Chapter 1

How Stratification Works

All human societies have a social structure that divides people into categories based on a combination of achieved and ascribed traits. Achieved characteristics are those acquired in the course of living, whereas ascribed characteristics are set at birth. The categories defined within a social structure may be nominal or graduated—that is, they may assign labels to people on the basis of shared qualitative attributes, or they may rank people along some quantitative continuum (see Blau 1977). Ascribed social categories include nominal groupings such as gender, in which people are labeled male or female on the basis of inherited physical traits (ultimately, the possession of one versus two X chromosomes), as well as graduated categories such as age, in which people are classified according to the amount of time elapsed since birth. Achieved statuses may also be nominal—being a member of a fraternal lodge such as the Moose or Elks—or graduated—being a member of an income class.

Stratification refers to the unequal distribution of people across social categories that are characterized by differential access to scarce resources. The resources may be material, such as income and wealth; they may be symbolic, such as prestige and social standing; or they may be emotional, such as love, affection, and, of course, sex. The term "stratification" comes from the Latin *stratum*, which in the geological sense refers to an identifiable layer of sediment or material in the ground. Over time, changing environmental conditions produce identifiable layers within the earth's crust, known as strata, which are distinctive in composition and can be associated temporally with different geological eras. In an analogous manner, societies may be conceptualized as having social strata, different layers that are distinctive in composition and characterized by more or less access to material, symbolic, and emotional resources.

Stratification systems order people vertically in a social structure characterized by a distinct top and bottom. The distance from the top to the bottom of any society is indicated by the size of the gap in access to resources between those in the uppermost and lowermost social categories. As the distance between the top and the bottom of a social structure increases, and as the distribution of people across social categories shifts toward the extremes, a society is said to become more stratified—literally having more socially defined layers with more people distributed among them at greater distances from one another. The degree of social stratification is often measured in terms of inequality, which assesses the degree of variability in the dispersion of people among ranked social categories.

Human societies differ greatly with respect to their degree of social inequality. In general, small foraging societies in which people hunt and gather for a living tend to be quite egalitarian (Kelly 1995). Social categories are defined mainly on the basis of gender, age, and kinship, categorical perceptions that appear to be hardwired into human social cognition (Macrae and Bodenhausen 2000). Among hunters and gatherers there is little inequality in access to material resources. The stratification that does exist is mainly expressed as unequal access to symbolic or emotional resources. Among men, prestige and sexual access derive not simply from skill at hunting and successful food provision but also from generosity and sharing within the group. Selfishness and hoarding are discouraged through a variety of informal leveling mechanisms that involve ridicule, shaming, and humor, which are often enforced through prescribed rituals (Gamble 1999).

The most common form of stratification in foraging societies occurs on the basis of gender. Stratification between males and females derives primarily from the amount of time that men spend alone together, typically on a hunt, and is thus determined by local ecology (Massey 2005a). Societies where men spend large amounts of time away from women hunting large game tend to be more gender-stratified. During the time they are away on their own, males reinforce male predispositions and tendencies to become more aggressive and domineering (Macoby 1998). At the same time, females left by themselves reinforce female predispositions and tendencies to become more caring and nurturing. The end result is a divergence in gender-specific attitudes and behaviors that works to the detriment of females once the two sexes reunite (Macoby 1998; Sanday 1981). Compared with foraging societies built around the hunting of large mammals, societies that rely on aquatic resources, gathering and scavenging, or the pursuit of small game tend to be much lower in gender inequality.

Sedentary agrarian societies are more stratified than foraging societies (Sjoberg 1960). The domestication of plants and animals around ten thousand years ago enabled farmers to produce more food than they themselves consumed, and thus a very small number of people could stop toiling each day to procure the calories needed for survival. Instead, these fortunate few pursued other, non-food-producing activities such as trade, manufacturing, politics, religion, and soldiering (Chant and Goodman 1999).

Given a pre-industrial agrarian technology, the food surplus was necessarily meager, and to support even a small class of non-food-producing specialists, crops had to be collected over a large area and assembled at a fixed location for redistribution to people who had no direct role in their cultivation; these fixed locations were the first cities (Chandler and Fox 1974). Since peasant households do not willingly hand over the fruits of their labor to others, social structures came into existence to effect and legitimate the confiscation, leading to the formation of ruling and working classes in addition to peasant farmers (Sjoberg 1960). Noble and priestly families based in cities enjoyed favored access to material, symbolic, and emotional resources; workers, tradesmen, and artisans made do with whatever the ruling classes granted them; and peasants were heavily taxed to support both sets of urban dwellers.

Although the distance between the top and bottom rungs of society was large compared with foraging societies and mobility between classes was minimal, the total amount of inequality was constrained by the small size of the food surplus produced with a pre-industrial technology (Massey 2005a). In the world of agrarian urbanism, which prevailed from 8000 B.C. to around 1800 A.D., no more than 5 percent of the inhabitants within any society ever lived in cities, and among urban dwellers only a tiny fraction belonged to the ruling elite. The typical member of a pre-industrial agrarian society was an illiterate peasant whose access to resources was the same as that of most of the rest of the population. Despite the existence of privileged classes, total inequality was actually quite modest by contemporary standards.

Beginning around 1800, however, the industrial revolution breached the technological cap that had limited inequality for millennia. Mechanization enabled a dramatic increase in agricultural productivity so that for the first time fewer than 5 percent of humans could produce enough food for everyone else (Berry 1973). Industrial societies urbanized, and the vast majority of people came to inhabit cities and work in non-agricultural occupations. As the share of workers employed in manufacturing and services grew, the number and range of occupations expanded rapidly to produce new social forms of differentiation. In the United States, for example, the variance in the distribution of people across occupational categories increased by a factor of four between 1850 and 1950 (Massey 2005a).

Industrialization also enabled an unprecedented increase in material well-being, dramatically widening the absolute distance between the top and the bottom of human social structures. Between 1850 and 1950, the total value of goods and services produced in the global economy rose from $939 trillion to $5,336 trillion (Maddison 2003), and the largest private fortune in the United States rose from $1 million to $1.6 billion (Phillips 2002). This increased distance between the top and bottom of the social hierarchy and the proliferation of categories in between made possible a new burst of stratification and inequality that lasted well into the twentieth century (Williamson 1980).

In the United States the restructuring of the political economy in the wake of the Great Depression and the Second World War compressed the distribution of earnings and substantially reduced levels of inequality, beginning in the 1930s (Goldin and Margo 1992). From 1945 to 1975, under structural arrangements implemented during the New Deal, poverty rates steadily fell, median incomes consistently rose, and inequality progressively dropped as a rising economic tide lifted all boats (see Burtless and Smeeding 2001; Danziger and Gottschalk 1995; Freeman 2001; Levy 1998; Smeeding, O'Higgins, and Rainwater 1990).

During the 1970s, however, a new *post-industrial* economy arose, one based on the creation of knowledge and manipulation of information rather than the production of goods and services or the cultivation of food (Devine and Waters 2004; Svallfors 2005). Once again occupational differentiation increased and the distance between the top and the bottom of the social hierarchy grew. Whereas the largest private fortune in the United States stood at $3.6 billion in 1968, by 1999 it had reached $85 billion, raising the distance between the top and bottom of the social structure by a factor of 24 in just thirty years (Phillips 2002). Likewise, from 1975 to 2000 wealth inequality increased by 11 percent while income inequality rose by 23 percent (Keister 2000; Massey 2005a). At century's end, the richest 1 percent of Americans controlled 40 percent of the nation's total wealth.

Categorical Inequality

Despite the radical transformation of human societies over time—from foraging societies through agrarian urbanism into industrial urbanism and on to our current post-industrial world—the fundamental mechanisms producing stratification have not changed much. Although the number and range of categories in the social structure may have risen dramatically, and the stock of material resources may have accumulated to new heights, the basic means by which people are granted more or less access to scarce material, emotional, and symbolic resources have remained remarkably similar through the ages. Indeed, all stratification processes boil down to a combination of two simple but powerful mechanisms: the allocation of people to social categories, and the institutionalization of practices that allocate resources unequally across these categories. Together, these two social processes produce what Charles Tilly (1998) calls "categorical inequality"—a pattern of social stratification that is remarkably "durable" in the sense that it is reproduced across time and between generations.

The Basic Mechanisms of Stratification

Given socially defined categories and people being distributed among them, inequality is generated and perpetuated by two basic mechanisms: exploitation and opportunity hoarding (Tilly 1998). *Exploitation* occurs when people in one social group expropriate a resource produced by members of another social group and prevent them from realizing the full value of their effort in producing it. *Opportunity hoarding* occurs when one social group restricts access to a scarce resource, either through outright denial or by exercising monopoly control that requires out-group members to pay rent in return for access. Either way, opportunity hoarding is enabled through a *socially defined process of exclusion*.

The most extreme form of categorical inequality ever invented by human beings is slavery, wherein the labor of one socially defined group is expropriated in its entirety by another, whose members simultaneously and drastically restrict the access of the enslaved to material, symbolic, and emotional resources. The Jim Crow social system that replaced slavery in the American South after 1876 used sharecropping as a new institutional means of exploitation and carrying out exclusion and opportunity hoarding (Foner 1988). Until quite recently, racial stratification in the southern United States was extreme and social mobility for African Americans was limited.

Within any social structure, exploitation and opportunity hoarding are, in turn, reinforced by two other social processes that work over time to institutionalize categorical distinctions and lock them into place (Tilly 1998). The first is *emulation*, whereby one group of people copies a set of social distinctions and interrelationships from another group or transfers the distinctions and interrelationships from one social setting to another. The second is *adaptation*: social relations and day-to-day behaviors at the microsocial level become oriented toward ranked categories, so that decisions about who to befriend, who to help, who to share with, who to live near, who to court, and who to marry are made in ways that assume the existence and importance of asymmetric social categories. In the words of Tilly (1998, 10): "Exploitation and opportunity hoarding favor the installation of categorical inequality, while emulation and adaptation generalize its influence."

In the Jim Crow South, for example, if legislation to enforce racial segregation that was invented in one southern state was successful, it would be imitated by other southern states, such that by 1920 all the states of the former Confederacy came to have remarkably similar legal codes on the issue of race (Packard 2002; Woodward 1955; Wormser 2003). At the same time, faced with violence and coercion, blacks came to "know their place" in the southern social order and adapted to it in ways that reinforced their subjugation. Whites throughout the South likewise adapted their behaviors according to the formal and informal rules of Jim Crow, which allowed them to intimidate, victimize, and punish African Americans with impunity. As a result, racial segregation was enforced not only formally in public settings but also informally in private practice through a racial etiquette negotiated daily by black and white southerners.

The Psychology of Social Classification

Although obvious and glaring, in principle the mechanisms of stratification employed in the Jim Crow South are quite general and operate at some level in all human societies. They are ultimately social in origin and predate the emergence of the market as a means of organizing human production and consumption (Massey 2005a). Instead, they follow naturally from the pursuit of core social motives common to all human beings (Fiske 2004). What has changed dramatically is the societal context within which the core social motives play out. Human interactions increasingly occur within urban environments of great size, density, and heterogeneity, and the ecological settings that individuals find themselves adapting to—psychologically, socially, culturally, and physiologically—vary greatly depending on whether the individuals are rich or poor, light or dark, male or female.

In a very real way, stratification begins psychologically with the creation of cognitive boundaries that allocate people to social categories. Before categorical inequality can be implemented socially, categories must be created cognitively to classify people conceptually based on some set of achieved and ascribed characteristics. The roots of social stratification thus lie ultimately in the cognitive construction of boundaries to make social distinctions, a task that comes naturally to human beings, who are mentally hardwired to engage in categorical thought (Fiske 2004). Indeed, recent work shows that human intelligence works more through pattern recognition and inductive generalization than deductive logic or mathematical optimization (Dawes 1998). In contrast to the software and hardware of a digital computer, which work together to make decisions using a strict Boolean logic, the "wetware" of the human brain is messy, inconsistent, and often quite "illogical" in a strictly deductive sense (Dawes and Hastie 2001; Kahneman and Tversky 1973, 1979). Instead, human "rationality" has been shaped by evolution to depart in characteristic ways from strict adherence to the principles of logic and probability that are assumed by most rational choice models (Dawes 1998; Kahneman and Tversky 2000).

Our natural capacity for categorical thought evolved in this fashion because the human brain is an energy sink. Constituting just 2 percent of the body's weight, the brain uses 20 percent of its total energy (Donald 1991). In the course of thousands of years of evolution, therefore, human beings evolved ingrained mental shortcuts to conserve cognitive resources. Operating with deductive rigor to consider all possible combinations, permutations, and contingencies before making a decision is possible for a powerful electronic computer contemplating a single problem, but if the brain were to adopt such an approach to decide the myriad of choices that human beings face in daily life, humans would waste a lot of scarce energy pondering routine situations and everyday actions that have little effect on survival. Most decisions made by humans are not perfect or optimal in any real sense; they are just "good enough" to get by and live another day, yielding the human practice of "satisficing" rather than optimizing (Simon 1981).

For this reason, human beings function mentally as "cognitive misers." They take a variety of characteristic mental shortcuts and use simple rules of thumb and shorthands to make everyday judgments (Fiske and Taylor 1991). As organisms, we tend to "satisfice" rather than optimize (Newell and Simon 1972), and we are wired cognitively to construct general categories about the world in which we live and then to use them to classify and evaluate the stimuli we encounter. These conceptual categories are collectively known as *schemas*. They represent cognitive structures that serve to interconnect a set of stimuli, their various attributes, and the relationships between them (Fiske 2004).

Since human memory is finite and cannot be expanded, if the brain is to remember more things it must combine or "chunk" bits of information into larger conceptual categories (schemas), using common properties to classify a much larger number of people, objects, and experiences into a small number of readily identifiable categories for recall. Ultimately schemas are nothing more than well-established neural pathways that have been created through the repeated firing of particular constellations of synapses, leading to the formation of an integrated assembly of neurons that function together according to a specific sequence along specific routes to produce a consistent mental representation (LeDoux 2002).

People use schemas to evaluate themselves and the social roles, social groups, social events, and individuals they encounter, a process known as social cognition (Fiske 2004). The categories into which they divide up the world may change over time and evolve with experience, but among mature human beings they always exist and people always fall back on them when they interpret objects, events, people, and situations (Fiske 2004), and they are especially reliant on categorical judgments under conditions of threat or uncertainty. Human beings are psychologically programmed to categorize the people they encounter and to use these categorizations to make social judgments.

Social schemas do not exist simply as neutral mental representations, however; they are typically associated with emotional valences. The human brain is composed of two parallel processors that, while interconnected, function independently (Carter 1998; Konner 2002; Panksepp 1998). The emotional brain is rooted in a set of neural structures that are common to all mammals and are known collectively as the limbic system, whereas the rational brain is centered in the prefrontal cortex and other areas of the neocortex (Damasio 1994, 1999). The two portions of the brain, labeled system 1 and system 2 by Daniel Kahneman (2003), are neurally interconnected, but the number and speed of the connections running from the limbic system to the neocortex are greater than the reverse, so that emotional memories stored in the limbic system, which are typically unconscious or implicit, greatly affect how human beings make use of categories that exist within the rational, conscious brain (LeDoux 1996; Zajonc 1998).

Emotions stored in the limbic system may be positive or negative, but when they are associated with particular classes of people or objects they contribute to *prejudice*, which is a predetermined emotional orientation toward individuals or objects (Fiske 2004). A prejudicial orientation for or against some social group thus contains both conscious and unconscious components (Bargh 1996, 1997). On the one hand, people may be principled racists who consciously believe that African Americans are inferior and thus rationally seek to subordinate them, consistent with their explicit beliefs. On the other hand, a person may quite sincerely believe in equal opportunity and racial justice and yet harbor unconscious anti-black sentiments and associations that were created through some process of conditioning (such as the repeated visual pairing of violent crime scenes with black perpetrators on television), even though this prejudice may be inconsistent with the person's explicit beliefs.

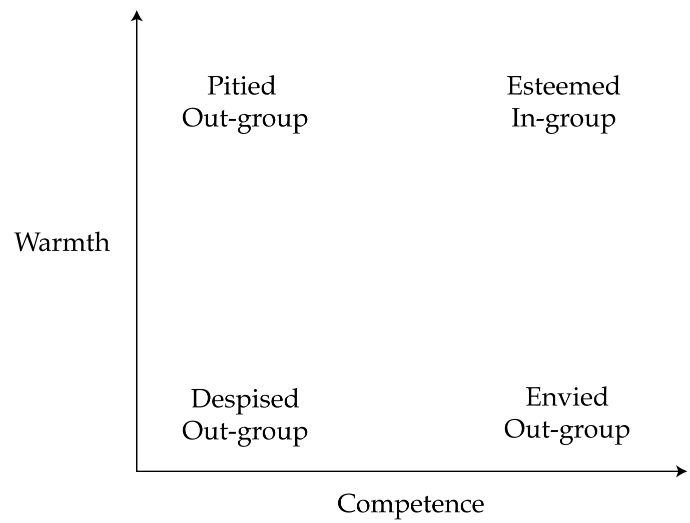
All human beings, whether they think of themselves as prejudiced or not, hold in their heads schemas that classify people into categories based on age, gender, race, and ethnicity (Stangor et al. 1992; Taylor et al. 1978). They cannot help it. It is part of the human condition, and these schemas generally include implicit memories that yield subconscious dispositions toward people and objects, leading to stereotypes (Fiske 1998). Moreover, although stereotypical notions are always present, people are more likely to fall back on them in making judgments when they feel challenged, face uncertainty, or experience sensory overload (Bodenhausen and Lichtenstein 1987; Bodenhausen and Wyer 1985).

In making stereotypical judgments about others, human beings appear to evaluate people along two basic psychological dimensions: warmth and competence (Fiske et al. 2002). Warmth is how likable and approachable a person is. We are attracted to people we view as high on the warmth dimension, and we seek to interact and spend time with them. We find people who are low on the warmth dimension to be off-putting, and we generally avoid them and seek to minimize the number and range of our social contacts with them; we don't like them and find them "cold." In addition to these subjective feelings of attraction and liking, we also evaluate people in terms of competence and efficacy—their ability to act in a purposeful manner to get things done. We may or may not like people who are highly competent, but we generally respect them and admire their ability to achieve.

These two dimensions of social perception come together in the *stereotype content model*, which argues that human social cognition and stereotyping involve the cognitive placement of groups and individuals in a two-dimensional social space defined by the intersection of independent axes of warmth and competence (Fiske et al. 2002). As shown in figure 1.1, the social space for stereotyping has four quadrants. The top-right quadrant contains people within the person's own group, along with members of groups perceived to be similar to one's own. Naturally, we think of members of our own social group as warm and competent and, hence, approachable and worthy of respect. The relevant emotion associated with in-group social perceptions is esteem or pride.

The intersection of the two dimensions yields three distinct kinds of out-groups, however, which vary in terms of approachability and respect. The bottom-right quadrant contains those groups that are viewed socially as competent but not warm. They are respected but not liked, and the relevant emotion that people

Figure 1.1 The Stereotype Content Model



Source: Author's compilation.

feel toward them is envy. This quadrant embraces the classic middleman minorities, such as Jews in medieval Europe, Chinese in Malaysia, Tutsi in Rwanda, and Indians in East Africa. In a stable social structure, people show public respect for and defer to members of envied out-groups, but if the social order breaks down, these out-groups may become targets of communal hatred and violence because they are not liked and are not perceived as people "like us."

The top-left quadrant includes out-groups that are viewed as warm, and thus likable, but as not competent. Those falling into this category include people who have experienced some misfortune but are otherwise perceived as "people like me," such as the disabled, the elderly, the blind, or the mentally retarded. One could imagine being in their shoes but for an accident of fate, and so the relevant emotion is pity. We like the members of these out-groups, but recognizing their lack of competence, we also feel sorry for them and do not respect them. In a stable social structure, members of pitied out-groups tend to be looked after and cared for, but in times of social disorder they may suffer from neglect (as seen in the aftermath of Hurricane Katrina in New Orleans), though they generally do not become targets of intentional hatred or communal violence.

Finally, social groups occupying the bottom-left quadrant are perceived simultaneously as low in warmth and low in competence. Being neither likable nor capable, people within these out-groups are socially despised, and the dominant emotion is disgust. This quadrant contains social outcasts such as drug dealers, lazy welfare recipients, sex offenders, and the chronically homeless. It also includes members of groups that have been subject to an ideological process of group formation and boundary definition that questions their humanity. African Americans in the Jim Crow South were perceived by whites as neither competent nor warm. They were socially labeled as inferior, even subhuman, and because they were perceived as less than fully human, they could be exploited, segregated, humiliated, and killed with near impunity.

Recent work in neuroscience has implicated a particular region of the brain as central to the process of social cognition (see Harris and Fiske 2006). Whenever individuals perceive a stimulus as a human being and therefore a potential social actor, an area of the brain known as the *medial prefrontal cortex* lights up when observed under functional magnetic resonance imagery (fMRI). Lasana Harris and Susan Fiske (2006) pretested a number of photographic images of social actors to establish the quadrant into which they fell; then they showed these images to experimental subjects so that each person saw a total of eighty images—twenty of in-group members, twenty of envied out-groups, twenty of pitied out-groups, and twenty of despised out-groups.

As they viewed the various social images, the brains of subjects were scanned under fMRI and centers of activity recorded. As expected, the investigators found that images of people representing in-groups, envied out-groups, and pitied out-groups triggered clear reactions in the medial prefrontal cortex. Startlingly, however, images of despised out-groups did not (Harris and Fiske 2006). Whereas out-groups triggering feelings of pity and envy were instantly perceived as human beings and social actors, those that were despised were not seen in social terms at all—at the most fundamental level of cognition. Despised out-groups thus become dehumanized at the neural level, and those who harbor these feelings thus have a license, in their own minds, to treat members of these out-groups as if they are animals or objects.

This basic feature of human social cognition provides the psychological foundations for exploitation and opportunity hoarding in the real world. It is reinforced by another characteristic feature of human psychology known as the *fundamental attribution error*, "the general tendency to overestimate the importance of personal or dispositional factors relative to environmental influences" in accounting for behavior (Ross, Greene, and House 1977, 184). In evaluating others, all human beings have a natural tendency to attribute behavioral outcomes to characteristics of the people involved rather than the structure of the situation. Thus, the poor are poor because they are lazy, lack a work ethic, have no sense of responsibility, are careless in their choices, or are just plain immoral, not because they lost their job or were born into a social position that did not give them the resources they needed to develop. Because of the fundamental attribution error, we are all cognitively wired and prone to blame the victim—to think that people deserve their location in the prevailing stratification system.

In parallel fashion, human beings have an opposite bias when they make attributions about themselves, at least with respect to negative outcomes. Rather than blaming themselves—something about their disposition or character—they tend to attribute personal misfortunes to specific features of the situation, a proclivity known as the *actor-observer effect* (Jones and Nisbett 1972). When *someone else* ends up on welfare, it is because he or she is lazy, careless, or irresponsible; when *I* end up on welfare, however, it is through no fault of my own but because of events beyond my control: I lost my job, got sick, was injured, got pregnant accidentally, got divorced, was widowed. Because of the actor-observer effect, we are also cognitively prone to explain our own misfortunes and outcomes in terms of the structure of the situation.

The Creation of Capital

The position of a group within the social space defined by warmth and competence is not fixed but malleable, varying across time, space, and culture (Leslie, Constantine, and Fiske 2006). Although social categories are ultimately constructed and maintained by individuals within their own minds, the process by which boundaries are expressed is ultimately social. Group identities and boundaries are negotiated through repeated interactions that establish working definitions of the categories in question, including both objective and subjective content, a process that sociologists have labeled *boundary work* (Gieryn 1983; Lamont and Molnar 2002). When social actors succeed in establishing the limits and content of various social categories in the minds of others, psychologists refer to the process as *framing* (Kahneman and Tversky 2000). In essence, boundary work involves defining categories in the social structure, and framing involves defining them in human cognition.

People naturally favor boundaries and framings that grant them greater access to material, symbolic, and emotional resources, and they seek to convince others to accept their favored version of social reality (Lakoff 2002; Lakoff and Johnson 2003). In general, social actors who control more resources in society—those toward the top of the stratification system—have the upper hand in framing and boundary work. Whites historically have perpetuated negative stereotypes of African Americans as unintelligent, violent, hypersexual, and shiftless, and rich people likewise have promoted a view of the poor as lazy, unmotivated, undisciplined, and undeserving. To the extent that such stereotypes become a part of everyday social cognition, individual members of the stereotyped outgroup tend to experience discrimination and exclusion.

Nonetheless, exclusionary social distinctions and demeaning framings are always contested by people on the receiving end

(Barth 1969). Those subject to exploitation by a particular framing of social reality work to oppose it and substitute an alternative framing more amenable to their interests. Likewise, when they encounter categorical boundaries that prevent them from accessing a desired resource, people work actively to resist and subvert the social definitions as best they can. Members of subjugated groups have their own expectations about how they should be perceived and treated, and even if they outwardly adapt to the social preconceptions of more powerful others, they generally work inwardly to undermine the dominant conceptual and social order in small and large ways.

Through such two-way interactions, however asymmetric they may be, people on both sides of a stratified social divide actively participate in the construction of the boundaries and identities that define a system of stratification. No matter what their position in the system, people seek to define for themselves the content and meaning of social categories, embracing some elements ascribed to them by the dominant society and rejecting others, simultaneously accepting and resisting the constraints and opportunities associated with their particular social status. Through daily interactions with individuals and institutions, people construct an understanding of the lines between specific social groups (Barth 1981).

The reification of group boundaries within human social structures creates two important resources that are widely deployed in the process of social stratification: social capital and cultural capital (Bourdieu 1986). In classical economics, of course, capital refers to anything that can be used in the production of other resources, is human-made, and is not fully consumed in the process of production (Ricardo 1996). Common examples are *financial capital*, which can be invested to generate income, and *physical capital*, which can be applied in production to increase output. Economists later generalized the concept by defining *human capital* as the skills and abilities embodied in people, notably through education and training (Schultz 1963). By investing in education, parents and societies thus create human capital in their children, and when individuals forgo income and incur costs to gain additional training, they invest in their own human capital. Individuals recoup this investment through higher lifetime earnings; societies recoup it through higher taxes and enhanced productivity; and parents recoup it by enjoying the economic independence and financial security of their adult children (Becker 1975).

Sociologists have broadened the concept of capital to embrace resources derived from social ties to people and institutions (Bourdieu 1986; Coleman 1988). *Social capital* comes into existence whenever a social connection to another person or membership in a social organization yields tangible benefits with respect to material, symbolic, or emotional resources, such as getting a job that offers higher income, greater prestige, and more access to attractive sexual partners. Most "good" jobs are not found through formal mechanisms such as paid advertisements but through informal connections with other social actors who provide information and leads (Granovetter 1974). Because ties to friends and family do not extend very far and mostly yield redundant information, weak ties to casual acquaintances are generally more important in getting a job than close relationships to close friends or kin (Granovetter 1973).

The use of framing and boundary work to construct an advantaged social group with privileged access to resources and power creates the potential for social capital formation. Having a tie to a member of a privileged elite increases the odds of being able to access resources and power oneself. Elites implicitly recognize this fact and generally take steps to restrict social ties to other members of the elite. Marriage outside the group is discouraged; friendships are turned inward through exclusive organizations such as clubs, fraternities, and lodges; and rules of inheritance conserve elite status along family lines. To the extent that group members are successful in confining social ties to other group members, they achieve *social closure*. Outsiders trying to break into elite circles are labeled bounders or interlopers, and they are derided for acting "uppity" or "above their station."

Social closure within elite networks and institutions also creates the potential for another valuable resource known as *cultural capital*

(Bourdieu 1986). In contrast to human capital, which includes knowledge, skills, and abilities that make people directly productive as individuals, cultural capital consists of knowledge and manners that do not make individuals more productive in and of themselves, but that permit them to be more effective as actors within a particular social context—in this case, elite settings. Because members of an elite tend to go to the same schools, read the same books, peruse the same periodicals, learn the same stylized manners, follow the same fashions, and develop the same accents and speech patterns, they are easily able to acquire a common set of socially defined markers that designate "good taste" and "high class," so that elite members are quickly recognizable to one another and to the masses.

The possession of cultural capital makes an individual more productive not because he or she can perform a given operation better or faster, but because he or she can navigate structures of power with greater ease, feeling relaxed and comfortable in the social settings they define and thus interacting with other persons of influence to get things done. Cultural capital represents a symbolic resource that privileged groups can manipulate through opportunity hoarding to perpetuate stratification and increase inequality.

Spatial Boundaries

To this point, I have argued that stratification stems from a social process wherein individuals form categorical mental representations of in-groups and out-groups through framing; translate these representations into social categories through boundary work; and then establish institutional structures for exploitation and opportunity hoarding that correspond to categorical boundaries, thereby generating unequal access to resources such as financial capital, human capital, social capital, and cultural capital. To function, this system need only exist in the social and cognitive spheres. Position in a cognitively and institutionally defined social order need not correspond to any real location in physical space. If, however, social boundaries can be made to conform to geographic boundaries through a systematic process of segregation, then the fundamental processes of stratification become considerably more efficient and effective (Massey 2005a).

If out-group members are spatially segregated from in-group members, then the latter are put in a good position to use their social power to create institutions and practices that channel resources away from the places where out-group members live, thus facilitating exploitation. At the same time, they can use their social power to implement other mechanisms that direct resources systematically toward in-group areas, thus facilitating opportunity hoarding. Spatial segregation renders stratification easy, convenient, and efficient because simply by investing or disinvesting in a place, one can invest or disinvest in a whole set of people (Massey and Denton 1993).

Stratification thus becomes more effective to the degree that social and spatial boundaries can be made to overlap. When members of an out-group are well integrated spatially, stratification is more difficult and costly because disinvestment in the out-group must occur on a person-by-person, family-by-family basis. Throughout history, therefore, whenever the powerful have sought to stigmatize and subordinate a particular social group, they have endeavored to confine its members to specific neighborhoods by law, edict, or practice (Wirth 1928).

The overlapping of social, cultural, economic, and spatial boundaries yields what Peter Blau (1977) calls a *consolidation of parameters*. When social parameters are consolidated—when social, economic, and spatial characteristics correlate strongly with one another—the process of stratification becomes sharper and more acute. Within a hypothetical social space made up of cells defined by the intersection of spatial status, social status, economic status, and cultural status, within-cell relations intensify and between-cell interactions attenuate. Over time, inter-cell mobility withers, social categories reify and reproduce themselves, and the social structure as a whole grows rigid. A society defined by consolidated parameters is thus one in which the categorical mechanisms of inequality operate very effectively and social boundaries are salient and difficult to cross, yielding "durable inequality," a structural state wherein stratification replicates and reproduces itself more or less automatically over time.

Markets and Stratification

The mechanisms of stratification described so far do not presuppose any particular economic system. They can function in a command economy, where property is owned by the state and decisions about production and consumption are made by central planners, or in a capitalist economy, where property is privately held and decisions about production and consumption are made by free and autonomous agents working through markets. Stratification and inequality are not created by capitalism, and the existence of markets does not guarantee inequality; nor does their absence preclude it. Markets are a human invention, and until recently most transactions occurred outside the market. Stratification has been with us, however, for millennia (Massey 2005a).

Markets are basically competitions between people that occur within socially constructed arenas according to socially defined rules using a socially accepted medium of exchange (Massey 2005b). By building the competitive arenas, defining the rules of play, and defining the media of exchange, societies bring markets into existence to facilitate the production, consumption, and distribution of goods and services. If markets are socially constructed by actors within the societies in which they are embedded, then there is no inherently correct number, distribution, or nature of markets. As societies change socially, demographically, and culturally, as new technologies emerge, and as new knowledge is created, the nature and number of markets change.

For transactions to occur, buyers and sellers must come together within a mutually accepted arena. Sometimes the arena is delimited physically (such as the trading pit in the New York Stock Exchange), and at other times it is geographically diffuse (as with NASDAQ, where securities are traded electronically in hyperspace). But competitive arenas are always defined *socially* by mutually agreed-upon rules, both formal and informal, that govern transactions. As markets have evolved and expanded, the rules have increasingly shifted from the informal to the formal realm (Carruthers and Babb 2000).

Formal rules are laws and regulations that are written down by political authorities to recognize private property, define the rights of buyers and sellers, establish a basis for the execution and enforcement of contracts, and define acceptable behaviors within a competitive arena. Informal rules are unwritten codes of conduct and practice that are implicitly understood by market participants and reinforced through mechanisms of enforceable trust such as ridicule, gossip, shaming, exclusion, and ostracism. Whereas some markets are predominantly formal (such as U.S. mortgage markets), others remain highly informal (for example, the global diamond trade). Most markets, however, remain mixtures of formal and informal mechanisms (jobs and hiring).

In addition to being supported by a social infrastructure of laws, regulations, expectations, and conventions, competitive arenas often require a physical infrastructure (Massey 2005b). The necessary infrastructure may be erected by public or private efforts, but it is generally achieved by a mixture of the two. Whereas private interests may finance the construction of factories to produce consumer goods, for example, the public builds highways and ports and subsidizes air and rail travel, which enables producers to bring the goods to market. A core responsibility of the state is to make sure, by some combination of public and private means, that the physical and social infrastructure necessary for markets is created and maintained.

The final task of the state is to establish a secure medium of exchange (Massey 2005b). The invention of something called "money" is not inherent in the logic of the market. Rather, the idea of money was invented independently and then imposed on markets through a long series of trials and errors that only gradually revealed the most effective course of action (Davies 2002). The earliest economic exchanges between human beings occurred through bartering, but as societies grew in size and scale and the volumes of the goods, services, and commodities being exchanged rose, bartering became increasingly cumbersome and inefficient.

The first coins were minted around 2,700 years ago, and for most of the past 2,000 years precious metals were used to define the media of exchange in most societies. With the advent of metal-backed currency, the value of any good, service, or commodity could be expressed according to a common metric. Price did not have to be negotiated independently for each exchange, nor did two sets of goods or commodities have to be shipped: one party could simply send money in payment for the later shipping and delivery of materials by the other party. As a result, transaction costs were dramatically reduced, transparency was increased, and the efficiency of markets was greatly enhanced.

Although the use of precious metals to create common currencies and consensual standards of exchange constituted a great advance over bartering, a major problem was that the money supply remained tied to the arbitrary supply of a particular metal rather than the needs of the market or its participants (Williams 1998). Economic expansion could be stunted if supplies of precious metals did not keep pace with the demand for currency, and inflation tended to follow from the discovery and exploitation of new ore deposits irrespective of the needs of the economy. Following the theoretical work of Milton Friedman (1956), governments around the world eventually abandoned precious metal standards and adopted monetarist policies that linked the supply of money to the level of economic output in the economy; in so doing, they were able to gain control over the relative inflation or deflation of the currency, thus solving a problem that had long bedeviled market economies.

Markets came into existence because human beings created social structures, innovated cultural understandings, built competitive arenas, defined formal and informal rules of competition, and specified media of exchange to allow for the production, distribution, and consumption of goods and services. Because markets are always embedded within a particular constellation of social institutions and cultural conventions (Granovetter 1985; Swedberg 2003), there is no single way to create a functioning market society and no unique architecture for successful market relations (Fligstein 2001; Hall and Soskice 2002; Whitley 1999). It all depends on the institutional context within which a market is working (Massey, Sanchez, and Behrman 2006).

From the viewpoint of stratification, the competitive arenas, rules of competition, and media of exchange may be structured by social actors so as to produce more or less inequality—either to maximize the opportunities for exploitation and opportunity hoarding or to minimize them. Whatever their institutional foundations, however, markets enhance the *potential* for stratification by increasing the total stock of material resources and multiplying the number of social categories across which they are distributed. Having more resources spread across a larger number of social categories yields greater inequality, and history has clearly shown that markets produce more wealth and income than other economic systems, other things equal.

Although economic growth under market mechanisms may increase the potential for stratification and inequality by accelerating income accumulation, wealth creation, and social differentiation relative to other economic systems, *how* the resulting wealth is distributed across categories within the underlying social structure is not predetermined. The distribution of material resources depends very much on choices made by social actors in creating the institutions and practices that underlie the market. Exploitation and opportunity hoarding may be built into the way a market functions if they are embedded within the institutional matrix that contains the market (Massey 2005b).

Categorical inequality results whenever those in power enact policies and practices to give certain groups more access to markets than others; offer competitive advantages to certain classes of people within markets; protect certain groups from market failures more often than others; invest more in the human capital of certain groups than others; and systematically channel social and cultural capital to certain categories of people. Historically, many social groups in the United States were excluded from markets as a matter of both formal policy and informal practice.

The U.S. Constitution, of course, was originally written to authorize the imposition of chattel slavery upon persons of African ancestry, thereby excluding them entirely from markets (Higginbotham 1980, 1996). After the abolition of slavery, laws in southern states were written explicitly to prevent the formation of competitive labor markets in agriculture and, instead, to indenture black sharecroppers to white planters and landowners (Foner 1988). Women were effectively excluded from many occupations and markets until quite recently, as were various ethnic and racial groups (Farkas and England 1986; Schaefer 2005; Tilly 1994).

Even when they were allowed to participate in markets, moreover, minorities and women were often forced socially to compete on unfavorable terms, yielding wage discrimination, price discrimination, and a variety of categorical barriers to occupational mobility. Before the 1960s, it was perfectly legal to pay women and minorities less than white men for the same work; to deny public services to members of specific racial or ethnic groups; to prevent the entry of women into prestigious occupations; to prohibit the membership of women and minorities in favored social organizations; to refuse to rent or sell dwellings to people on the basis of race, ethnicity, or gender; and to deny credit and capital to people based on the same characteristics (Perlmutter 1999). Not only were these practices legal, but they were common and widely accepted by the American public (see Schuman et al. 1998).

Before people can compete effectively in markets, of course, they must be prepared for competition through the deliberate cultivation of human, social, and cultural capital. Human capabilities are generally created through some mixture of public and private auspices. The private institution most fundamentally and universally involved in producing capable human beings is the family (Folbre 2001). Within families, children are born, fed, housed, clothed, and taught. Within the confines of the family, people learn to walk, speak, behave, and think. As a result of structured instruction and unstructured emulation, children learn to value and follow certain patterns of thought and action and to devalue and shun others.

As the size and complexity of human populations have increased, however, other social institutions have assumed larger roles in the creation and enhancement of human capabilities, and in the last quarter of the twentieth century the importance of nonfamily institutions increased dramatically (Massey 2005a). Industrialization created new needs for literate workers and led governments to require and provide primary and secondary schooling to citizens on a mass basis. The recent shift to a knowledge-based information economy has further accelerated the rate of investment in post-graduate education, research, and lifetime training. In advanced market societies, a critical responsibility of government is to ensure levels of education and training that not only will permit citizens to participate effectively in a growing array of complex markets but also will promote the sustained growth of income and the continued creation of wealth in a competitive global economy.

For much of American history, most African Americans were relegated by law to a separate educational system that was poorly funded, meagerly staffed, and badly organized; the huge racial differentials in the quantity and quality of education that resulted left most black citizens unprepared for successful competition within markets. Although the legal foundations of school segregation were eliminated beginning in 1954, a variety of de facto mechanisms continue to operate to deny African Americans, Latinos, the poor, and other social groups equal access to education (Anderson and Byrne 2004). The lack of equal access to high-quality education continues to be a major engine of stratification in the United States (Kozol 1991, 2005).

In addition to inculcating knowledge, the other major investment that governments make in creating human capital comes in the form of health. As educational levels have risen, post-industrial societies have spent higher shares of their wealth and income to prolong life and improve health, thus protecting their investment in human capital and lengthening the period over which this investment is amortized. In the United States, however, spending on health care continues to be uneven, displaying large inequities by race, class, and ethnicity (Quadagno 2005; Smedley, Stith, and Nelson 2002), and these categorical inequities are associated with large intergroup differentials with respect to morbidity, mortality, and life expectancy (Kawachi and Kennedy 2002).

Finally, markets can never achieve all the goals that citizens would like to see accomplished, nor are they foolproof mechanisms for the seamless production, distribution, and consumption of resources. The history of capitalism is replete with examples of failed, missing, and ineffective markets. Although improvements in institutions and technology have reduced the depth and frequency of market failures, the hazard can never be eliminated entirely from a capitalist economy. In response, most developed nations have erected social "safety nets"—aid programs such as unemployment insurance, welfare payments, medical insurance, old-age benefits, and food subsidies—to prevent citizens from falling too far down the economic ladder. Once again, however, the eligibility rules and regulations for social benefits in the United States were historically written to exclude certain social groups and favor others. In enacting most of the social welfare provisions of the New Deal, for example, laws were written in such a way as to minimize participation by African Americans (Katznelson 2005; Quadagno 1994).

Understanding Stratification

In the United States, as in other countries throughout the world, markets did not arise out of neutral institutional matrices that guaranteed equal opportunity to all; instead, they were embedded in a social structure that was itself riddled with categorical inequalities based on race, class, and gender. Indeed, much of the nation's history consists of a struggle to eradicate exploitation and opportunity hoarding along group lines and move the United States toward greater conformity with its founding principles. It took a bloody civil war to end slavery and a violent civil rights struggle to dismantle Jim Crow, and it has only been about forty years since exclusion and discrimination on the basis of race, gender, and national origin were formally prohibited from most markets and institutions.

In the next chapter, I set the stage for a more systematic evaluation of the mechanisms of American stratification by examining trends in market outcomes, paying particular attention to differentials along the traditional axes of categorical inequality—race, class, and gender. In two subsequent chapters, I go on to consider how the categorical mechanisms that produce and reproduce racial inequality have evolved in recent years, focusing first on African Americans and then on Mexican Americans. In the following chapter, I describe the institutional foundations of class inequality by contrasting the structure and organization of the American political economy before and after 1975. In the subsequent chapter, I build on this understanding to analyze the institutional underpinnings of gender inequality and how they have changed since the 1970s. In the final chapter, I conclude by considering how race-based, class-based, and gender-based mechanisms of stratification combine in the present day to make the United States the most unequal society in the developed world.