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SOCIAL INEQUALITIES

INTRODUCTION

Sociology has always been interested in social divisions and social inequalities. During recent years inequalities have been increasing in Europe. This trend can be seen between the nations and within single nation states. The American social scientist Robert B. Reich (2007) has noticed that it is not only inequality, also democracy is at stake. How do we understand inequality in everyday life, in common talk? Nowadays you ask Google to get an answer to this kind of questions and Wikipedia gives you the right answers. The Wikipedia article on inequality begins with mathematics, followed by health care and economics. After that come social sciences.

According to Wikipedia "social inequality refers to a situation in which individual groups in a society do not have equal social status, social class, and social circle. Areas of social inequality include voting rights, freedom of speech and assembly, the extent of property rights and access to education, health care, quality housing, traveling, transportation, vacationing and other social goods and services. Apart from that it can also be seen in the quality of family and neighborhood life, occupation, job satisfaction, and access to credit. If these economic divisions harden, they can lead to social divisions". (http://en.wikipedia.org/wiki/Inequality).

On one hand we have social inequalities and on the other hand there is social justice. All depend on social actors and social structures. As John Rawls (1971:54) has put it, "the primary subject of social justice is the basic structure of society, the arrangement of major social institutions into one scheme of cooperation." Social justice is a tricky business. All definitions of justice are always anchored to active social agents. For some groups the same thing may mean justice to some other groups a crying injustice.

Social divisions do not necessarily mean social inequality. Social inequalities are not always considered to be negative phenomena. There are several approaches to inequality, firstly some say that inequality enables that people can fully use

their potentials. Secondly inequality stresses freedom, which is considered to be the most important social value. Thirdly it creates incentives, people are more motivated to improve their own position Finally it is said that the difference between those in good position and in poor position is not any problem unless the position of the poor does not get worse.

When we discuss about inequalities we should make a clear distinction between individuals and groups. Differences between individuals are explained by many factors and some of them may be fully acceptable. But all solutions that cause systematically inequality between social groups are unfair and require open discussion concerning economic and political decisions. In this article I shall discuss inequality in contemporary European societies from sociological perspective.

SOCIAL MOBILITY

To study social mobility is to study social change. Sociologists have analyzed social mobility from different perspectives. Mobility has been seen as a part of changing division of labor. This approach has paid attention to mobility between different branches of economy. Some researchers have seen mobility as a resource for economic growth. Finally mobility studies may refer to individual career possibilities. British sociologist Anthony Heath (1981: 13) has summarized the core questions dealing with social mobility as follows: We should ask firstly that what kind of mobility ensures stable social order? Secondly research is interested in the questions, what kind of mobility ensures that the economy is as effective as possible? At the same time he stresses that the key aspects in mobility research are "order" and "efficiency".

Empirical research on social mobility has mainly focused on two dimensions: career mobility and intergenerational mobility. Intergenerational mobility means that we look if the social position of the respondent differs from her/his parents' social position. Career mobility is interested in the occupational changes, which happen during ones entire working time. When we look at intergenerational mobility Finland is an interesting exception in the European context. For example in Sweden or in United Kingdom the mobility from farming to manufacturing industries and then to services happened so that children's position was different than their parents'. Son of a farmer became an industrial worker and daughter of a industrial worker became a service worker. This kind of modernization took almost 100 years. In Finland the structural change was much more rapid. The transition took only 15 years. Between the year 1960 and 1975 a peasant society changed to a wage labor society. This process had an impact to way of life and to patterns of inequality in the Finnish society.

During the past 20 years social mobility has been at much lower level in all European societies than it used to be before that. Societies are not any more on the move. They are more stable and rigid that e.g. in the 1960's. Especially intergenerational mobility has decreased. There seem to be no more possibilities for large scale upward mobility. Today the middle class is reproducing itself in all global societies. Rather we are witnessing social decline. Young academic experts cannot find jobs in the labor markets that correspond with their education. In many countries people talk about 1000 Euro generation. This refers to highly educated young academic experts who earn no more than 1000 Euros in a month. On the other hand there are some branches of economy where one can find good possibilities for career mobility.

Number of knowledge workers is increasing everywhere. Those who are in the field can find better and better work opportunities, not only in their home country but on the global level. Knowledge workers make an interesting exception what come to social mobility. They are coming more often from highly educated families than wage laborers on the average. According to Finnish data almost half of the knowledge workers come from professional background while on the average the same figure is only 15% (Pyöriä et al. 2005). At the same time there are less industrial workers among the parents of the knowledge workers. It seems that knowledge work does not provide same kind of opportunities for upward mobility than the over all growth of professional occupation in the 60s and 70s. Knowledge workers are recruited much more often from the middle class than other groups. The conclusion is that knowledge work is not proving more possibilities for equal opportunities in contemporary societies.

Career mobility is depending on many things. At least age and education are of crucial importance. Today career mobility is more connected with education than before. Achieved education and achieved degrees are necessary preconditions for mobility. Evidence from recent comparative data show that career mobility is rather declining than increasing and there is more stability in the labor markets that is anticipated (Doogan 2009).

Media is telling us that the working life is constantly changing, world of work is on the move. Media also tell us that working life is more unstable and insecure than before. People are supposed to be prepared for all kinds of changes. The real world is however a bit different. There are much more continuities than we are told. Certain structures are persistent: power relation change slowly, gender divisions change slowly, occupational hierarchies change slowly and wage labor relation as a social relation has not changed at all. Social class is playing an important role at work too. Class position is shaping the work profiles in many ways. Differences in incomes or in career prospects depend on class position.

CLASS, WORK AND INEQUALITY

Analyzing social divisions and social inequalities has long traditions in social sciences. When sociologists talk about social inequalities they usually use the concept of social class. Social classes are elementary part of industrial societies as well as part of capitalist social relations. For the first time the concept of class was used by English industrialists in 1770s when they tried to make a distinction on one hand towards nobility and on the other hand toward the common people. The current understanding of classes states back to the growth of European working class movement in the second half of 19th century. (Briggs 1983)

Social class refers to large groups of people who share a common position towards means of production or towards power and authority in the working life. Social refers also towards common possibilities in needs satisfaction by using markets. In social sciences class analysis has long traditions. All classics of sociology had their own contribution to class theory and class analysis.

Sociologists have used the concept of class in many different ways and in many different contexts the concept has also many different meanings. They have asked i.e.: 1) How do people place themselves and others into social structures. This question is related to the subjective evaluation of ones position in the society. 2) What is the objective position of people in the division of property in a given society? The question refers to class as a objective position in the system of property relations. 3) What explains inequality between individuals and families in economically determined life chances? This guestion makes a new nuance. It does not only describe people's position but examines also the impact of social relations to their lives. 4) In which way can we describe and explain inequality and its development historically? Here we move from micro level (individual, families) to macro level (society). At the same time class is connected to the analysis of social change. 5) Finally we can ask that what kind of social changes are needed in order to stop economic oppression and exploitation in capitalist societies. Here we understand class as a central element in exploitation, and we also deal with a normative statement. (Wright 2004).

Capitalism is a dynamic economic system. Changes in economy means that also class theories must follow these changes. In this respect the most difficult question has been related to the internal differentiation of wage workers. According to Harry Braverman's (1974) interpretation all wage worker positions do converge as a consequence of changing capitalism. The convergence is due to new technical means of control and declining skill needs. Other researchers such as Erik Olin Wright (1997) anticipate that the internal differentiation of wage workers is increasing. Sociologists have also been talking about

the fragmentation of wage worker position (Roberts 1977). Behind all the discussion about fragmentation is the growth of the wage laboring middle class and the construction of theory on middle class(es). The old problem was dealing with how those who are in leading position differ from other wage worker groups. Here we talk about elites or about service class, as John Goldthorpe (1980) has formulated the problem. The new question is dealing with divisions, which are based on education this refers to knowledge work and to their position in the production relations.

Social class is a scientific concept, which tells about social divisions. However, in some countries i.e. in Finland the concept has been politically loaded. Discussion about classes has been connected with politics and with social conflicts. In the Finnish case this is easy to understand. At the beginning of the 20th century the country experienced a bloody civil war, in this war class antagonism between land owners and tenant farmers played an important role. In the socialist countries class was an ideological concept. It did not analyze social divisions but promoted social cohesion (Melin, Salmenniemi 2012). Old Finnish folk wisdom says that if work would be easy and joyful, the gentlemen would have it all. It seems that this wisdom stems also in our times. Several surveys in many different countries tell us that all is not well at work. It seems that work related diseases are increasing in spite of a lot of preventive work. More and more wage workers feel that their work is mentally strenuous. Insecurity in the labor markets is common experience for very many. At the same time there are wage worker groups, who have safe labor market situation challenging work – in positive way – and good wages. The world of work is divided.

In his famous book *Labor and Monopoly Capital* Harry Braverman (1974) describe how capitalism – technology and managerial power – first subordinate industrial workers and after them white-collar employees too as a part of technically controlled production process. Gradually all human work will be completely subordinated to logic of capital. In this process Taylorism and rationalization have played crucial roles. Technical and organization change has meant that workers have lost their control over the labor process and management is now controlling all aspects of work. This has had very negative impact on well being at work.

Braverman paid a lot of attention to control in the labor process. At the same time he explored the use of power, what kind of power is used and by whom at the workplaces. In recent discussions (e.g. Marchington et al. 2005) sociologists have paid attention to blurring organizational boundaries to diversification of hierarchical structures. Traditionally the coordination of different processes happened via markets and in internal organizational hierarchies. Today this kind of coordination is more and more often taking place in different networks. Networking is

changing the ways work is organized. Networking is often also connected with flexible work arrangements.

All this means that subcontracting, contract work and other out sourced services are increasing and firms are downsizing. Several global corporations have outsourced even their nuclear processes. For example some crucial R & D activities in Finnish IT firm Nokia are produced by Accenture. These changes do not mean that power has disappeared. Power is used also in networks and workers are controlled in networks. Network structures have many impacts on work relations and labor markets. The traditional labor market model: long term contract with one employer is replaced by new kinds of work relation arrangements, which put high emphasis on flexibility. Workers see these changes usually as increasing insecurity.

Network structures means that employer – employee relationship are more multi dimensional than before. Control of labor process has to be seen in new light. For many workers it is not clear that who is their employer or who is their boss. For many workers it is also unclear that to whom should I be loyal to and to what should I be committed to. Human resource management (HRM) is changing too. On one hand several corporations thing that HRM is a strategic question, on the other had many firms do not pay much attention to HRM issues. In network organizations cohesion between different units is tried to be maintained with putting emphasis on corporate culture. Cultural identity is the key. At the same time out sourcing is destroying whole work communities and produces discipline among those who can keep their jobs. As a consequence of all this we can identify groups of mobile workers. This month they may work for this company in Lodz and next to another company in Tallinn or in Stockholm.

As Richard Sennet (2006) has noticed in his book on new culture of capitalism we are now heading towards new work culture, which is changing social relations at working life in profound ways. Increasing need for short term commitments is replacing form of cooperation. Old sense of duty is being replaced by fluid structures and increasing sensitivity. New technological devices and solution enables control, which is more far reaching than ever before. At the same time the management is taking distance to their subordinates, management can be described with a phrase "rule by e-mail". All in all inequality in the working life is increasing. Also attitudes towards work are changing. Old tradition that I do my job as well as I can, just because of doing my job properly, is changing. Today the most important thing is that you can accomplish the project in time, quality is not so important.

Class position does influence on structuration of life changes at work and in everyday life. The impact of class is intergenerational. Parents' class position is

visible in the class position of the next generation. A long the class it is important to notice the role of other social divisions as well. It is obvious that women's position is worse than men's position everywhere on earth. This is a fact, which is constant when we compare e.g. education, incomes or political power. Same kind of rule stems with immigrants in most societies, immigrants' social position is lower than the position of indigenous population. When we think about social inequalities, we should remember that different mechanisms influence at the same time. It is completely different situation if you are a white male manager than a female immigrant janitor. In our globalized world national solutions can, however, either make things easier or more difficult to those in vulnerable positions. This means that politics matter in social world. Politics have an impact on position of classes, gender and ethnic groups.

GLOBALIZATION, WELFARE AND POLITICS

It is often said that globalization has changed our world in a permanent way. What has globalization meant from the point of view of inequalities? Globalization is not any single and unified process, is consists of many processes. U. Beck (1999) distinguishes five dimensions where globalization is present: 1) information, 2) ecology, 3) economy, 4) production and 5) culture. Beck says that globalization makes a big difference compared to those times when nation states played important roles in international relations. As a consequence the unity of nation state and civil society will be broken. We shall see new kinds of power relations and conflicts on one hand within nation states and on the other hand between the nation states.

Z. Bauman (1998) has noticed that in spite of globalization we should not forget local. This is important especially when we look at division of prosperity. The world is more and more divided into globalized rich people and into localized poor people. In this context Bauman's concept is glocalization. By glocalization he refers to concentration of economic resources and concentration of freedom to act. In the rich world space means nothing, people live in time. In the poor world people live in space which is heavy and binds the time. We are approaching a situation where the connection between the rich and poor will be broken. World is divided into globalized rich who go beyond the space but who lack time and to localized poor who and bind to space and who have nothing but time to be killed.

Past 30 years has been shaped by globalization. Past 30 years has also been shaped by neo-liberalist economic policies in the developed west but also

in many developing countries. Neo-liberalism has stressed that political guidance should be as minimal as possible and the rule of markets should be as big as possible. Neo-liberalism is an ideological approach. It claims that global inequality is needed in order to help those are at the bottom. It is also promoting a world view, which says that market forces are uncontrollable expressions of human interaction.

Welfare is always connected with economics and with politics. In a parliamentary democracy the government makes a proposition, the parliament makes the decision and bureaucrats implement the decisions. Parliament policies show what kind of future politicians would like to have. Welfare politics is implemented in welfare states. The Nordic welfare state has been an ideal type for many European countries. All Nordic countries share certain elements. These include e.g. high taxes, high public consumption, universal welfare service produced by the public sector. Full employment has been a political goal for all cabinets of ministers in spite of the political color. One important feature is that the share of women in the labor markets is high.

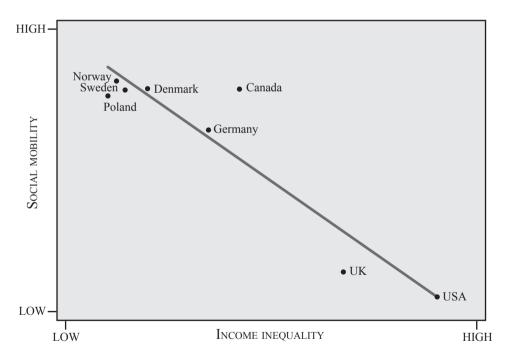


Figure 1. Social mobility and inequality Source: Judt 2010: 29.

During the current economic crisis income inequality has been increasing all over the world. R.M. Reich (2007: 108) has shown that in the USA the annual incomes on corporate top managers has increased far faster than the earnings of shop floor workers. OECD comparisons concerning income inequality, using Gini co-efficient – tells about the same phenomena. In the year 2010 (www.stat.fi) Gini co-efficient for selected countries were as follows: Sweden 23, Finland 26, The Netherlands 27, France, 28, Germany 28, Ireland 32, Estonia 34, United Kingdom 34, Poland 36, Portugal 41, United States 47, Namibia 70. On a global scale the differences between the countries are enormous. There is also a great variation between the EU countries.

Recent research shows that European Union is divided in many ways. In his last book *Ill fares the land* American historian T. Judt (2010) present comparisons, which show that trust, income differences or health problems vary very much between EU countries. People in Portugal or in United Kingdom suffer much more from poor health than people in the Nordic countries. His analysis also shows that social mobility and income inequality are in close connection with each others (Figure 1). European Union is by no means any united states of Europe. Economic policies and social policies vary in enormous way. Differences in poverty rate are big too. Poverty and the prosperity of the country have almost no connection at all. USA is still one of the richest countries in the world and at the same time poverty is increasing. As Jospeh Stiglitz (2012:7) has put it "the simple story of America is this: the rich are getting richer, the richest of the rich are getting still richer, the poor are becoming poorer and more numerous, and the middle class is being hollowed out".

The PROFIT project (Warzywoda-Kruszynska 2007: 7) showed that European countries represent different social welfare regimes and different patterns of poverty and social problems. It also worth noticing that in some countries – e.g. in Bulgaria or in Lithuania – poverty has increased because of political decisions. The project showed that poverty and inequalities in general are spatial questions. They are strongly connected with concrete regions during certain time periods. Inequalities are caused by several factors: unemployment, poor health, lack of education, poor housing or problems with social interaction.

When different actors fight inequalities, money is not the only obstacle. It is more question of will than question of money. Social networks and trust are also of vital importance. Civil society and voluntary associations have a very special role. Both can act as mediators between governmental bodies and individuals and communities. It is worth remembering that no help can do any good if individuals themselves are not willing to change their situation. It a matter of both resources and will

CONCLUSIONS

What is the problem? Do we have a problem when see social inequalities in our country? We should be aware that those people who are having social problems are in a week and vulnerable social position. There are not many who speak for them (cf. Bourdieu). Most of those at the bottom are faced with many problems at the same time – cumulative nature of social problems

During past few years we can notice important new trends. In spite working poor are not any big issue in most of the EU countries, there are more working poor than for decades. In many countries governments have adopted new policies: more selective social security. Stigma is also used -it is your problem. Economic crisis has meant more unemployment, increasing xenophobia and more poverty. All in all we have witnessed the polarization of the Finnish society.

One important thing that has taken place is changing way to talk about inequalities and social problems. There is whole new language: no more social problems, only welfare deficits. What has also happened is the individualization of social problems. It is more and more common to say: *We have some special groups*... *There are equal opportunities but*... State is moving its former responsibilities to other actors. It is often said that the state cannot any more be responsible of this or that, instead *We should strengthen the civil society*.

In many respects our society is more equal than it was one 50 years ago, at the same time is becoming – again – more unequal. In sociology class analysis has given answers to questions related to social inequality. In contemporary societies class does matter, actually we need more research on inequalities and on social classes. What is the main explanation of the differences between different socio-economic groups? The main reasons are the class structure and the authority and power structure in work organizations. In a way the used socio-economic categories strengthen and legitimate the prevailing power structure and differentiated reproduction conditions are smaller than before.

On the other hand there are polarization tendencies in the working life. The distance between good jobs and bad jobs is growing. So called "McJobs" labour markets are growing in Europe, that is poorly paid and insecure jobs are growing in numbers. At the same time top managers are paid more and more, the wage gap between top managers and other workers is bigger and bigger.

Global capitalism has changed the world of work in many ways. The rules are restructuring all the time. Industrial working class and young workers are constantly faced with the insecurities of the labour markets. Also those who have low education are constantly faced with unemployment. Global capitalism has

its boundaries too, Chinese corporations are establishing new plants in Vietnam because the wage level in China is too high. In the Baltic see area, Estonia cannot anymore compete with low wages.

In our neo-liberal times capital is more impatient than before. Capital is more mobile than before and it wants more profits than before. All this has meant that social insecurity has increased. A lot of research indicates that also well being at work is decreasing. Do we have an alternative is this the future image of work? During the past decades the changes have been contradictory. From the perspective of ordinary workers there have been positive trends (autonomy, use of skills, team work ect.) and negative trends (pace of work, work load, unemployment ect.). In many ways the future is open.

If we want to make a better society, we should have a committed social movement to support the change. As Wilkinson and Pickett (2009) have noticed there must be conscious and sustainable political decisions and a lot of information to make the change possible. All people aim at good society. However a good society does not appear without conscious acts. Tony Judt (2010) has noticed that the world of poor and rich differ in fundamental ways. Those who are dependent on wage labor share completely different position than those who live on revenues. People who can buy private health care, education, transportation and protection do not share same social goals as those who are dependent on public sector.

As sociologists we must always stress that societies are made by human beings. When we talk about social inequalities we talk about social relations and social processes. Social divisions are made by social actors. As Karl Marx has put it, this far philosophers have only interpreted the world the thing is to change it.

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NIERÓWNOŚCI SPOŁECZNE

(streszczenie)

W artykule podjęto problematykę zmieniającej się natury nierówności społecznych w rozwiniętych państwach kapitalistycznych. Są one bogatsze niż kiedykolwiek, jednocześnie dystrybucja owego bogactwa staje się coraz bardziej nierówna. Pomimo wielu działań przeciwdziałających ubóstwu, jego skala zdaje się rosnąć. W wielu krajach to samo dzieje się ze zjawiskiem reprodukcji nierówności społecznych. Kilka ekonomicznych, politycznych i społecznych procesów leży u źródeł tego problemu w Europie. Neoliberalna polityka gospodarcza oznacza wypieranie usług publicznych przez rozwiązania o charakterze rynkowym, obserwowane w wielu krajach. Efektem jest zmiana sytuacji najsłabszych grup w społeczeństwie. Prawicowe gabinety w większości krajów europejskich wprowadziły radykalnie rynkowe programy polityczne. W europejskich społeczeństwach rozrostowi klasy średniej towarzyszy rozszerzanie się zjawiska społecznego wykluczenia. Rolą krytycznej analizy socjologicznej jest wskazanie aktorów społecznych zaangażowanych w zmianę społeczną. Rosnące nierówności społeczne są bowiem efektem celowych ekonomicznych i politycznych decyzji wynikających w konkretnych interesów i konfliktów.