corporate investments, of course, tend to have some economic growth in the short term. But the abillonger-term prospects for growth (over five years or more) are in many cases actually harmed
by the kinds of outside aid and investment these nations have received. This research has also indicated that outside corporate investment increases income inequality within poorer nations. As noted above, the historical pattern for rich nations until economic development proceeds (Jackman 1975; Hewitt 1977; Stack 1978a, 1978b; Weede 1980). In the case of poor nations, however, the rich tend to get richer while the poor are either poorer or no better off (Chase-Dunn 1975; Rubinson 1976; Bornschier et al. 1978; Stack 1978b; Bornschier and Ballmer-Cao 1979).

After the first wave of research on the effects of corporate investments in poor countries, however, more recent research has shown less consistent and even contradictory results. Some research using larger and more recent data sets of poor nations has found that extensive multinational corporate investment now tends to produce more positive economic growth in the long term, while another using recalculations of older data also finds that outside investment results in more long-term economic growth (Firebaugh 1992, 1996; de Soysa and Oneal 1999). Other research has shown that outside corporate investment in poor nations does not lead to less economic development when the types of goods imported or exported to and from the poor nations are considered, or if the outside corporate investment is accounted for by several rich nations rather than just one or two (Bollen and Appold 1993; Kentor 2001; Kentor and Boswell 2003). When many multinational corporations have smaller amounts of investment within a poor country, they are less able to dominate the economy and political system and, in fact must compete among themselves giving workers in poor countries some advantage. Still other studies have questioned the negative effects of multinational investments in poor nations, such as increases in income inequality with evidence that the poor in many of these nations do have improved lives because of multinational investment. (Alderson and Nielsen 1999; Firebaugh and Beck 1994). Some authors of original research showing that multinational corporate investment harms poorer nations have conducted research using data from the 1990s to conclude that their original research was correct but that the negative effects on poor countries tend to be less today (e.g., Herkenrath and Bornschier 2003). The current conclusion is that the effects of location in the modern world system are more complex than originally thought, and the global economy itself is changing. The conflicting research results on the impact of outside corporate investment on poorer countries is also due to rapid economic growth in Asian nations with extensive outside investments compared with countries in Latin American and Africa (Kerbo 2006b).
GLOBALIZATION AND THE FUTURE OF DOMESTIC SYSTEMS OF SOCIAL STRATIFICATION

One has to be cautious about overstating the impact of globalization on domestic systems of social stratification around the world, but we must recognize that the impact is certainly increasing for both rich and poor nations. Furthermore, new comparative analyses of political economy, or social stratification more generally, show that a nation’s competitive position in the modern world system is affected by the nature of its system of social stratification. Esping-Anderson (1990) and Goodin et al. (1999) have specified two distinct models of capitalism and shown their differing outcomes for people in differing class positions within a nation. To their two models of capitalism, which are found mostly in Europe and North America, we can add a third Asian model as indicated below (Kerbo and McKinstry 1995; Kerbo 2006b). There are differing outcomes for people in different class positions in each of these three models of capitalism as summarized in Table 22.1. As noted earlier, much future research on class systems and the modern world system, such as the great U-turn, will be devoted to whether or not one of these three models will become the dominant one as global competition proceeds throughout the twenty-first century.

Less-developed nations in the modern world system today are divided between those forced into the neoliberal model of capitalism by rich nations and the International Monetary Fund (especially in Latin America and the Philippines), those with development states (primarily in East and Southeast Asia), and those that can best be described as "predator states," that is, states captured by particular subgroups in the society and used primarily for the enrichment of that subgroup only (most often in Africa, but also in some other countries such as Burma) (see Kerbo 2006b). The questions for these countries will be which form of capitalism will be able to sustain economic development in the twenty-first century, and which form of capitalism will be able to promote more equally spread economic development that reduces poverty. Current trends point to the Asian development model as being most sustainable and able to reduce world poverty, though Japan's long stagnation since 1990 and the Asian economic crisis of 1997 suggest that the answers are far from certain.
<table>
<thead>
<tr>
<th>Countries</th>
<th>Corporate-Dominated Capitalism (Neoliberal)</th>
<th>Cooperative Capitalism (Corporatist)</th>
<th>State Development Capitalism (Asian Development Model)</th>
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</thead>
<tbody>
<tr>
<td>Characteristics</td>
<td>United States, Canada, United Kingdom</td>
<td>Western European Union countries</td>
<td>Japan and developing countries in East and Southeast Asia</td>
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<tr>
<td></td>
<td>Small state, little government regulation, weak unions, low labor costs</td>
<td>Large welfare state, state regulation of the economy, economic planning, strong unions</td>
<td>Strong state intervention, extensive regulation/planning, weak unions</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Cheap production costs, high inequality, low benefits to workers, less job security, low unemployment, high poverty, low taxes</td>
<td>High production costs, low inequality, high worker benefits, high job security, high unemployment, low poverty, high taxes</td>
<td>Medium production costs, low inequality, medium worker benefits, medium job security, low unemployment, low poverty, low taxes</td>
</tr>
</tbody>
</table>