

POLITICS AND THE ECONOMY

14

LEARNING OBJECTIVES

- 1** Contrast democracy and dictatorship.
- 2** Describe the U.S. political system.
- 3** Explain how global politics affect war and terrorism, geopolitics, and the nation-state.
- 4** Describe the U.S. economy's transition from industrialization to deindustrialization.
- 5** Discuss your relationship to employment, unemployment and underemployment, consumption, and leisure.
- 6** Describe the effects of globalization on the world economy.

This Chinese worker has been painting a new crane at a port in Shanghai. China's political system retains many elements of communism, but its economy has been growing quite rapidly by adopting the business practices of capitalism. What does China's growth mean for members of the world's other economies?



The worldwide economic collapse of 2008 set off a chain reaction that devastated much of the international economy, triggering a global recession whose effects, including stagnant wages and widespread unemployment, are still being felt today. Most of the world's industrialized economies, like those of the United States and the European Union countries, stumbled badly. Ireland, Jamaica, Venezuela, North Korea, Madagascar, and Croatia even experienced negative economic growth as their economies unexpectedly shrank rather than expanded.

The global financial crisis is an issue not just of economics but also of politics. In fact, in many

Sociology studies our political and economic choices, their relationship, and their consequences.

ways these two fundamental social institutions are inseparable, and this chapter considers them together. A nation's political system—and the policymakers who populate it—have an enormous impact on the way money and resources are distributed, spent, and saved at every level of society. The basic economic questions of what goods and services society will produce, how it will produce them, and who will consume them have yielded answers as different in their political philosophies and effects as communism, socialism, and capitalism.

“Command” economic systems, such as communism, gather society's resources under a central government authority that makes all decisions about production, pricing, and distribution, ideally ensuring fairness to all. In contrast, *laissez-faire* (“leave it alone”) systems, like unregulated capitalism, allow buyers and sellers to make their own profit-motivated decisions about how to use society's resources, avoiding government regulation in the belief that “the market knows best” how to manage production and consumption. Socialism, in turn, emphasizes common or cooperative ownership of society's resources, distributes what society produces according to what individuals have contributed to make it, and discourages the accumulation of profit. No country's system is a pure version of any of these systems, of course, and today communism has all but disappeared.

Given the political philosophies behind these economic systems, you can see that their relationship is complex, and that political conflict and social change can have serious long-term economic consequences. The global financial crisis has taught a hard, perhaps inevitable, lesson about globalization: We are all connected, and as success flows, so too does failure. This is particularly so for the middle and lower classes, who are hardest hit by unemployment, wage stagnation, and rising prices. Sociology looks at how we make the political and economic choices we do, and how we as a society deal with the consequences. •

POLITICS: POWER AND CONTROL

Society can be seen as a collection of overlapping groups that compete to meet their own objectives. When groups go through established governmental channels to do so, this competition is referred to as **politics**. The state is the political body organized for government and civil rule. By putting pressure on the state, a group can advance a given position or have enacted a policy that benefits its members. Therefore, politics is one way of exercising power in society.

As you saw in Chapter 8, power is the ability to get others to do what you want them to do, even if it is against their will. It is often expressed formally by, among others, police officers, professors, and business executives. However, it is also expressed in subtler, more informal ways, such as in casual social relationships. When it is legitimated by a social structure such as a government, university, or corporate hierarchy, power is referred to as authority (see Chapter 6). Because authority is a legitimate form of domination, there is a high likelihood that

politics Societal competition through established governmental channels to advance a position or enact a policy to benefit the group's members.

democracy A political system in which people within a given state vote to choose their leaders and in some cases vote on legislation.

representative democracy A political system in which people, as a whole body, do not actually rule themselves but rather have some say in who will best represent them in the state.

direct democracy A political system in which people directly affected by a given decision have a say in that decision.

citizens The people represented by a given state, most often born within its territories.

citizenship The idea that people of a given state can vote for their representatives within the state, but also that they have access to rights and responsibilities as citizens.



A couple in Kyrgyzstan, in Central Asia, exercise one of citizenship's basic rights, the right to vote. Do you plan to vote in the next election?

commands will be considered appropriate—and will be obeyed—by subordinates.

DEMOCRACY: CITIZENSHIP AS A RADICAL IDEA

Democracies are political systems in which people within a given state vote to choose their leaders and in some cases vote on legislation as well. In modern democracies, people vote to choose their legislators rather than actually managing their own political affairs and directly making decisions about the things that affect their lives. Nevertheless, contemporary theorists of democracy often suggest that the power to rule in democracies comes from the *consent* of the people.

Sometimes these systems are called **representative democracies**. The people, as a whole body, do not actually rule themselves but rather have some say in who will best represent them in the state. In **direct democracies**, by contrast, the people have a say in decisions that directly affect them.

Democratic states are organized into bureaucracies (see Chapter 6) with clear hierarchies as well as established and written codes, laws, and rules. The authority that legislators have under democracies is based on legal codes that confer this authority on them. Democracies tend to extend rights to **citizens**, the people represented by the state and most often born within its territories. **Citizenship** means that



Social Change and Social Media



The Red Scare

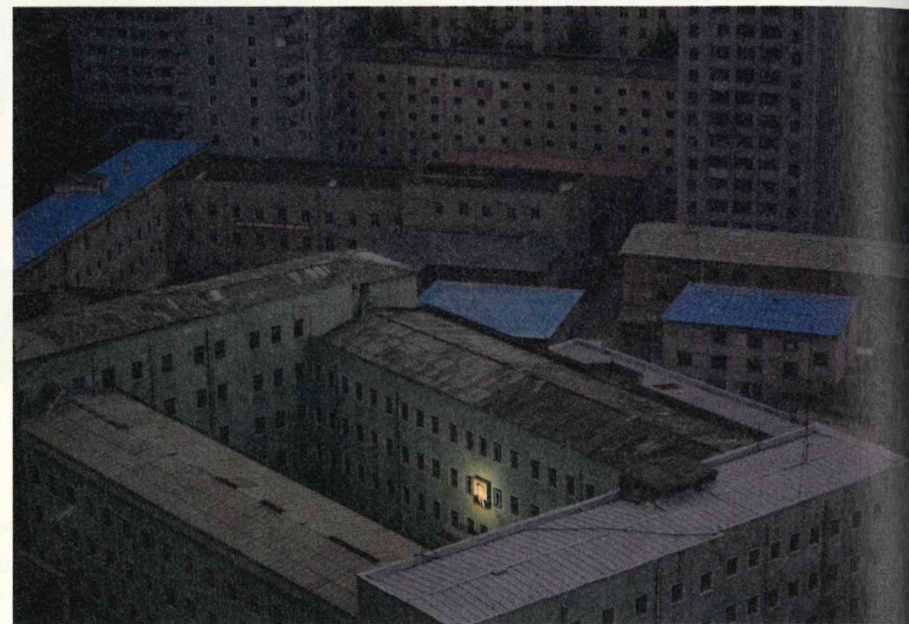
DIGITAL LIVING

The State and the Power of the Internet

Power is something that we usually associate with the state, but it is not unusual for that power to be threatened or overthrown in social revolutions. In the last few years, a new threat to the state has arisen in the form of the power of the crowd as manifest in social revolutions made possible in large part by social media, the so-called Twitter and Facebook Revolutions. Of course, revolutions—the French Revolution, the American Revolution, the downfall of the Soviet Union—have occurred throughout history and since long before social networking. The failed Tiananmen Square revolution in China, for instance, was brought about largely by word of mouth or by people on motorcycles alerting those involved to gather and block troop movements throughout Beijing.

While one of the powers of the state is its ability to set the public agenda, ever expanding access to the Internet and social media has increasingly allowed crowds to define their own agendas. If threatened with a Twitter Revolution, the state has essentially four choices: repression, censorship, the use of propaganda, or to try to remain off the grid:

1. Muammar Gaddafi sought unsuccessfully to *repress* the revolution in Libya, and as I write, Bashar al-Assad is in the third year of attempting to use his military to suppress the growing revolution in Syria. The problem with repression is that it usually serves to heighten the opposition and to fuel the revolution. It can even serve to radicalize those who are for the regime or hurt the society in other ways, for example, by slowing down the economy.
2. In the old days, newspapers, radio programs, and television shows were



An illuminated portrait of Kim Il-sung, North Korea's late founder, hangs on a building in the capital city of Pyongyang. The country is almost entirely insulated from the online world, since its people are not permitted access to the Internet. What factors motivate such a decision by the government?

censored, but such *censorship* was easy to achieve when compared with the difficulties involved in censoring the Internet. China continues to combat dissidents by censoring the Internet, but this seems futile, at least in the long run.

3. The state might resort to *propaganda* delivered via the media, perhaps even the Internet, in an effort to counter the messages being put forth by the rebels.
4. Finally, it is possible, as in the case of North Korea, to stay off the grid almost completely and to deny people access to the Internet.

While many see social media as a revolutionary force (see, for example, the "Digital Living" box on page 596), there are those (e.g., Gladwell 2010) who see

it as fostering "slacktivism" rather than activism. Some potential activists might be more inclined to blog than to take to the streets. However, even if these activists are unlikely to become revolutionaries, social media are likely to increase solidarity among those involved (Woods 2011). Another view is that state officials will make better use of social media than the crowd, and that the state's position will be strengthened, not jeopardized, by it (Morozov 2011).

Think About It

Do you feel that social media inspire slacktivism rather than activism? Why or why not? Do you think states may eventually be able to use social media for their own agendas and purposes, appropriating the power of the crowd? What qualities or characteristics of the state as an organization might make this possible?

the people of a given state can vote for their representatives and that they have rights and responsibilities as citizens (Soysal 2012; Turner 2011). It should be noted, however, that citizenship has not always been universal. In the past, it was often conferred only on men or property owners. Under *universal citizenship*, these rights are generally conferred on most people residing in a given state's territory. At times, however, citizenship is still denied to groups of immigrants residing within that territory. In the United States, citizens have certain rights and can vote on who will be president and on who will represent them in Congress.

Most democratic states guarantee citizens the right to freely express dissent, the right to due process and equality before the law, freedom of speech and of the press, and the right to privacy. These rights and others are sometimes extended to noncitizens. Even in modern liberal democracies, these "rights" are highly contextual. Consider, for example, how the right to dissent was treated in the United States under the Red Scare of the late 1940s and early 1950s when the state, led by Senator Joseph McCarthy, saw to it that dissidents were ostracized and harassed (see Chapters 7 and 17).

Democracies are not without their critics, even from within. For example, it has been argued that voters are typically uninformed about many political issues. Similarly, there is the belief that liberal democracies extend *too many* rights and tend to allow too much diversity of thought and interest, making them unstable.

Dictatorship: The Seizure of Power

Dictatorships are states that are usually totalitarian and ruled either by a single individual or by a small group of people. They are governments *without* the consent of the people being governed. In the modern period,

dictatorships States that are usually totalitarian and ruled either by a single individual or by a small group of people.

cult of masculinity A social practice that organizes political life and the public sphere around men and punishes perceived deficiencies in masculinity in men.

two-party system A political system in which two parties hold nearly all positions of political power in a given nation.

CHECKPOINT 14.1 DEMOCRACY VS. DICTATORSHIP

Democracy	A political system in which people in a given state vote to choose their leaders and perhaps to choose legislators or approve legislation.
Dictatorship	States that are usually totalitarian and ruled, without the consent of the governed, by a single individual or small group.

dictatorships are often formed in formerly democratic states that have been seized by small groups of political fanatics.

In the years just before and during World War II, the world saw an alliance of dictatorships based on fascist principles. These dictatorships shared some very basic institutional arrangements and principles. They

- were totalitarian because they attempted to control every facet of social life;
- had a **cult of masculinity** that organized political life and the public sphere around men and punished perceived deficiencies in masculinity such as homosexuality;
- saw conflict and war as natural states and methods for human betterment; and
- were viciously opposed to liberalism, anarchism, and any form of socialism or communism.

Dictatorships did not end with the defeat of the fascist powers in World War II. Indeed, in the postwar era, the Soviet Union and its satellites in the Eastern Bloc were often organized as dictatorships, with small groups of Communist Party officials controlling society. Further, the United States has often sponsored dictatorships and fought against democracy. This has occurred particularly where a democratically elected leader might indicate a turn toward socialism and, thus, become a thorn in the side of American business interests (Chomsky 1985).

THE U.S. POLITICAL SYSTEM

The U.S. political system is a **two-party system** in which members of two parties hold nearly all positions of political



Forms of Government



The United States' two-party system is dominated by the Democrats and the Republicans, whose candidates in the 2012 presidential election were, respectively, the incumbent president Barack Obama (right) and challenger Mitt Romney. If a third party were to succeed in the United States, what sort of political platform would it likely promote?

power. In **multiparty systems**, by contrast, more than two parties hold political office (e.g., in Germany, Canada, and Taiwan). In **single-party systems**, the ruling party holds all offices (e.g., in China and Singapore). The single-party system outlaws, or heavily restricts, opposing parties.

Two-party systems can actually narrow political options (Disch 2002). They certainly afford more breadth for discussion, debate, and policy than single-party systems. However, two-party systems create a “race to the center” whereby parties compete for the majority of the vote without alienating voters with extreme positions. This means that minority points of view are often ignored by the ruling parties. Third parties do at times run candidates and on very few occasions win office, but they typically “play . . . the role of spoiler, drawing votes from one of the two major parties” (Glasberg and Shannon 2011: 91).

POLITICAL PARTIES AND ELECTIONS

In the United States' two-party system, Democrats and Republicans are the major political players. The **Democrats** are typically seen as the liberal party. They tend to seek larger and more generous welfare and social assistance programs, such as universal health care. They also tend to support social reforms, such as gay marriage and the right of women to have abortions. The **Republicans** are often seen as the conservative party, seeking less government spending and waste as well as restrictions on abortions and gay marriage.

Because of the race to the center, the parties have not historically looked that much different when it comes to the

legislation that they support or sign into law. So it might be overly simplistic to think of the Democrats as a liberal party and the Republicans as its conservative opposition. For example, Democratic president Barack Obama has agreed to the watering down of many of his liberal plans, such as the one relating to health care. Democrat Bill Clinton limited access to welfare to five years when he “ended welfare as we know it” (Vobejda 1996). Clinton also signed the Defense of Marriage Act into law, angering homosexuals and others by defining marriage as a legal union between one man and one woman. And as early as the 1970s, Republican Richard Nixon was a strong advocate for a system of universal health care. A simple binary understanding of the two ruling parties often disguises more than it illuminates in terms of actual legislation and policy.

However, the two parties seem to have drawn further apart in recent years. This is largely because Republicans have become more conservative. As a result, there has been a stalemate at the highest reaches of the American government. It has proven difficult or impossible to agree on important legal changes or on ways to reduce the national deficit.

ASK YOURSELF

Would the existence of a third major political party in the United States reduce the likelihood of stalemates in government, such as the one the country is currently experiencing? Why or why not? What obstacles might stand in the way of the formation of such a party? For the United States, are there any disadvantages of a multiparty system?

multiparty system A political system in which more than two parties enjoy public support and hold political office in a nation.

single-party system A political system in which the ruling party outlaws, or heavily restricts, opposing parties.

Democrats Members of a political party within the U.S. two-party system; typically seen as the liberal party.

Republicans Members of a political party within the U.S. two-party system; typically seen as the conservative party.

Demographics and Voting Patterns

Supporters of representative democracies typically point to the vote as a critical source of power for citizens. It is curious, then, that so few people in the United States actually go to the polls. Even in the elections where the most eligible Americans vote—presidential elections—little more than half of eligible voters typically bother to cast a ballot. And when Americans choose their local, congressional, and state leaders, turnouts are even smaller (see Chapter 4).

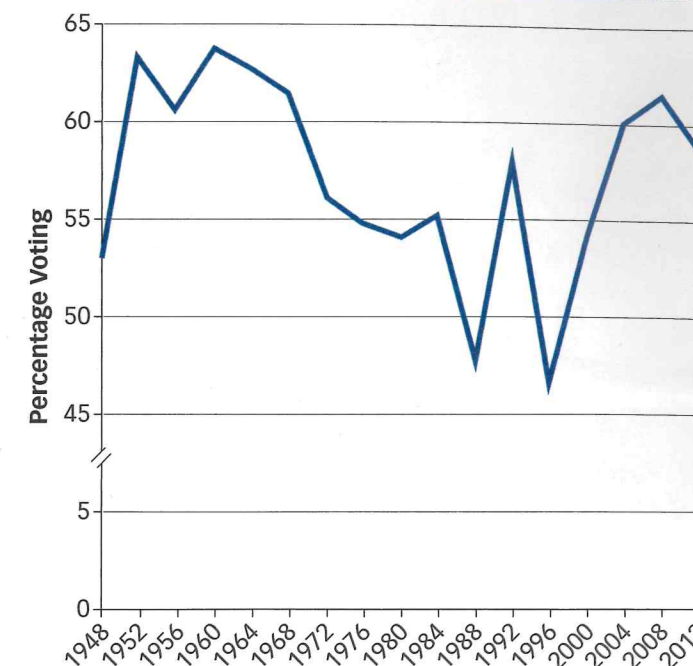
As Figure 14.1 illustrates, voter turnout varies over time. Studies of voter turnout ask questions about who votes and why or why not. They also ask what election processes offer citizens in terms of power over their lives and the nation's political directions. In the United States, this often means looking at groupings of people to investigate voting patterns. This also allows political sociologists to formulate theories about why people may or may not vote. They also theorize about whether people feel invested in the political process or, perhaps, feel disenfranchised from it and alienated to the extent that they may not participate.

One might be tempted to believe that the people most likely to vote are those most disadvantaged in a given society. If voting is a way an engaged citizenry exercises its power, then voting allows those people to attempt to improve their lot. By most measures, the exact opposite is the case with voting patterns in the United States. Indeed, those with jobs, those with higher incomes, older people, those with more education, and women are more likely to cast ballots than are their counterparts (U.S. Census Bureau 2009; Wattenberg 2002). With the exception of women, this means that the most advantaged are the most likely to vote.

This leaves sociologists with the task of explaining why there is low voter turnout in general and why political participation and turnout tend to be lower in disadvantaged groups (Hajnal and Lee 2011). Some studies have suggested that participation in organizations linked with electoral processes allows for political education for their members and that this might translate into larger rates of voter participation. For example, belonging to unions might provide important political education for the working class. The decline of unions might also explain decreases in working-class participation in electoral processes (Kerrissey and Schofer 2013; Radcliff 2001).

However, organizational participation can lead to forms of political activity outside of the electoral process, such as protests or community and workplace organizing (McVeigh and Smith 1999). This could point to alienation from the electoral process. Individuals who take the time to learn about politics within these organizations often put their energies elsewhere. Some potential voters may feel alienated from the process as a result of the lack of

FIGURE 14.1 • Voter Turnouts in U.S. Presidential Elections, 1948–2012



SOURCE: Data from UC Santa Barbara, The American Presidency Project, Voter Turnout in Presidential Elections: 1828–2012.

community structures that encourage meaningful political participation (Docherty, Goodlad, and Paddison 2001). Still others, due to widespread unemployment, political scandals, their disenfranchisement, or the like, might question the very legitimacy of the political institutions under which they live (Bay and Blekesaune 2002).

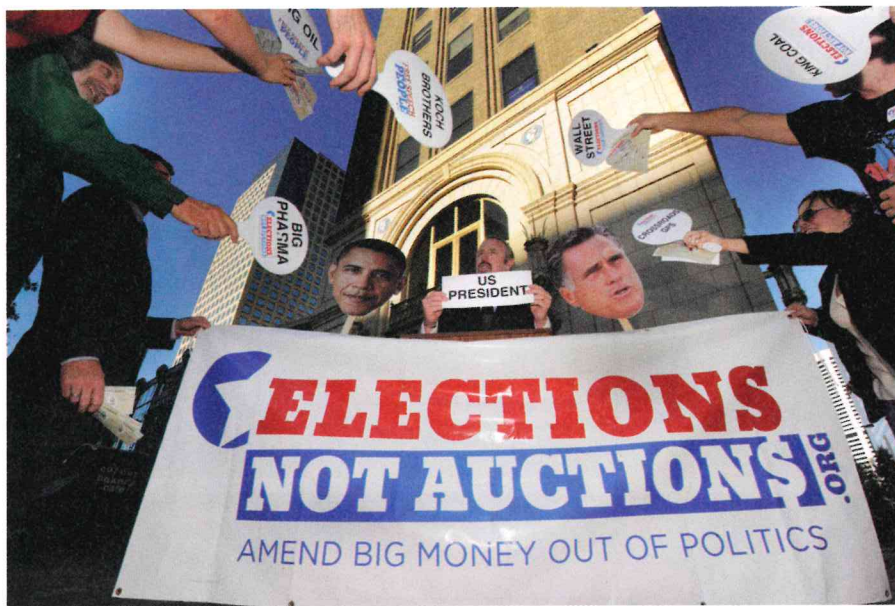
This sense of alienation and disenfranchisement can be increased by racism in the electoral process. This might help explain the lower participation rates of blacks. For example, amid widespread disputes over ballot-counting in Florida in the 2000 election contest between George W. Bush and Al Gore, it was found that in largely white precincts, about 1 in 14 ballots were invalid, while in largely black precincts, 1 in 5 ballots were declared invalid (Lichtman 2003). To make matters worse, the state disqualified thousands of voters—more than half of whom were black—from registration without notifying them (U.S. Commission on Civil Rights 2000). This controversy occurred in an election where 90 percent of black Americans cast their ballots for Gore and whites made up 95 percent of pro-Bush voters (Wing 2001).



Challenges to Democracy



Voter Turnout



Many were displeased with the role of super PACs in the 2012 presidential elections and some expressed their displeasure in public protests.

Money and Elections

But the vote is not the only way to influence politics in a representative democracy, and neither is participation in social protest and organizing. Indeed, people use other methods to influence the outcomes of elections and the positions of politicians already in office. These methods often center on the use of money, sometimes to support a candidate, sometimes to support a specific party, and at other times to support a specific position.

One way of using money to influence legislators or political campaigns is through **political action committees (PACs)**, private groups organized to advance a given political perspective or candidate. Federal law limits how much money individuals and some types of organizations can contribute to a given candidate in an election cycle. But they can increase their contributions by giving indirectly to those candidates through PACs (Lowry 2013). Research suggests that rather than actually influencing legislation directly, PACs tend to “buy” access to candidates (Clawson, Neustadt, and Weller 1998). This creates a form of indirect power, as PAC lobbyists have the ears of politicians, can influence what might be on the political agenda, and in some cases may even help draft legislation.

As might be expected, PACs associated with labor unions tend to donate more money to Democrats, while corporate PACs tend to contribute more to Republicans (U.S. Census Bureau 2009). Corporate PACs tend to be much larger than PACs representing labor. However, both labor and corporate PACs dwarf cooperative PACs, thus allowing them greater access to politicians. PACs have typically supported incumbents in election cycles. This is probably because

lobbyists have already had time to develop relationships with incumbents. Election challengers represent a number of unknowns for the PACs and their lobbyists.

A new force in the 2012 presidential election was the emergence of so-called **super PACs**. These were created on the basis of 2010 decisions by the Supreme Court and the Federal Court of Appeals. As a result of these decisions, wealthy individuals, corporations, and unions cannot be prevented from making unlimited political expenditures as long as they are independent of candidates and political parties. At least theoretically, super PACs exist independently of candidates and their organizations. While candidates are prohibited from communicating directly with their super PACs, the PACs are staffed by people, often former

employees, sympathetic to the candidate. A PAC's staff is exposed to the candidate's views and wishes through the media, if not in more surreptitious ways. In the 2012 Republican primaries, huge sums of money, often from interested billionaires, poured into super PACs. Among these super PACs was the pro-Mitt Romney Restore Our Future PAC and the pro-Newt Gingrich Winning Our Future PAC. The super-rich supported both PACs (and others). For example, Sheldon Adelson, a billionaire who made his money from Las Vegas casinos, and his wife Miriam contributed \$10 million to Gingrich's super PAC. Much of that money was spent on television ads attacking other candidates. The super PACs have given the super-rich yet another way of influencing, if not determining, American politics.

ASK YOURSELF

In what ways do class differences pervade the U.S. political system? Is this class influence inevitable? Why or why not? Is it functional? For whom?

political action committees (PACs) Private groups organized to advance a given political perspective or candidate.

soft money A way of affecting political processes through monetary contributions to party building, especially around specific issues that do not fall under federal regulations for campaign contributions.

PACs often focus on getting specific candidates elected or on helping them remain in office. **Soft money** is a way of affecting political processes through contributions to party building, especially around specific issues that do not fall under federal regulations for campaign contributions. Soft money, then, can be used for things like bumper stickers, posters, get-out-the-vote drives, or political ads around an issue, but not for supporting a particular candidate. Importantly, because federal regulations limit the amount of money that individuals and PACs can contribute to candidates, soft money is a way to affect the political process financially without being held to any limits other than the depth of the donor's pockets.



Media play an enormous role in the political life of the United States, not only during elections but throughout the year. From which media source do you get your political news? Is it fair and unbiased? How do you know?

MEDIA AND THE POLITICAL PROCESS

The media influence what people consider “important political issues” as well as point out who they think is responsible for social conflicts (Barnhurst and Wartella 1998; Iyengar 1990). Through media concentration, wealthy and powerful people are given much more access to this primary means of socialization *and* persuasion. They are able to set the political agenda and create news that reflects their interests. Herman and Chomsky (1988; Downing 2011) note how news media concentration also serves to legitimate our class system. This is certainly a boon to the wealthy, who benefit from people seeing material inequalities as natural and normal.

In addition to wealthy interests that exert inordinate control over the news media, *political* elites have great power over, and access to, the media. News media rely on the state's acceptance of their activities and are regulated by the political system in terms of both ownership and content. News media also rely on the state for source material. Studies have consistently shown that government officials are the source of most news, in many cases subtly and not so subtly shaping the content (Gans 1979, 2003; Herman and Chomsky 1988; McChesney 1999; Shehata 2010).

Similarly, government officials rely on news media to circulate information. Politicians seeking votes or a particular public image, legislators seeking support for political decisions, and governments desiring to inform citizens about social policy, conflict, or public hazards all rely on news media to disseminate information in a way that clearly articulates their position. Thus, the relationship

between news media and government is *symbiotic*, each relying on the other in important ways. The wealthy corporations that own most news media also exist in a symbiotic relationship with government, further solidifying the links between political elites and the wealthy.

The tendency of media to showcase ideas that are acceptable to wealthy and powerful elites, especially those who are conservative, may seem obvious. Yet there is a popular belief in the United States that mass media, and news media in particular, have a liberal bias (Grosz 2011). Studies, however, have shown quite the opposite. Howard (2002) concluded that network news tends to accord centrality to the views of powerful political and economic leaders. However, it gives comparatively little access to liberals—and others—who challenge those leaders and their views.

Despite unequal access to media and the great concentrations of ownership of mass media, the delivery or acceptance of the messages of elites is in no way guaranteed. The media can be, and are, used to challenge the status quo (Black and Allen 2001). For example, pictures of innocent children in Afghanistan injured or killed by U.S. missile and drone attacks fueled opposition to that war. And although critics of society's dominant institutions are most often relegated to independent media, there are times when they slip through into mass



Campaign Finance



Big Donors

media. One example is the 2006 film *V for Vendetta* with anarchist-inspired themes in opposition to capitalism and the state (see Chapter 2).

Elites also have little control over how their perspectives are received. For example, despite attempts at “encoding” a given message into media, people often “decode” those messages in very different ways (Hall 1980). Likewise, political messages in media “can neither produce a single and homogenous audience nor create a single effect on people” (Gans 2003: 70).

WHO RULES THE UNITED STATES?

The issue of who rules the United States is a source of continuing debate among sociologists.

The Structural/Functional Perspective: Pluralism

Within structural-functionalism, the typical position put forward regarding who rules America is pluralism (see Chapter 9). This is the view that the United States is characterized by a number of powerful competing interest groups, but no one of them is in control all of the time. In other words, there is a kind of balance of power among these interest groups. In addition, there is a **separation of powers** in the government. The different branches of government are separate and counterbalance one another so that there is little danger that any one branch of government can wield too much power.

Among pluralists, there are two major strands of thought. **Group pluralism** focuses on society’s many different interest groups and organizations and how they compete for access to political power to attempt to further their interests (Drache 2008; Fung 2004). For group pluralists, this jockeying for power by various organizations provides stability for society. They see a *balance of group power*, where no one group retains power indefinitely and any group can always be challenged by another group. Further, there are *crosscutting group memberships*, by which group members belong to a variety of organizations that see to their needs and interests. This allows people to be political actors in a variety of collective processes. Group pluralists also believe that there tends to be a general *consensus of values* in society. As a result, the state is expected and pressured to legislate according to the common good and according to the cultural values largely held in common by members of society.

Group pluralists not only focus on existing organizations and groups that act for their political interests in society, but also see *potential groups* as a source of stability. Accordingly, if, for example, the state expects that legislation might mobilize people in opposition to it, that threat might hold political actors back from taking action.

There might not yet be an oppositional interest group, but the expectation of *mobilization of latent interests* can serve to pressure politicians to legislate for the common good. To group pluralists, then, organizations do not have to exist to help create societal stability. The mere *possibility* of future organizations can have the same effect.

Elite pluralism focuses specifically on how political elites form similar interest groups and organizations that vie for power (Highley and Burton 2006; Lipset 1981; A. Rose 1967). While voters may decide which elites represent them, the ultimate decision-making power rests in the hands of those elites. Similar to group pluralists, elite pluralists look at political elites as a diverse social body that organizes into groups to compete with one another for votes. This competition for votes ensures that no one group retains political power indefinitely. Stability is achieved in the system because these political elites must forge agreements with one another in order to pass legislation. This allows for a diversity of interests to be satisfied through those agreements, which tend to represent the common values of the larger society.

The Conflict/Critical Perspective: The Power Elite

Pluralism is often juxtaposed to a theory produced by conflict/critical theorists. C. Wright Mills’s (1956) **power elite theory** holds that power is not dispersed throughout a stable society—either among citizen groups or among elite groups. Rather, power is concentrated among a small number of people who control the major institutions of the state, the corporate economy, and the military. The powerful

separation of powers The separation and counterbalancing of different branches of government so that no one branch of government can wield too much power.

group pluralism The competition of society’s various interest groups and organizations for access to political power in an attempt to further their interests.

elite pluralism The formation by political elites of similar interest groups and organizations that vie for power.

power elite theory A theory holding that power is not dispersed throughout a stable society but is concentrated in a small number of people who control the major institutions of the state, the corporate economy, and the military.

people who make up these institutions may have minor disagreements about policy, but for the most part they are unified in their interests and in the business of owning and operating much of American society.

These elites develop a common worldview. First, elites undergo a process of *co-optation* whereby they are taught the common ideology of the elite. Further, these elites forge a shared ideology through their common *class identity*. That is, members of the power elite tend to come from wealthy families, go to similar schools, and belong to similar clubs. These clubs count as their members many of the most powerful people in the world, including corporate leaders, politicians, and top military brass. The clubs provide a private space where friendships and common policies are forged (Clogher 1981; Domhoff 1974).

The power elite within the military, the state, and the corporate world are also often *interchangeable*. That is, the people who hold leadership positions within these three major institutions play a sort of institutional “musical chairs,” switching from one powerful institution to another.

In sum, to power elite theorists, the state is not some neutral institution existing in a stable society where everyone (or every group) has an equal chance of having their interests met. Rather, the state is an institution controlled by the elites.

Which Perspective Is Correct?

One can see strengths and weaknesses in both pluralism and power elite theory. The pluralist idea that latent interests influence politicians cannot be verified empirically. The assumption that society is stable is also problematic. It avoids questions such as for whom society might be stable and in which contexts. Finally, pluralism assumes that the state is a neutral institution, rather than an institution with its own interests and one that tends to be controlled by wealthy elites.



In his college days George H. W. Bush (standing nearest the clock, on the left) belonged to the elite and secret Yale University society called Skull and Bones. How does membership in such groups confer advantage on members later in life?

CHECKPOINT 14.2 THE U.S. POLITICAL SYSTEM

Two-party system	A political system in which members of two parties (in the United States, the Republican and Democratic parties) hold nearly all positions of political power.
Voter turnout	Low in the United States, particularly among disadvantaged groups, perhaps due to a decline in union membership (unions provide political education for the working class) or alienation from the electoral process.
Political action committees (PACs)	Private groups organized to advance a given political perspective or candidate. Super PACs allow wealthy individuals and groups to make unlimited political expenditures if they remain independent of candidates and parties.
Media	Concentration of media ownership gives the wealthy much greater access to means to set political agendas, create news, and legitimate the class system.
Structural/functional perspective	The United States has many powerful and competing interest groups, but pluralism ensures that no one of these is in control all the time.
Conflict/critical perspective	Power elite theory suggests that power is concentrated among a few who control the major institutions of the state, the corporate economy, and the military.



Political Ideology

Power elite theory also has various problems. For example, it assumes that elites share a common worldview and common interests to an extent that may not match reality. Indeed, can we assume that the power elite is monolithic and has little diversity of thought? Further, is the power elite untouchable by the masses of people? Does it control society to the extent that power elite theorists would have us believe, or are there avenues for changing society from below that those theorists are ignoring? And if the power elite all but controls our society, how is it that legislation that benefits some sections of society at their expense is passed? How did we end up with minimum wage laws, social welfare, Medicaid, and so on?

GLOBAL POLITICS

In a way, politics has long been global, but it might be convenient to trace modern political globalization to the end of the First World War in 1918. After the war, efforts at peace led to the creation of the League of Nations in 1920. While the league was weak, in part because the United States never joined, it created an important forum for global political dialogue and relationships. Of course, peace failed, leading to the start of the Second World War in 1939. This global conflict immersed many of the world's nations in warfare. While the war had disastrous consequences for much of the globe, it did lead to the formation of the United Nations (UN) in 1945 (see Figure 14.2). While not an unmitigated success, the UN persists to this day as an important site and source of political globalization. Many other global political organizations have been formed within the United Nations (e.g., the UN Educational, Scientific, and Cultural Organization) or alongside it (e.g., the European Union).

While these organizations have helped to bring about greater dialogue among the world's nations, they have not led to world peace. Since the formation of the UN, there have been a number of major wars, including the Korean War, the war in Vietnam, the various wars involving Israel and its Arab neighbors, and the conflicts in Iraq, Afghanistan, and Syria. In addition, especially since September 11, 2001, the world has been plagued by a number of terrorist and antiterrorist incidents. While many of the nations of the world talk to one another in various global forums, they still manage to conflict and to slaughter each other's citizens.

IMPLEMENTING POLITICAL OBJECTIVES: LEGITIMATE VIOLENCE, WAR, AND TERRORISM

When authority rests in the hands of the state, it maintains order through its claim to the legitimate use of violence in

a given territory. Thus, through the police force and the military, the state is able to legitimate violence to enforce order. Much of the power of the state rests in this monopoly on legitimate violence.

The state also legitimates the forms of violence that might be used by people not directly acting as its agents. Private security firms can legitimately use violence, provided the state sees this use as legitimate. These firms operate both domestically, as in security details for private corporations, and abroad. The state also determines when private citizens have the right to use violence. If someone uses violence against another and it is deemed self-defense by the courts, then that violence is seen as legitimate. The state creates and maintains the regulations and rules that one must abide by to commit an act of violence. At times, this is in defense of oneself, but in some cases it is in defense of one's property. There are also legal codes dealing with when people can use violence in defense of someone else or of their property.

War

War occurs when nations use their military in an attempt to impose their will on others outside the nation. It also occurs in cases of civil war, when a nation uses its military to impose its political will within its confines. War is one method of "doing politics," or dealing with political disagreements.

Why does war occur? First, there needs to be a cultural tradition of war. Second, a situation must exist in which two political actors have objectives that are incompatible. Finally, a "fuel" must bring the situation from thinking about war to actually *making war* (Timasheff 1965).

In the United States, the cultural tradition of war is all around us. We are often taught in our history classes about our involvement in foreign wars, in which we are depicted as saviors, the bringers of democracy, and so on. In our own history, we can see antagonistic situations that brought us into military conflict with other nations or peoples. Acts of aggression such as the Japanese attack on Pearl Harbor and the September 11 terrorist attacks, respectively, served as the fuels that ignited war.

Terrorism

Terrorism typically refers to nongovernmental actors engaging in acts of violence targeting noncombatants, property, or even military personnel in order to influence

war Armed conflict in which a nation uses its military to attempt to impose its will on others.

terrorism Acts of violence by nongovernmental actors that target noncombatants, property, or military personnel to influence politics.

politics. Terrorism is often a controversial term, because it is usually the powerful who define who is and who is not a terrorist. Consider, for example, that if property destruction as a way to express political grievances is terrorism, then the people who were part of the Boston Tea Party fit the description. And where is the line between terrorists and revolutionaries fighting against invading or occupying armies? Who gets to draw that line and why? Can states be terrorists?

Nevertheless, all over the world, people refer to acts like suicide bombings and the targeting of civilians of enemy nations or groups as examples of terrorism. More specifically, in the West today, a group is more likely to be labeled terrorist if it has a history of engaging in violence against the citizens of a government, is Islamic, and targets airplanes (Beck and Minor 2013). Terrorist attacks are quite common in the early twenty-first century and do not seem to be on the decline. This is particularly the case in settings where one nation occupies another and attempts to police its population.

ASK YOURSELF

It is often pointed out that those revered in U.S. history as the instigators of the American Revolution could be characterized as terrorists in another light. Do you agree with this characterization? What is the difference between a terrorist and a revolutionary hero?

GEOPOLITICS

As the previous section indicates, geopolitics continues to define global political relationships (Steinmetz 2012). **Geopolitics** entails political relationships that involve broad geographic areas, including the globe as a whole. On the one hand, geopolitics is concerned with how politics affect geography. One example is the ways in which national borders are redrawn after the end of a war. On the other hand, geopolitics is concerned with the ways in which geography affects politics. One example is the constant low-level warfare between Israel and its neighbors. This conflict occurs, at least to some degree, because Israel is a tiny nation surrounded by much larger hostile nations. After World War II, much of geopolitics focused on the relationship between the United States and the Soviet Union and their allies. There

geopolitics Political relationships that involve large geographic areas or the globe as a whole.



When you think of terrorism, you may think only of the attacks on the World Trade Center (pictured) and the Pentagon that took place on September 11, 2001. Terrorism occurs around the world, however.

was great concern over the global expansion of communism. The United States and the Soviet Union clashed, usually indirectly, over their political influence in Germany, Korea, Cuba, Vietnam, and so on. While the Soviet Union sought to expand geopolitically, the United States followed a policy of containment of Soviet efforts to expand communism. For decades, the United States adopted what was known as the *domino theory*: If one nation was allowed to fall to communism, many neighboring nations would also fall. For example, the United States feared that if Vietnam fell to the communists, neighboring countries like Laos and Cambodia would be next.

THE NATION AND THE NATION-STATE

As discussed in Chapter 6, geopolitics relates to core concerns in the global age: the future of the nation and the nation-state. A nation is a group of people who share, often over a long period of time, similar cultural, religious, ethnic, and linguistic characteristics (Chernilo 2012). Jews are a nation by this definition, and, ironically, so are their frequent geopolitical enemies, the Palestinians. While many Jews and Palestinians live in the Middle East, many others, especially Jews, are spread throughout the world. They are scattered or dispersed; as described in Chapter 9, they exist in a *diaspora* (Fiddian-Qasmiyeh 2012). All diasporas share

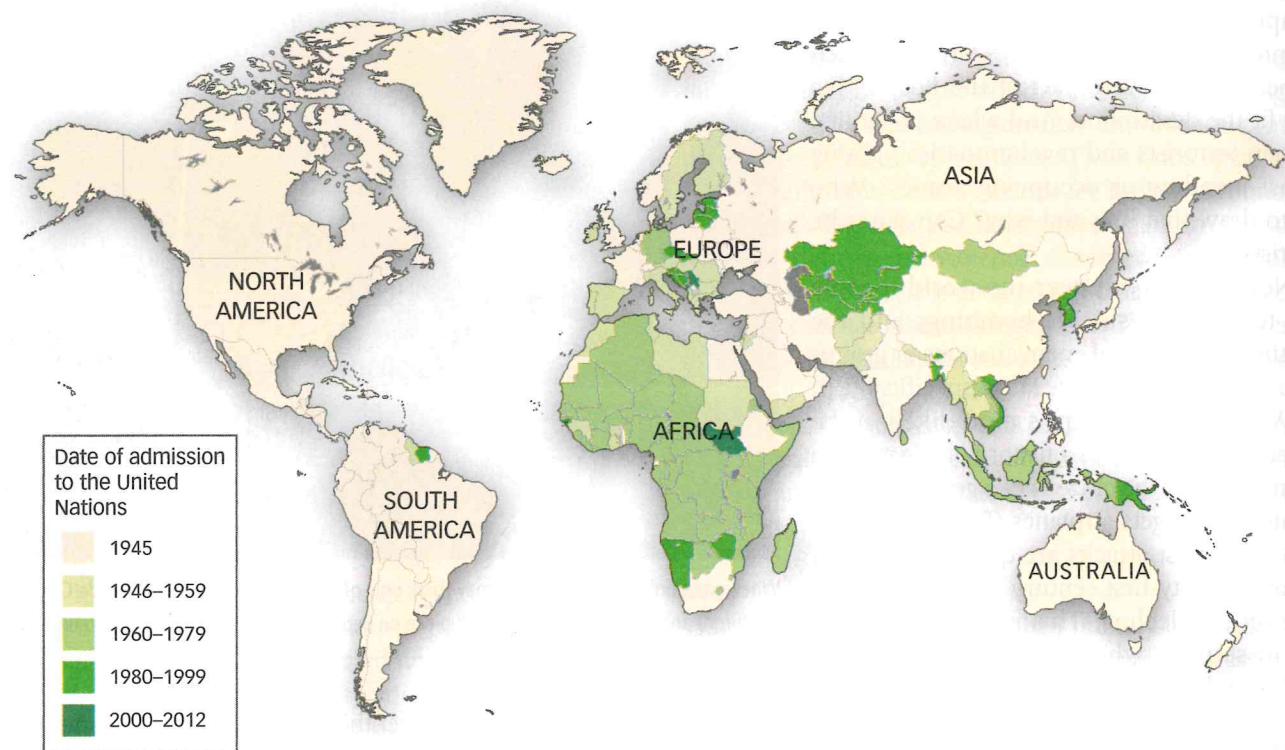


Contemporary Geopolitics



The United Nations

FIGURE 14.2 • United Nations Members, 1945–2012



certain characteristics. First, they involve people who have been dispersed from their homeland. Second, the people in the diaspora retain a collective and idealized memory of the homeland that they transmit to their offspring as well as to other members of the diaspora. Third, as a result of this idealization, they are often alienated from their host country; the realities of the latter cannot measure up to the idealizations associated with the homeland. Fourth, those in the diaspora often take as a political goal the idea and the objective of returning to the homeland (Cohen 1997).

Many of those involved in a nation, especially those in the diaspora, may have no direct contact with the homeland or with those who live there. Their linkages to them may be largely or purely imaginary. In other words, they exist in what Benedict Anderson (1991; Roudometof 2012) called **imagined communities**, or communities that are socially constructed by those who see themselves as part of them. Thus, Jews who have never been to Israel, or who may never even want to visit there, may still be part of an imagined community rooted in Israel. The same is true of the relationship between Palestine and many Palestinians scattered throughout the world.

The nation-state combines the nation with a geographic and political structure. In other words, in addition to encompassing people with a shared identity and culture, a nation-state exists in a bounded physical

location and encompasses a government to administer the locale.

Nation-states exist within a global context, but they are affected, even threatened, by globalization in various ways (Hershkovitz 2012). First, global flows of various kinds—undocumented immigrants, drugs, terrorists, and so on—easily pierce the borders of nation-states and serve to erode their national sovereignties. Second, even if it does not threaten national sovereignty, globalization serves to alter the nation-state's structure and functions. For example, corporations have become increasingly important on the global stage and have come to operate more autonomously from the state. Third, the government itself has to change to adjust to global changes. For example, the United States created the Department of Homeland Security in 2002 to deal with, among other things, the global threat of terrorism. Fourth, there is the possibility that global flows can strengthen the nation-state. For example, external threats can lead citizens to put their differences aside, at least for the time being, and rally around the government and the nation-state more broadly.

imagined communities Communities that are socially constructed by those who see themselves as part of them.

In spite of changes such as those described above, we continue to think of nation-states as being all-powerful. However, not only do we have states experiencing the kinds of problems described here, but a number of them have failed, or are on the verge of failing, the “basic conditions and responsibilities” of a sovereign state (Boas 2012: 633). Among the characteristics of a failed state are a “lack of control over own territory, widespread corruption and criminality, huge economic recession and/or hyperinflation, failure to provide basic services, and large flows of refugees and internally displaced persons” (Boas 2012: 633). In addition, states that do not have economic and political institutions that include a broad segment of society are more likely to fail. Failed states also tend to exploit one segment of society (the middle and lower classes, for example) for the benefit of another subset, especially the rich (Acemoglu and Robinson 2012). The best-known failed state in the world today is Somalia, but Afghanistan is often placed in this category as well. Failed states cause many problems for themselves and their residents, but from a global perspective, it is the problems they cause for others that are the main concern. For example, pirates based in Somalia roam the high seas and have succeeded in a number of acts of high-stakes piracy, such as holding huge oil tankers for millions of dollars in ransom. The Somali government, to the extent that it exists, is unable to control the pirates or their activities.

THE U.S. ECONOMY: FROM INDUSTRIALIZATION TO DEINDUSTRIALIZATION

The **economy** is the social system involved in the production, consumption,

economy The social system involved in the production and distribution of a wide range of goods and services.



Palestinian demonstrators protest Israel's construction of a controversial West Bank barrier near Hebron. What makes Jews a nation? What makes Palestinians a nation?

and distribution of goods and services. The devastating effect of the Great Recession has reminded us that the economy is of overwhelming importance to everyone (Orr 2012; Smith et al. 2011). For those who had forgotten, or who might have grown complacent about the economy because of the economic boom throughout most of the first decade of the twenty-first century, the onset of the

CHECKPOINT 14.3 GLOBAL POLITICS

War	Occurs when nations use their military to impose their will on others outside the nation.
Terrorism	Occurs when nongovernmental actors engage in violence against noncombatants, property, or the military to influence politics.
Geopolitics	Political relationships that affect broad geographical areas, even the entire globe.
Nation	A group of people who share cultural, religious, ethnic, and linguistic characteristics over a long period of time.
Imagined community	A community socially constructed by those who see themselves as part of it.
Nation-state	A political entity that combines the nation with a geographic and political structure.



Many who thought their jobs and futures were secure have been devastated by the recent recession and the widespread unemployment that followed. Has the global economy failed job-seekers like these?

recession and its continuing effects have been a rude awakening.

SOCIOLOGY OF THE ECONOMY

The economy is, of course, the focal topic in the discipline of economics. So, what distinguishes the sociological approach to the economy from that of economics? Economists focus on the economic behavior of individuals and take such behavior as the basis for more general analyses of, and arguments about, the economy. Sociologists are also concerned about individual economic behavior, but they are more focused on national economies as a whole, as well as on global economic systems. In addition, they focus on the large-scale components of those systems, such as labor unions, corporations, occupations, and financial institutions, as well as on the ways in which they interrelate. More importantly, sociologists devote greater attention to the linkage between the economy and noneconomic macro phenomena such as politics, the family, and culture (Fourcade-Gourinchas 2007). Sociologists are also often more concerned about the micro-macro link as it relates to the economy. For example, sociologists deal with how the global recession affects individuals who lose their jobs as a result of the economic downturn. For example, Matthew Desmond (2010) has shown how evictions during the recession disproportionately affected black women.

The economy is the first and longest-running concern of sociology (Ramella 2007). All of the major figures in early sociology had a focal interest in the economy: Marx, of course, was interested in capitalism, Weber in the rationalization of the economy, Durkheim in the economic division of labor, Simmel in money, and Veblen in consumption (see Chapter 2). Today, the subfield of economic sociology continues to be quite vibrant (Granovetter and Swedberg 2011; Swedberg 2007).

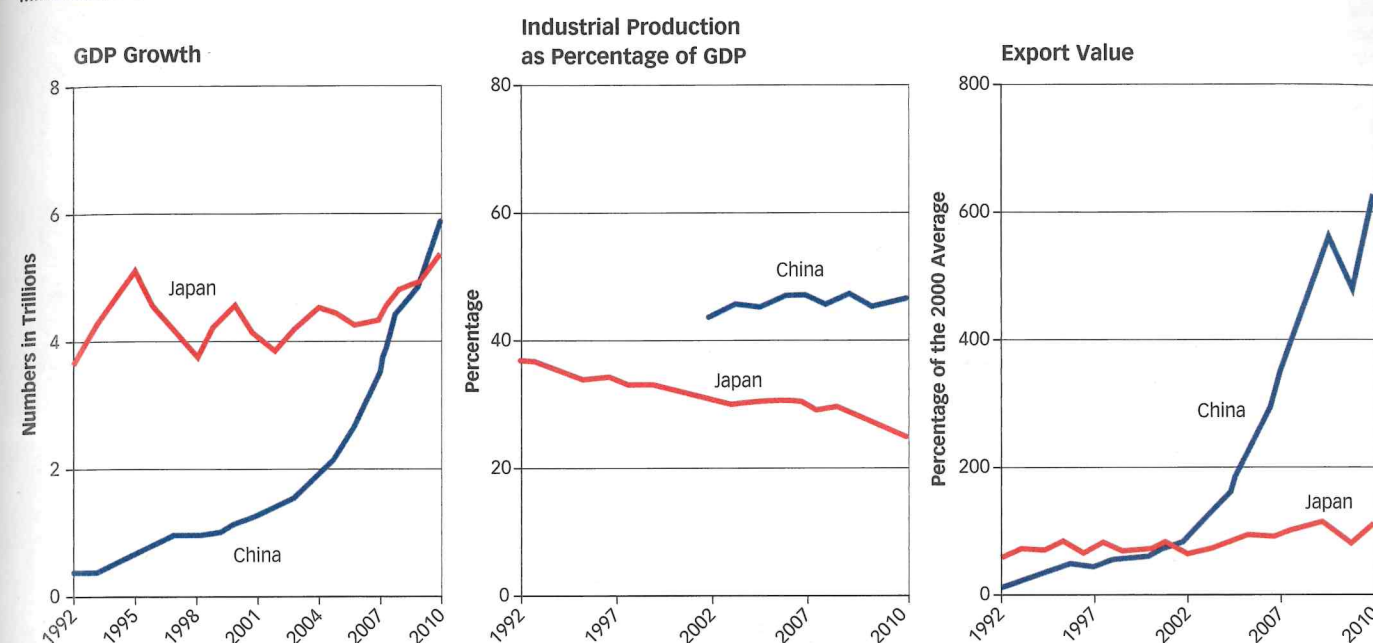
Over the last 200 years, the U.S. economy has moved from reliance on industrial employment and mass production to the decline of manufacturing and a corresponding increase in the service and information sectors.

THE INDUSTRIAL REVOLUTION

The key development in the emergence of the modern economy was the nineteenth-century Industrial Revolution (see Figure 14.4), which introduced the factory system of production (Hobsbawm and Wrigley 1999). Instead of making products alone at home or in small groups in workshops, large numbers of workers were brought together in factories. Eventually, manual factory work with hand tools gave way to work in conjunction with machines. In addition, human and animal power were replaced by power supplied by steam and other energy sources. While there were skilled workers in these early factories, they tended over time to be replaced, because skills were increasingly likely to be built into the machinery. This meant that less skilled or even unskilled workers, less well-trained and lower-paid workers, and even children could be—and were—hired to do the work. They tended to work increasingly long hours in harsh working conditions and at ever lower pay. Another defining characteristic of this factory system was an elaborate division of labor by which a single product was produced by a number of workers, each performing a small step in the overall process.

The factories of the early Industrial Revolution were quite primitive, but over time they grew much larger, more efficient, more technologically advanced, and more oriented toward the mass production of a wide variety of goods. **Mass production** has a number of defining characteristics, including large numbers of

FIGURE 14.3 • Economic Comparison of China and Japan, 1992–2010



SOURCE: GDP growth, World Bank.

standardized products, highly specialized workers, interchangeable machine parts, precision tools, a high-volume mechanized production process, and the synchronization of the flow of materials used in production, with the entire process made as continuous as possible. The logical outcome of this was the assembly line, which came to fruition in the early twentieth century in the mass production of Ford automobiles. By the mid twentieth century, these systems had reached their fullest application in the United States and had spread to many other parts of the world. After World War II, the Japanese, and later other nations such as Korea, adopted these American innovations and came to outstrip the United States in many areas, most notably the production of electronics and automobiles.

mass production Production characterized by large numbers of standardized products, highly specialized workers, interchangeable machine parts, precision tools, a high-volume mechanized production process, and the synchronization of the flow of materials used in production, with the entire process made as continuous as possible.

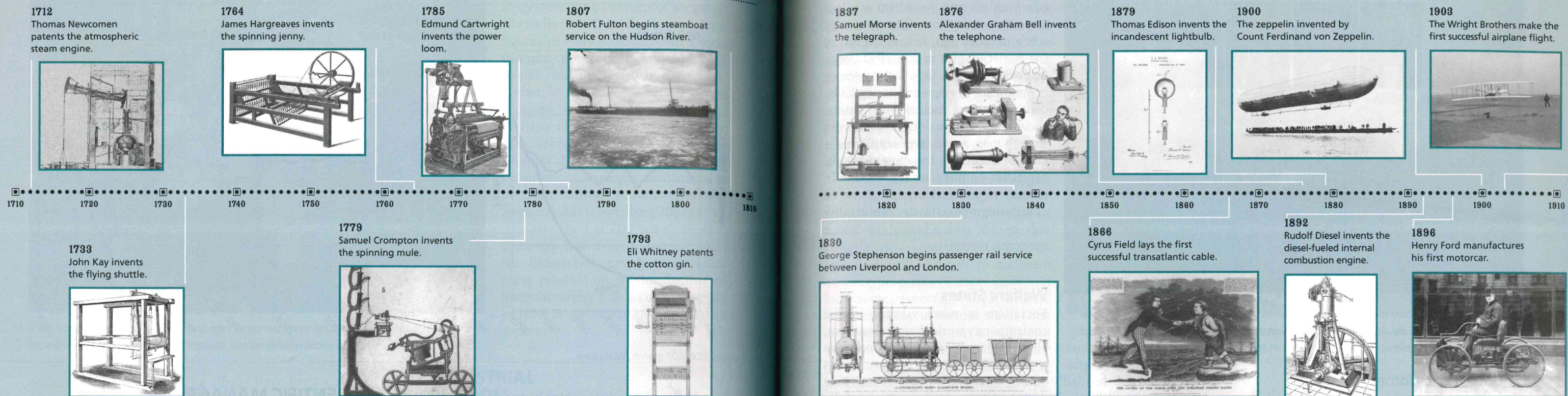
scientific management The application of scientific principles and methods to management.

SCIENTIFIC MANAGEMENT

American industry has been dominated by principles created in the late nineteenth and early twentieth centuries, primarily by Frederick W. Taylor. Taylor championed **scientific management**, or the application of scientific principles and methods to management. These principles came to be known as “Taylorism” (Prechel 2007) and were designed to rationalize work by making it more efficient. Those who applied these ideas were called “efficiency experts,” and they sought to discover the “one best way” to do a job.

Scientific management certainly helped to rationalize work and to make it more efficient, but it had its irrationalities. Above all, it separated the conception of work from its execution. That is, managers—with the help of efficiency experts—were to conceive how the work was to be done. Workers were expected to do what they were told to do in an unthinking manner. Because workers were asked to do only one or a few repetitive tasks, most of the skills and abilities that made them human, including the ability to think, were not used. This was a dehumanizing system. Workers were expendable. They were hired and fired at will. This had a series of disastrous consequences. For example, workers’ full capabilities were ignored, dissatisfied employees performed poorly and sabotaged the production process, and workers quit in large numbers, leading to high costs associated with significant turnover. For this reason, among many others, by the 1980s at least some American industries found themselves outstripped by their Japanese counterparts, which had discovered ways

FIGURE 14.4 • Timeline of the Industrial Revolution, 1712–1903



SOURCE: Adapted from Industrial Revolution: Timeline, Facts, and Resources, Research by B. Sobey, TheFreeResource.com.

of using the abilities of their workers more fully. Today, as Japan declines as an industrial power, its neighbor China is rising dramatically (see Figure 14.3).

One hears little these days about Taylor and efficiency experts. However, their impact remains strong in various manufacturing industries as well as in other sectors of the economy. One recent study found that a variety of current practices, such as employee involvement in manual production and layoffs, can be seen as consistent with, and an extension of, Taylorism (Crowley et al. 2010). Taylor's principles have been extended to managers and professionals. As a result of these new forms of Taylorism, manual workers are found to work harder, and managers and professionals experience greater pressure on the job.

In the fast-food industry, restaurants strive to discover and implement the “one best way” to grill hamburgers, cook French fries, prepare shakes, and process customers. The most efficient ways of handling a variety of tasks have been codified in training manuals and taught to managers, who in turn teach them to new employees. The design of the fast-food restaurant and its various technologies have been put in place to aid in attainment of the most efficient means to the end of feeding large numbers of people. This could be called

“McDonaldism” rather than Taylorism. Whatever it is called, the basic ideas of scientific management are alive and well in the fast-food restaurant, as well as in many other work settings (Ritzer 1997).

ASK YOURSELF

What influence do you think the legacy of Taylorism might have had on the process of McDonalidization, described in many places in this book? How do you think the two are different?

FROM FORDISM TO POST-FORDISM

Fordism includes the ideas, principles, and systems created by Henry Ford and his associates at the turn of the twentieth century. Ford is generally credited with the development of the modern mass production system,

Fordism The ideas, principles, and systems created by Henry Ford (who is credited with the development of the modern mass production system) and his associates at the turn of the twentieth century.

primarily through the creation of the automobile assembly line. Among the characteristics associated with Fordism are the mass production of homogeneous products; reliance on inflexible technologies such as the assembly line; the use of Tayloristic, standardized work routines; economies of scale; and the creation of a mass market for products, like automobiles, that flow from the assembly line (Beynon and Nichol 2006; Bonanno 2012).

Fordism dominated much of the twentieth-century American automobile industry and many others. It declined in the 1970s, especially with the 1973 oil crisis and the rise of the Japanese automobile industry. It was also done in by the fact that consumers were no longer content with homogeneous products. They demanded greater choice in their automobiles and their components. **Post-Fordism** is associated with smaller production runs of more specialized

post-Fordism A production environment associated with smaller production runs of more specialized products, especially those high in style and quality; more flexible machinery made possible by advances in technology largely traceable to the computer; more skilled workers with greater flexibility and autonomy; less reliance on economies of scale; and more differentiated markets for those more specialized products.

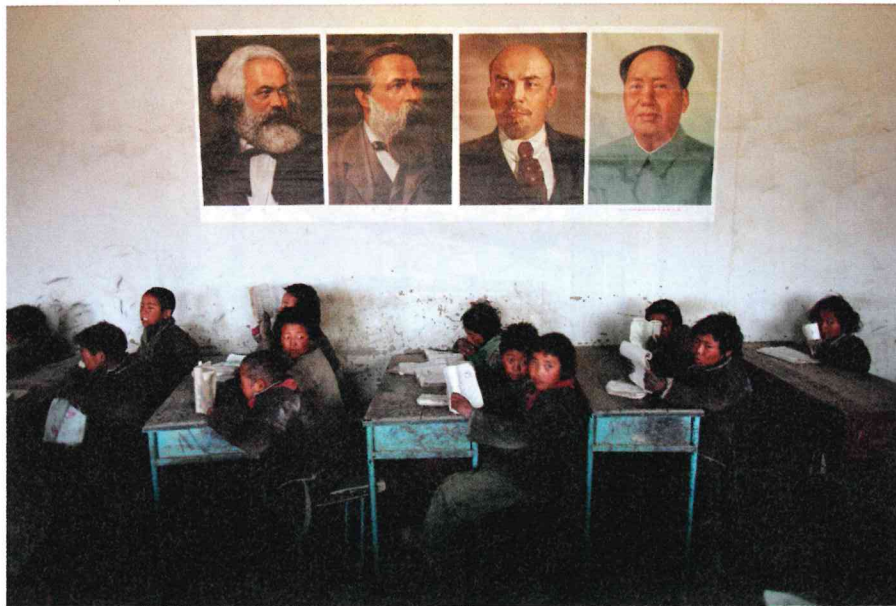
products, especially those high in style and quality; more flexible machinery made possible by advances in technology largely traceable to the computer; more skilled workers with greater flexibility and autonomy; less reliance on economies of scale; and more differentiated markets for those more specialized products (Amin 1994; Prechel 2007).

CAPITALISM, SOCIALISM, AND COMMUNISM

From its inception, the Industrial Revolution was capitalist in nature. The United States is beginning to lose its grip on the position of preeminent capitalist society in the world. This is especially the case in heavy industries such as automobile manufacturing. China is already outstripping the United States in many areas, and it is projected that China will replace the United States as the dominant force in global capitalism by the middle of the twenty-first century (Jacques 2009). This is ironic because of China's recent history as a communist power and the fact that it continues to think of and describe itself, at least politically, as a communist nation.



Communism Today



Students in a run-down school in the small Chinese town of Dingri sit beneath portraits of ideological heroes that are kept fresh and new. Why does communism survive in China even as the country adopts increasingly capitalist ways?

Socialism and Communism

Socialism and communism are often used more or less interchangeably. However, it is important to differentiate between them.

In Chapter 2, you learned that communism is a social system associated with Karl Marx. Communism is an economic system oriented to the collective, rather than the private, ownership of the means of production (Lovell 2007). Recall from Chapter 8 that the means of production are the tools, machines, and factories that in capitalism are owned by the capitalists and are needed by the workers—the proletariat in Marx's terms—in order to produce. Marx hoped that the exploitation of the proletariat would lead them to revolt against the capitalist system. That, in turn, would lead to collective rather than private ownership of the means of production, resulting in a communist economy. Control of the economic base would lead to control of everything else of importance, including the political system.

From a Marxian perspective, **socialism** can be seen as a historical stage following communism. It involves the effort by society to plan and organize production consciously and rationally so that all members of society benefit from it (Cox 2007; Shevchenko 2012). The collective control of the means of production in communism is a first step, but in itself is not enough to run a society. Once in control of the means of production, the collectivity must set about the task of creating a rational centralized economy (and society) that operates for the good of all and creates social and economic equality.

The ideas associated with communism and socialism are less important today than they were only a few decades ago, before the fall of the Soviet empire in late 1991. With its demise, there is little that passes for communism in the world today. Cuba continues to see itself as a communist society, and China does as well, even though it is, as we have seen, on the cusp of becoming the most powerful capitalist country in the world. In China, a political commitment to communism exists uncomfortably side by side with a highly capitalistic economic system.

Welfare States

Socialism is more vibrant in the contemporary world than communism. However, even Israel, not long ago a strongly socialist economy, has

moved decidedly in the direction of capitalism (Ram 2007; Zilberfarb 2005). Although there are no fully socialist societies in the world today, many societies have socialistic elements. Many Western European countries have become “welfare states” (Cousins 2005). They have powerful social welfare programs that are socialistic in nature because they are run consciously and rationally by centralized authorities. **Welfare states** seek both to operate their economic markets efficiently, as capitalism does, and to do so equitably, which capitalism does *not* do (Esping-Anderson 1990; Gangl 2007). Their goal is to provide for the welfare—the well-being—of their citizens (Peoples 2012). There are many examples of social welfare programs, including national health plans, old age plans, child care and parental leave systems, and social safety nets of one kind or another (e.g., unemployment insurance).

Even the United States has social welfare programs such as unemployment insurance, Social Security, and Medicare. However, the United States lags far behind leaders in Western Europe (and Canada) in these kinds

socialism A historical stage following communism involving the effort by society to plan and organize production consciously and rationally so that all members of society benefit from it.

welfare states States that seek both to run their economic markets efficiently, as capitalism does, and to do so more equitably, which capitalism does not do.

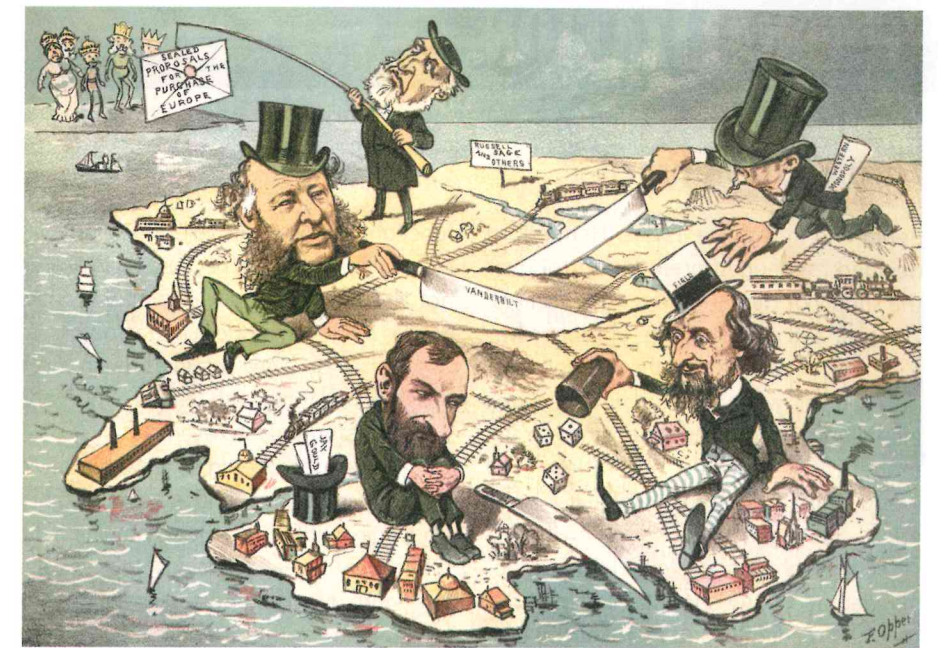
of programs. And there are powerful forces in the United States aligned with capitalism that strongly resist efforts to expand social welfare programs. For example, President Barack Obama was criticized for being a socialist because of his attempts to reform the American health care system. Still, for all the criticism in the United States, socialism remains alive and well in many parts of the world today.

While the United States struggles to implement more social welfare programs, the most developed social welfare states in Europe are experiencing something of a crisis and finding it difficult to maintain existing programs (Kangas 2007). In fact, some, especially Great Britain, are retrenching in various ways, such as offering less generous benefits and programs, making it more difficult for people to qualify for them, and making people take greater responsibility for providing for their own welfare. Threats to, and declines in, social welfare programs have spread throughout Europe as a result of both the Great Recession and the euro crisis (see below) that have threatened the European economies. Those countries worst hit by the latter—Greece and Spain—have had to cut back on these programs. Programs are even in danger in countries such as Sweden, which have long been at the forefront in social welfare programs.

Welfare states have been threatened before. However, they are much more threatened today by the realities of the global economy. With today's markets for virtually everything becoming increasingly global and highly competitive, the lion's share of global business is very likely to go to the countries, and the industries in them, where costs are lowest (see Chapter 8). This advantages countries like China, India, and Vietnam, where social welfare costs are minimal or nonexistent. By contrast, the costs of production in Western European countries are far higher, in part because of the extraordinary social welfare expenses that must be factored

competitive capitalism A form of capitalism where there are a large number of relatively small firms, with the result that no one or small subset of them can completely dominate and control a given area of the economy.

monopoly capitalism A form of capitalism in which a few huge corporations monopolize the market.



This political cartoon by Frederick Burr Opper shows the 19th-century U.S. railroad magnates Cornelius Vanderbilt, Jay Gould, Russell Sage, and Cyrus Field dividing the country between them. What does this image say about monopoly capitalism?

into their cost structure. This has made Western Europe, and the United States to a lesser degree, less competitive or even uncompetitive in various global markets. This is seen by many as a profound threat to these economies and societies. Some argue that these countries must reduce social welfare expenditures to compete in the global marketplace. Others contend that the more generous welfare states lower costs of business in some sectors and help make the workforce more productive (Hall and Soskice 2001). Greater spending on social welfare programs can contribute to a more educated, healthier, and more flexible workforce.

Capitalism

Karl Marx lived during the era of **competitive capitalism**, characterized by a large number of relatively small firms. No single firm or small subset of firms could completely dominate and control a given area of the economy. The capitalism of Marx's day was highly competitive.

However, in the late nineteenth century and into much of the twentieth century, this situation changed. Huge corporations would emerge and, alone or in combination with a few other similarly sized corporations, come to dominate, or monopolize, a market. This was **monopoly capitalism** (Baran and Sweezy 1966). Perhaps the best example was the American automobile industry, which



Welfare State

Fordlandia in Brazil

Beginning in the late 1920s, Henry Ford decided he needed greater control over the supply of rubber required for his tires. The best and closest source of rubber was a remote jungle area near the Amazon River in Brazil. This was a wild and untamed area inhabited by people unaccustomed to the modern, standardized, and rationalized world that Ford had played such a huge role in creating.

Ford sought to apply to his Brazilian rubber plantations the principles and methods that had made him successful in the production of automobiles. However, the wilds of the Amazon were far from the urban realities of Detroit. They proved far more resistant to Ford's methods of operation.

Ford created a town—"Fordlandia"—as the hub of rubber operations in Brazil (Grandin 2010). This was a version of small-town America with suburban-type houses built in perfect rows along neatly laid-out streets. It was out of place in the jungles of Brazil. For example, the houses that already existed there had thatched roofs. They

functioned reasonably well in the extremely hot and humid climate because they allowed hot air to escape easily. Ford had his new houses built with modern metal roofs lined with asbestos. They retained much more heat than did those with thatched roofs and were transformed into ovens.

In the wild, rubber trees tend to grow in a haphazard manner and at some distance from one another. This makes obtaining the rubber very time-consuming. However, it is also more difficult for diseases and insects to attack trees that are widely dispersed throughout the jungle. The Ford people had their rubber trees planted close to one another in neat rows. This made it much easier for the trees to contract disease and to be assaulted by insects. Many of them died, and Ford's rubber plantation eventually failed.

Ford management also decided that it would be more efficient for Fordlandia employees to be fed cafeteria style. However, the native workers were unfamiliar with this modern mode of food service. A resulting riot by the workers destroyed

much of Fordlandia, although it was later rebuilt.

Fordlandia represented the battle to apply modern techniques to a wilderness and to a people who operated on the basis of their own, very different, principles. In the short run, the wilderness and the natives and their ways won out. However, in more recent years, Brazil has become one of the world's rising economic powerhouses, a good portion of the Amazon has undergone deforestation, and major metropolises have burst forth out of the forest. It may be that Henry Ford was just way ahead of his time.

Think About It

Could Ford's management have prevented any of the problems that arose in Fordlandia? If so, how? Why did plans for the settlement fail to take account of the area's biological, environmental, and cultural realities? If they had done so, would the result have been different? Why or why not?

for much of the twentieth century was dominated by three huge corporations—General Motors, Ford, and Chrysler.

Of course, capitalism has changed once again, as is clear in the recent misfortunes of these automobile companies. In addition, a number of foreign companies (Toyota, Honda, Nissan, Hyundai, BMW, Mercedes) now compete successfully with the U.S. firms. We may have seen the end of monopoly capitalism in the United States. However, it is likely that we will see the emergence of a global system of monopoly capitalism in which a small number of corporations come to dominate a global, not just a national, market.

Whether or not capitalism once again becomes monopolistic, in recent years it has certainly become increasingly global. This can be seen as **transnational capitalism**, where it is no longer national, but transnational, economic practices that predominate (Sklair 2002). Thus, the global flow of automobiles and even money has become far more important than their existence and movement within national boundaries.

It could also be argued that the center of capitalism no longer lies in production, but rather in consumption. That is, the focus is on inducing large numbers of people throughout the world to consume at high levels. While the capitalism of Marx's day was described as producer capitalism, we now live more in the era of consumer capitalism. Within the realm of consumption, some of the leading transnational corporations are Wal-Mart, IKEA, H&M, and McDonald's.

DEINDUSTRIALIZATION IN THE UNITED STATES

Industry and industrial employment were clearly crucial to economic development in the United States and other

transnational capitalism An economic system in which transnational economic practices predominate.

developed nations. However, a number of developed nations, especially the United States, have been undergoing a process of deindustrialization. **Deindustrialization** involves the decline of manufacturing, as well as a corresponding increase in various types of services (Bluestone and Harrison 1984; Dandaneau 2012; Wren 2013).

We tend to think of deindustrialization in the United States as a process that has been going on for decades, is now far advanced, and may even be near completion. The focus tends to be on the *Rust Belt* in middle America and the demise, beginning in the 1960s, of such steel cities as Pittsburgh, Youngstown, and Bethlehem, Pennsylvania, as well as Akron, Ohio, the heart of the rubber industry (see Figure 14.5). These industries are all but gone, and these cities have suffered greatly, although in a few cases such as Pittsburgh they have been able to reinvent themselves. The decline of the auto industry began a bit later, but it, too, has clearly undergone massive deindustrialization. This is reflected in the decline of many American cities, but in no city is it more evident than in Detroit, Michigan. In early 2013, conditions had gotten so bad in Detroit that the state of Michigan appointed an emergency manager to take control of the city's finances (Vlasic 2013). However, deindustrialization in the United States has not yet run its course, and other industries, such as the glass industry, are now experiencing this process (Uchitelle 2010).

Factors in Deindustrialization

Several factors were responsible for deindustrialization in the United States. First was the aging technology in many American industries. This made them vulnerable to foreign competitors, which were often building new, state-of-the-art factories. Another technological factor was the rise of automation, which greatly reduced the need for many blue-collar workers (Noble 2011). Furthermore, the increased efficiency of automated technologies made it possible to close unnecessary factories, thus cutting many more jobs.

Second was globalization, which brought with it industrial competition from low-wage workers in less developed countries. This was especially true in the early years of the emergence of China as an industrial power. Now, of course, China is developing rapidly, but its low wages and seemingly endless stream of workers will make it nearly impossible for American industries to compete with Chinese industries.

deindustrialization The decline of manufacturing as well as a corresponding increase in various types of services.

For example, most of the work on Apple's iPhone is done in China at Foxconn City (Duhigg and Bradsher 2012). About 230,000 people work there, often six days a week and for as many as 12 hours a day. Workers sleep in on-site barracks provided by the company, and many earn less than \$17 a day. How many American workers would be willing to work in such enormous factories, to work such long hours, and to live in company barracks, all for \$17 a day?

A third factor was the rise of consumer society and the increasing demand for goods of all types. This should have helped American industries. However, it led many more foreign manufacturers to become anxious to sell products to that consumer market. American industries have had great difficulty competing with them. In terms of the demand for goods, there arose, partly as a result of the low prices offered by foreign manufacturers, a mania among American consumers for ever lower prices. This worked to the advantage of foreign manufacturers because of their much lower cost structures, especially their lower labor costs. Consumer obsession with lower prices has led to the *high cost of low price* (Spotts and Greenwald 2005), or the unfortunate unanticipated consequences of such low prices. Among those consequences are the heightened exploitation of foreign workers, an increasing preference for goods produced by low-cost foreign manufacturers, and a decline in the number of American manufacturers and the jobs they offer.

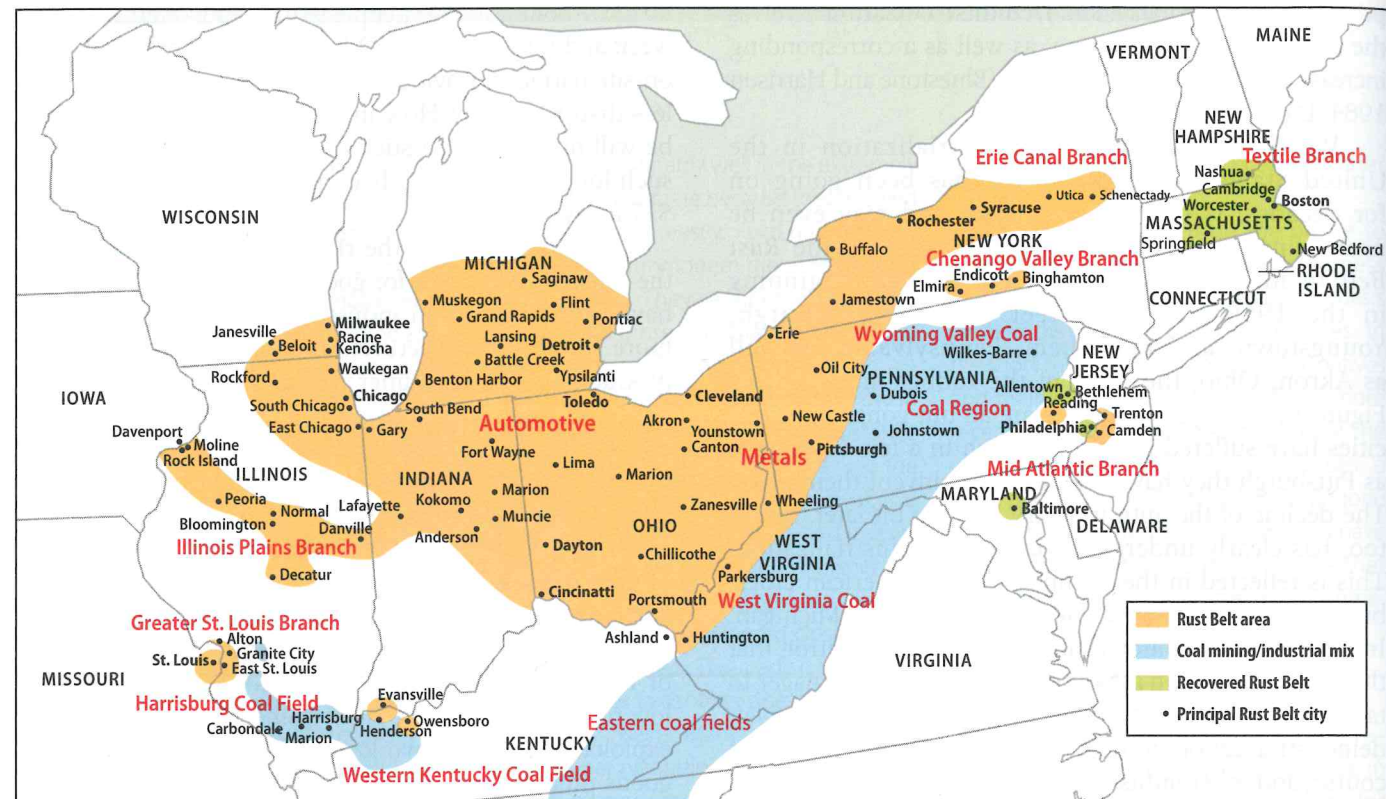
A fourth factor responsible for deindustrialization was the rise of the service sector in the United States (as well as in other developed countries; Wren 2013). In the last half of the twentieth century, an increasingly affluent U.S. population demanded not only more and cheaper goods, but also a dramatic increase in services of all types (Kollmeyer 2009). Increasingly wealthy Americans seemed to prefer spending their newfound money on services rather than on industrial products. Among other things, this led to the expansion of service industries, such as the health, education, and personal and social services industries. More recently, other service industries have come to the fore, such as the financial, real estate, tourism, and hospitality (e.g., hotels, cruise ships) industries.

Service jobs proliferated, and some were not so desirable. The best example is the millions of jobs in the fast-food industry (Leidner 1993). In addition, millions of jobs created for Americans of all age-groups, even senior citizens, opened in the retail sector, most notably in retail giants such as Wal-Mart and Target. Women are disproportionately represented in these service careers.



Deindustrialization

FIGURE 14.5 • The U.S. Rust Belt



ASK YOURSELF

How would a structural/functionalist explain the deindustrialization in the United States? What about a conflict/critical theorist? Are there factors in this development about which they would agree?

The Decline of American Labor Unions

Closely related to deindustrialization is the decline of labor unions in the United States (Fantasia and Voss 2007; Timms 2012; Western and Rosenfeld 2012). The American labor movement grew from 3 percent of the labor force in 1900 to 23 percent by the close of World War II. A decline began in the 1960s, at about the same time as the onset of deindustrialization and the rise of the service sector. As of 2010, only 11.9 percent of the U.S. labor force belonged to labor unions (see Figure 14.6).

There are a number of reasons for this decline in unionization, although deindustrialization, the decline of manufacturing, and the loss of blue-collar jobs rank at the top of the list. Many of those jobs either left the United States or were automated out of existence. The great increase in service and white-collar work involved a population that, in the main, had been hostile to unionization.

For their part, unions were very slow to adopt the new methods needed to appeal to and organize these workers. In many cases, they never did adapt fully to them and their needs and interests. For example, among these new workers were large numbers of young people, especially in service jobs like those in the fast-food industry. However, unions had grown rigid and could not find effective ways to attract and organize these young, part-time workers (Freeman and Medoff 1984). Then there is the fact that many jobs that existed in the northeastern and midwestern United States had flowed to the South, where unions had always been much weaker (Roscigno and Kimble 1995).

Finally, beginning in the 1970s, there was a strong movement toward aggressive antiunion activism by both government and industry (Fantasia 1992; Goldfield 1987). There had always been a powerful current of antiunionism in the United States. However, it was emboldened by a more conservative mood in the United States and the decline of the union movement's traditional industrial power base. Laws were put in effect to expedite the decline of unions. Companies hired management consultants to find ways to avoid unions and employed lawyers highly skilled in "union busting."

Today, the union movement is dramatically smaller, but its membership seems to have largely stabilized,

buttressed by some successes, especially in the public realm. In fact, in 2009, a majority of union members were employed by the government for the first time (Greenhouse 2011). One such success involves teachers and their unions, especially the 3-million-member National Education Association (NEA) and the 1.5-million-member American Federation of Teachers (AFT). However, even that success has been threatened by movements in some states (Wisconsin and Ohio) to eliminate collective bargaining by teachers, as well as public sector employees more generally (Goldfield and Bromsen 2013).

THE POSTINDUSTRIAL SOCIETY

Clearly, deindustrialization and the decline of unions set the stage for the emergence of postindustrialism in the United States and in the developed world in general. An increasing emphasis on consumption and the dramatic growth in service jobs, many of which exist to serve a consumer-oriented society, pushed the United States even further from industrialization and toward a truly postindustrial society (Bell 1973; Cohen 2008; Hage and Powers 1992; Smart 2011).

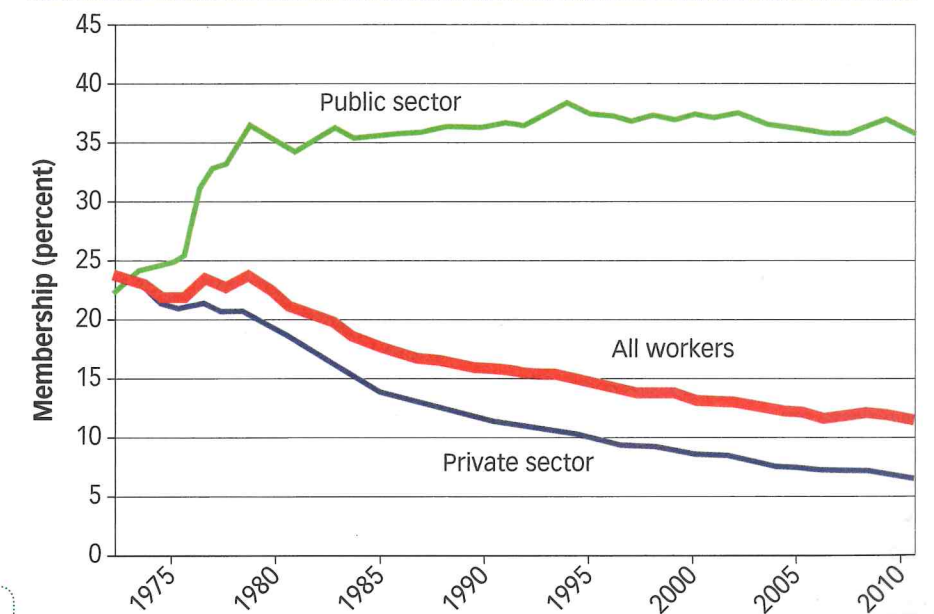
A **postindustrial society** is one that was at one time industrial, but where the focus on the manufacture of goods has been replaced by an increase in service work. The latter is work in which people provide services for one another rather than producing goods. It encompasses a wide range of service-oriented occupations, including lawyer, physician, teacher, financial adviser, and computer

postindustrial society A society that was at one time industrial, but where the focus on the manufacture of goods has been replaced by an increase, at least initially, in service work; that is, work in which people are involved in providing services for one another rather than producing goods.



Foxconn is one of the biggest Chinese manufacturers today, employing thousands of young workers to cheaply produce goods for Apple and other U.S. electronics companies. Will recent publicity about the grueling and sometimes dangerous working conditions there sway U.S. companies to switch suppliers even if that raises their costs?

FIGURE 14.6 • U.S. Union Membership by Sector, 1973–2011



SOURCE: Adapted from Barry T. Hirsch and David A. Macpherson, "Union Membership and Coverage Database from the Current Population Survey: Note," *Industrial and Labor Relations Review*, Vol. 56, No. 2, January 2003, pp. 349–354.



Shift in Economic Production

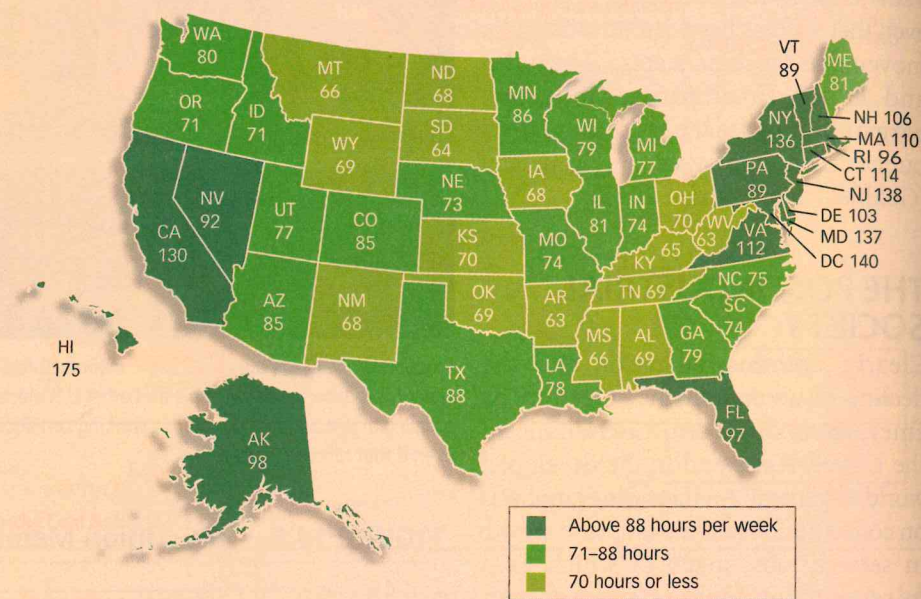
Barbara Ehrenreich and Being “Nickel and Dimed” at Work

Barbara Ehrenreich’s (1941–) greatest fame and influence have been derived from a series of popular books, most notably *Nickel and Dimed: On (Not) Getting By in America* (2001). Ehrenreich is primarily interested in the low-paying jobs that millions of American women (and men) are forced to take, and whether they can actually survive on what they are paid. She is also interested in the actual experiences, both on and off the job, of the people who do this work.

Ehrenreich adopted the time-honored sociological research method of becoming a participant observer and took a number of low-paying, entry-level jobs. Indeed, she actually worked in several of them, including being a waitress, working for a cleaning service, and working for Wal-Mart. In these jobs, she was often paid between \$6 and \$7 an hour. She earned much less when she worked as a waitress and depended mainly on tips. One of her goals was to determine whether this work truly paid a living wage. What she found, of course, was that it did not. In fact, it provided only about a quarter of the income needed to live. Figure 14.7 shows that in no state can a minimum-wage worker afford a two-bedroom unit at fair-market rent, working a standard 40-hour workweek. On one occasion she was forced, as many people (especially women) are, to take a second job in order to get by. Living conditions on such an income were dismal, eating well was problematic, and there was little if anything left for savings or for leisure activities. The work was often hard, even backbreaking.

Perhaps worst of all, there were innumerable humiliations along the way. Ehrenreich filled out lots of applications, but few potential employers even bothered to respond. Supervisors could be harsh, and they had the power to embarrass her or even to fire her at will. As a waitress, Ehrenreich found that her customers could be difficult and would often leave her a minimal tip or even no tip at all.

FIGURE 14.7 • Hours at Minimum Wage Needed to Afford Rent, 2012



SOURCE: From *Out of Reach 2012* by Elina Bravve, Megan Bolton, Linda Couch, and Sheila Crowley. Copyright © 2012 by The National Low-Income Housing Coalition.

As a housecleaner, she found herself in a humiliating relationship with the “woman of the house,” who closely watched what she did and insisted that she do such things as wash the floor on her hands and knees.

Some women in these jobs could not afford to live on their own and had to live with roommates or with extended family members. Those who lived alone might, as Ehrenreich did, find themselves living in trailers or in fly-by-night motels. It was often difficult for those with children to get affordable and reliable day care. Most women found that they could not rely on various social services to help them solve their problems. The social safety net, at least for them, had been shredded. Normal medical care was out of the question, and the free care that was available was difficult to obtain. Charitable agencies existed, but help from them was often humiliating and insufficient. Living costs were often higher for Ehrenreich’s fellow workers than

they were for more well-to-do members of society because, for example, their humble living arrangements might lack a kitchen or provide only a hot plate. As a result, they often had to rely on comparatively expensive (and unhealthy) junk food.

Ehrenreich found that the “nickels and dimes” that millions of American women and men are paid to work are grossly inadequate. This forces them to, and even beyond, the edge of poverty and into a wide variety of humiliating circumstances and experiences.

Think About It

Why, given the reporting of Ehrenreich and others, has there not been a revolutionary change in the working conditions and pay many U.S. workers must accept with their jobs? What function would a structural/functionalist say is served by the existence of such low-paying jobs, and why are women most often hired for them?

geek as well as salesperson, clerk, and counter person at a fast-food restaurant. Employment in such occupations has increased dramatically in the United States in the last century, while there has been a similarly dramatic decline in work relating to goods production. Agricultural work had declined earlier and even more steeply.

WORK, CONSUMPTION, AND LEISURE

Much of the preceding deals with the economy in terms of general trends and developments. However, most people connect to the economy either through their work or through the process of consumption, to be discussed below. The relationship between people and their work is undergoing rapid change.

EMPLOYMENT, UNEMPLOYMENT, AND UNDEREMPLOYMENT

Not long ago, we tended to think of people as taking a job, perhaps in a large and stable organization, and embarking on a lifelong career. That career entailed at least some upward mobility, sufficient earnings for workers and their families to live on, and retirement in their early 60s with an ample pension, perhaps in sunny Florida or Arizona.

However, there are several problems with this romantic scenario. First, even in its heyday from about 1950 to 1990, it applied to only a very small proportion of the population. Employment has ebbed and flowed over time. It has always been the case that a number of people have been unable to get any jobs at all. In the United States, **unemployment** is defined as being economically active and in the labor force (e.g., not retired), able and willing to work, and seeking employment, but unable to find a job (Nordenmark 2007). The unemployment rate in the United States has generally run at about 5 percent of the labor force, but as mentioned previously, in 2009, in the midst of the recession, it reached 9.7 percent, and at

unemployment That state of being economically active and in the labor force, being able and willing to work, and seeking employment, but being unable to find a job.

CHECKPOINT 14.4 THE U.S. ECONOMY

Industrial Revolution	Introduced the factory system of production, leading to the assembly line and mechanized mass production.
Scientific management	The application of scientific principles and methods, promoted by Frederick Taylor, in search of the “one best way” to do a job.
Fordism	The modern mass production system promoted by Henry Ford, relying on machines, routines, economies of scale, and inflexible technologies like the assembly line.
Post-Fordism	A production system for more specialized products in differentiated markets, relying on smaller production runs; more flexible machinery, including the computer; and skilled workers.
Socialism	The historical stage following communism and characterized by society’s effort to consciously and rationally plan and organize production so all members of society benefit from it.
Welfare state	Nations with powerful social welfare programs run by centralized authorities.
Competitive capitalism	An economic system characterized by a large number of relatively small firms.
Monopoly capitalism	An economic system characterized by a few large corporations that dominate or monopolize a market.
Transnational capitalism	An economic system characterized by the prevalence of transnational economic practices rather than national ones.
Deindustrialization	The decline of manufacturing and a corresponding increase in the provision of services.
Postindustrial society	A onetime industrial society in which the focus on manufacturing has been replaced by an increase in service work.

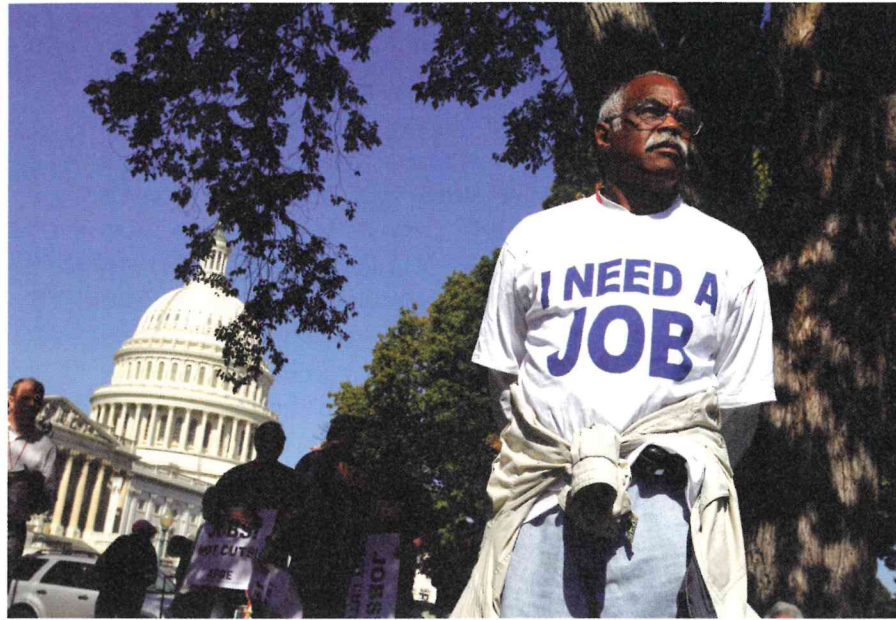
the end of 2013, it was still at an unusually high 7.9 percent (see Figure 14.8).

ASK YOURSELF

The government’s reported rate of unemployment includes those who are actively seeking employment. Why do you suppose it does *not* include those who have given up looking for work, or who have settled for less employment than they need or would like, such as part-time instead of full-time work? What would happen to the unemployment picture if the reported unemployment rate did include these people, and how might that difference affect economic policy making about labor?

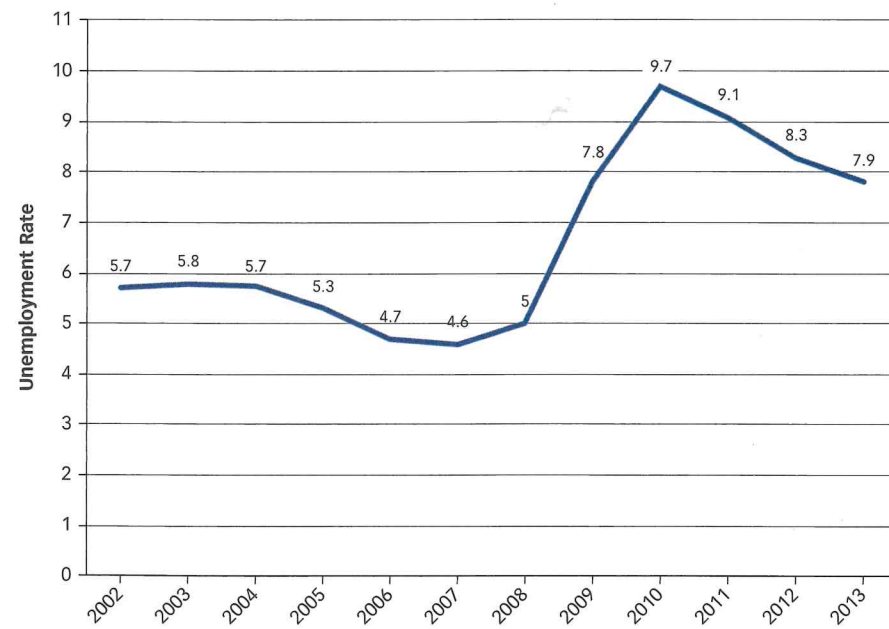


Low-Wage Labor



Unemployment is a chronic problem for many Americans, but it is an especially acute problem for black Americans. The federal government has been unable—or unwilling—to deal with it.

FIGURE 14.8 • U.S. Employment Rate, 2001–2011



SOURCE: U.S. Bureau of Labor Statistics (2013). Labor Force Statistics from the *Current Population Survey*.

William Julius Wilson (1997) focuses on the problems that long-term unemployment creates for black Americans. Black Americans have suffered disproportionately from many different problems, so it is not surprising that they experience greater unemployment as well as a long list of difficulties associated with it. For example, they

discouraged workers Those who have sought work within the last year or since their last job ended, if that was less than a year ago, and have not sought work in the last four weeks (and are therefore not in the labor force).

have more children without involved fathers and have greater problems with drugs, crime, and gang violence. Many observers have seen these as structural problems that are difficult if not impossible to solve. In linking them to unemployment, Wilson sees them as solvable through a number of reforms, including creating more work for black Americans.

The statistics on unemployment understate the problem of lack of work because they deal only with those who are in the labor force and who are actively seeking work. There is another large group of people who are marginally attached to the workforce, including **discouraged workers** (Heslin, Bell, and Fletcher 2012). To be categorized as such, people must have sought work within the last year or since their last job ended, if that was less than a year previous, and must have not sought work in the last four weeks. Other reasons to be considered marginally attached to the labor force include being prevented from working because of family responsibilities or because of a lack of transportation.

The number of marginally employed, and especially discouraged, workers is, like unemployment, a chronic problem. Even worse, both marginal employment and unemployment increase in recessionary times. In early 2009, the number of marginally attached workers had risen by 35 percent over the preceding year to 2.1 million people; of that total, a little more than 700,000—an increase of 70 percent in the same period—were in the discouraged category (see Figure 14.9). Young people and blacks are overrepresented among discouraged workers. Discouragement

can stem from either real or imagined problems in finding work, including believing that no work is available, being unable to find work, lacking needed training or education, being perceived by employers as either too young or too old, and thinking one is—or actually being—discriminated against on various bases. The number of marginally employed workers pales in comparison with the number of unemployed, which rose by 5.5 percent between late 2008 and late 2009 and involved 13.5 million people (U.S. Department of Labor. Bureau of Labor, Statistics 2009). While distressing, this number should be seen in the context of the fact that the number of employed Americans exceeded 140 million in early 2009. Another 79 million were not in the labor force because they were too young, too old, and so on.

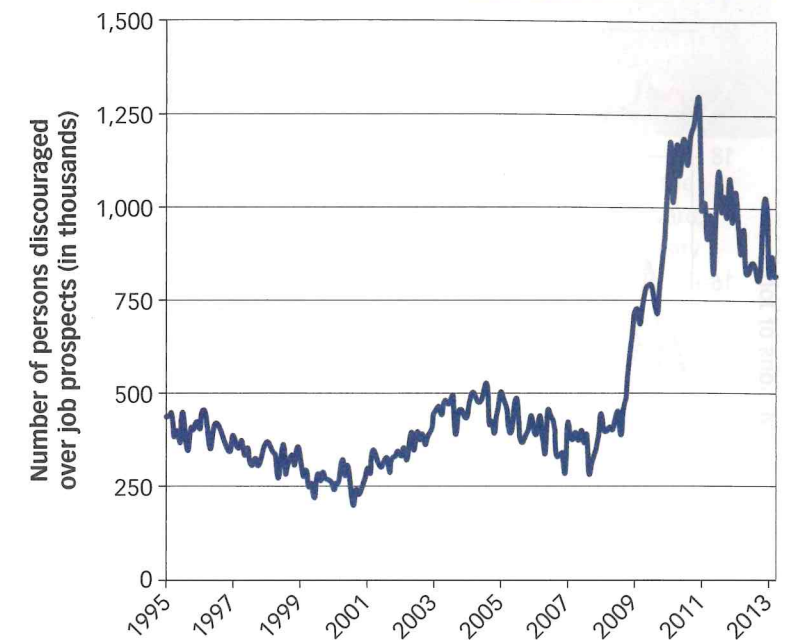
A large number of Americans must also cope with the problem of **underemployment** (Dooley and Prause 2009). This involves (a) being in jobs that are beneath one's training and ability, such as a college professor driving a taxi at night; (b) being an involuntary part-time worker, that is, working part-time because one cannot find full-time work; or (c) working, but in jobs that are not fully occupying, such as in a seasonal industry like agriculture where work slows down dramatically or disappears in the off-season.

The welfare states of Europe have done better in dealing with these problems, but even there, these problems and others are on the rise. In part, this is because of the large influx of immigrants, many of them illegal, who are much more likely to have difficulty finding work. Employment difficulties in Europe are also related to the continent-wide economic crisis and the myriad problems being experienced with the euro—but more on that later.

Being without a job is a major problem. However, as pointed out above, most Americans who want jobs have them, although they might not always have the jobs that they want. An even bigger problem is that many jobs (especially service jobs) do not pay a *living wage*, an income that is high enough to meet the most basic family expenses.

underemployment Employment in jobs that are beneath one's training and ability, as a part-time worker when one is capable and desirous of full-time work, or in jobs that are not fully occupying.

FIGURE 14.9 • U.S. Discouraged Worker Rate, 1995–2013



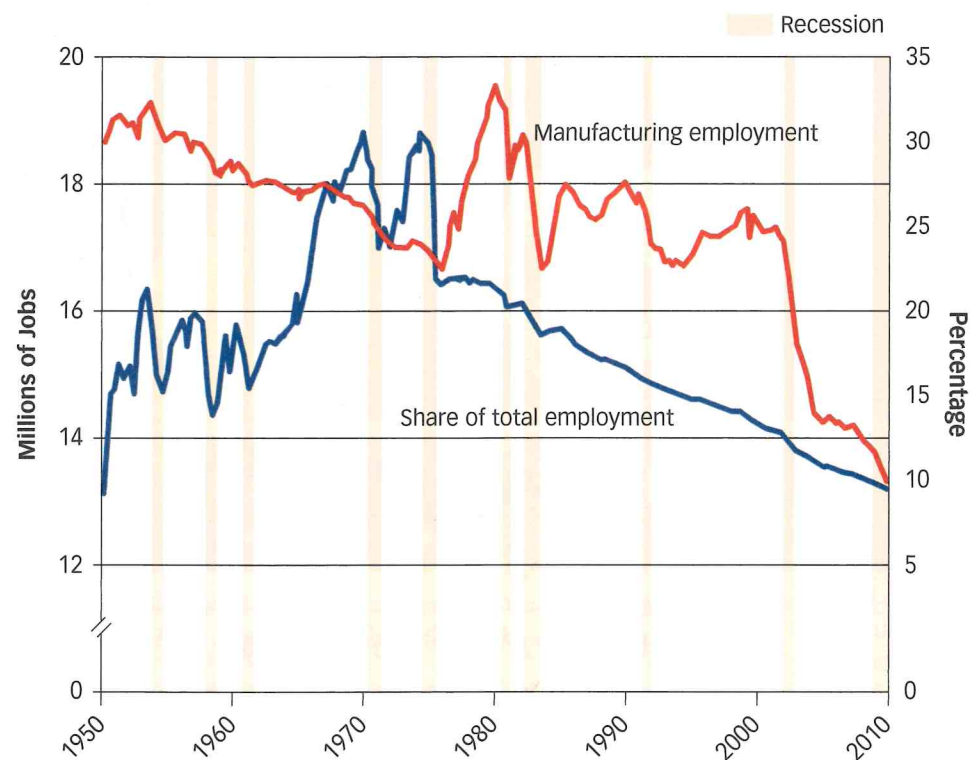
SOURCE: Bureau of Labor Statistics and Current Population Survey.

THE CHANGING NATURE OF THE U.S. LABOR FORCE

A number of dramatic changes in the labor force have been mentioned in the previous sections, including the following:

- In 1900, slightly less than 40 percent of the U.S. labor force was on the farm or in farm-related work. Today, less than 2 percent are so employed.
- After increasing dramatically through the first half of the twentieth century, the number of people who work in manufacturing (production)—that is, in blue-collar jobs—has undergone a major decline. That decline has continued into the second decade of the twenty-first century. There was a drop of almost 4 million workers in manufacturing between 2000 and 2008—to about 11 percent of the labor force—while the labor force as a whole increased by more than 8 million people in that period (see Figure 14.10).
- Service work of various types has increased substantially. Among the leaders are educational services (adding nearly 2 million jobs between 2000 and 2008), health care and social assistance (up almost 3.5 million jobs in that period), and leisure and hospitality (with an increase during that period of more than 1.5 million jobs, almost 1.2 million

FIGURE 14.10 • U.S. Manufacturing Employment, 1950–2010



SOURCE: Congressional Budget Office, based on data from Department of Labor, Bureau of Labor Statistics.

of them being in accommodations, such as hotel work, and food services, such as work in fast-food restaurants).

These are but a few of the changes that have taken place in the labor force in the United States. Many of the trends mentioned above will continue, and others will come to the fore as the work world and the labor force continue to change.

CONSUMPTION AND THE POSTMODERN SOCIETY

Recall from Chapter 1 that consumption is the process by which people obtain and utilize goods and services (Brandle and Ryan 2012; Sassatelli 2007). More specifically, it is a process involving the interrelationship among consumer objects and services, consumers, the consumption process, and consumption sites (Ritzer, Goodman, and Wiedenhoft 2001). First, consumption involves that which is to be consumed, largely consumer objects (clothes, cars, electronic gear) and services (help from computer experts, medical services). Second, consumption requires consumers, or those people who do the consuming. Third, there must be a process

of consumption. Fourth, this process often takes place at consumption sites, such as farmers' markets, shopping malls, theme parks, or cruise ships. The latter three sites can be seen as **cathedrals of consumption** (Ritzer 2010a). These are the large and lavish consumption sites created mostly in the United States in the last half of the twentieth century and into the early twenty-first century. The use of the term *cathedrals* is meant to indicate the fact that consumption has in many ways become today's religion. We go to the cathedrals of consumption to practice that religion. Thus, for example, many middle-class children make a pilgrimage to Disney World at least once in their lives. Outdoor strip malls are traceable to the 1920s, and the first indoor malls were built in the 1950s, but it is the megamall, which arrived in the 1980s and 1990s (e.g., Mall of America in Minneapolis in 1992), that is the crucial innovation here. What defines the megamall is the combination under one roof of a number of cathedrals of consumption, especially a shopping mall and a theme park. The theme park itself is a second cathedral of consumption. The first landmark development was the opening of Disneyland in southern California in 1955. Third is the modern cruise ship, the first of which set sail in 1966 (Clancy 2011). The final major cathedral of consumption is the casino-hotel, most notably those that define Las Vegas. The first of these—the Flamingo—was built in 1946. It was the idea of the mobster Bugsy Siegel, as dramatized in the 1991 movie *Bugsy*.

Of course, there are many other important cathedrals of consumption—superstores such as Bed Bath & Beyond and Best Buy, huge discounters such as Wal-Mart and Costco, and now online retailers and malls such

cathedrals of consumption Large and lavish consumption sites, created mostly in the United States in the last half of the twentieth century and into the early twenty-first century.

as Amazon.com and eBay. These cathedrals, along with other consumption sites, especially chain stores such as McDonald's and Starbucks, have come to define not only the sites themselves, but much of consumption as a whole.

Consumption is generally considered to be the hallmark of postmodern society. That is, while modernity is defined by production and work, postmodernity is defined by consumption. This change is best seen in the United States, which moved from being the preeminent industrial society in the world in the mid twentieth century to being the world's most important consumer society in the late twentieth and early twenty-first century. This is reflected in, for example, the fact that consumption accounts for approximately 70 percent of the U.S. economy today.

Consumption is central to the idea of a postmodern society precisely because it represents a shift from the focus on production in modern society. However, in another sense, there is such a thing as postmodern consumption that is different from, and stands in contrast to, modern consumption (Hamouda and Abderrazak 2013; Venkatesh 2007). In modernity, consumption is seen as a secondary activity, as well as something to be avoided as much as possible so that people can focus on the far more important activities of production and work. This, of course, was the view associated with Max Weber's ([1904–1905] 1958) famous conception of the Protestant ethic. According to this ethic, people were to concentrate on work because it was there, especially in being successful in one's work, that the signs of religious salvation could be found. People were expected to consume minimally, to be frugal, to save their money, and to reinvest what they earned from productive activities.

ASK YOURSELF

Why is a farmers' market not a cathedral of consumption? What other places in which you can engage in consumption are not cathedrals of consumption? Are Internet sites such as Amazon.com cathedrals of consumption? Why or why not? If not, could they ever become cathedrals of consumption?

Postmodern consumption is best thought of as **consumerism**, an obsession with consumption (Barber 2007). We have become consumed by consumption. This reflects the view, outlined in Chapter 2, that postmodern theory can be seen as a new kind of critical theory. For

consumerism An obsession with consumption.

BIOGRAPHICAL bits



William Julius Wilson
(American, born 1935)

William Wilson taught for nearly two decades at the University of Chicago and in 1996 moved to Harvard, where he currently holds the highest rank, University Professor. He has received many awards, including the 1998 National Medal of Science, the highest scientific honor in the United States, and the Talcott Parsons Prize in the Social Sciences, awarded by the American Academy of Arts and Sciences in 2003. He is also a past president of the American Sociological Association. The holder of 44 honorary degrees, Wilson directs the Joblessness and Urban Poverty Research Program at the Kennedy School at Harvard.

RESEARCH INTERESTS

- Race
- Social class
- The city

SELECTED PUBLICATIONS

- *The Declining Significance of Race: Blacks and Changing American Institutions* (1978)
- *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (1987)
- *More Than Just Race: Being Black and Poor in the Inner City* (2009)

KEY IDEAS & CONTRIBUTIONS

- Reasons for the persistence of poverty and inequality for African Americans

example, Baudrillard ([1970] 1998) argues against the conventional view that consumption is about the satisfaction of needs. He contends that if that were the case, consumption would cease when one's needs were satisfied. However, in contemporary consumerism, as soon as one need is satisfied, a new and different need comes to the fore, requiring additional consumption.



Global Consumption



One of the oldest shopping malls in the world, the Galleria Vittorio Emanuele II in Milan offers four floors of luxury stores, cafés, and restaurants. What message does this structure convey by its size and elaborate architecture?

Baudrillard further argues that what consumption is really about is difference. That is, it is through consumption that people seek to demonstrate that they are different from others in, for example, their taste in clothes or in cars. In the postmodern world, where an endless and ever expanding set of differences is created, consumption becomes a never-ending process of demonstrating those differences.

Postmodernists are very prone to appending the prefix *hyper-* to many things (Lipovetsky 2005). Appending *hyper-* to any modern characteristic tends to turn it into something associated with, and critical of, the postmodern world. For example, the postmodern world is associated with hyperconsumption, or buying more than you want, need, and can afford (Ritzer 2001a). Related to the idea of hyperconsumption, especially consuming more than you can afford, is the idea of **hyperdebt**, or borrowing more than you should, thereby owing more than you will be able to repay.

However, some postmodernists have a complex view of consumption, whereby a more positive perspective coexists with this critical orientation (Venkatesh 2007). For example, they tend to see consumption as an aesthetic

undertaking, or as a form of art. Consumers are seen as artists in, for example, buying and putting together, in highly creative ways, the various elements of an outfit. This is particularly related to the postmodern idea of *pastiche* (see Chapter 2), or the mixing together of various elements, especially those that most would not see as fitting together. While a modern consumer might purchase an outfit composed of matching elements (e.g., skirt and top) predesigned and preselected by the manufacturer, the postmodern consumer is seen as creatively and artistically putting together components from a wide range of manufacturers and styles. Furthermore, new and used clothing, or clothing from different time periods, is combined in unique ways to create outfits that can be seen as works of art.

LEISURE

One of the dominant trends of our time is that more and more of our leisure time is devoted to consumption. Leisure time often involves activities that require consumption. For example, in golf, consumption includes acquisition of the equipment and proper clothing, payment of greens fees, and perhaps even the purchase of membership in a country club. Leisure time also takes place in settings that are entirely devoted to consumption, such as cruise ships. Furthermore, for many people, consumption is leisure. Going to the shopping mall and making a variety of purchases can be very relaxing for some.

Leisure is defined as a means of escape from the obligations associated with work and family. It involves social activities that are not coerced. They are relaxing,

hyperdebt Borrowing more than one should, thereby owing more than one will be able to pay back.

leisure A means of escape from the obligations associated with work and family, involving social activities that are uncoerced, relaxing, and perhaps informative and that are set apart in time and often in space.

perhaps informative, and set apart in time and often in space (Dumazadier 1967; Parker 1971; Rojek 2005, 2007b; Scraton 2007; Stebbins 2007). People are not just free from their usual obligations, but they are also free to think differently and to do different things. It is presumed that when people are at leisure, they have much more freedom of choice than they have at work or at home.

However, much leisure activity takes place in settings that are designed to control and to limit the thoughts and actions of those at leisure. The best example is Disney World, where all sorts of conveyances are provided to lead people to move around the park and its attractions quickly, efficiently, and in given directions. Even during the times that one seems to be wandering around the park on one's own, more subtle kinds of controls are being exercised over the visitor. Examples include preset paths, directional arrows, and signs. Most interesting from this perspective is what Walt Disney called "weenies," or highly visible attractions—mountains, castles, and the like—to which virtually all visitors will be drawn. Thus, they move in the direction of the weenies, the way that Disney management wants them to move. They do so without anyone telling them where they should go and how they should get there. This allows for the efficient movement of large numbers of visitors. On the way, they are led past many kiosks, shops, restaurants, and the like, where they can spend even more money.

This controlled and limited image of leisure seems at variance with the increasing diversity of experiences available to those at leisure. There are a world of global choices now open to people who can afford the high costs involved. For example, a cruise ship is a vast world unto itself, where tourists have a wide array of options open to them from early morning until late at night. While this greater choice exists, it is also the case that the managers of such settings have not given up on their efforts to control those at leisure. Rather, the controls have become more varied and sophisticated. Thus, on a cruise ship, numerous TV cameras monitor virtually everything that passengers do aboard ship.

Ultimately, the success of a cruise ship, and of any other setting in which leisure takes place, depends on how much people can be induced to spend on consumption. Cruise ships are very expensive to build and operate. Whether or not a cruise is economically successful depends on how much people lose in the



A chess game takes place on a Harlem street. What makes leisure time possible?

casino, spend on alcohol, and buy in the shops in the onboard mall, and on how many costly side trips they take during the voyage.

Leisure time is strongly affected by social class. Many leisure activities are very expensive. Those in the lower rungs of the stratification system in the Global North, and most of those in the Global South, are largely excluded from them. Of course, there are many inexpensive and even free forms of leisure available to virtually everyone, but these are not generally deemed the most desirable forms in today's world. Furthermore, the demands of work, and even of survival, make it difficult for the have-nots of the world to have much time for, or to get great enjoyment from, their leisure-time activities.

Women's leisure has also tended to be more constrained by economic factors than men's. That, too, is changing, as women in the middle classes are now more likely to have substantial incomes associated with occupations of their own (see Chapter 15). These occupations also tend to give them more demarcated time for leisure (e.g., vacation time) that historically has been the province of men. Yet, because women still spend more hours a week on child care and household maintenance than men do (see Chapter 11), a gendered leisure divide remains.

GLOBALIZATION AND THE ECONOMY

Globalization is associated with many changes in the economy. One of the most remarkable changes has been

CHECKPOINT 14.5

EMPLOYMENT, CONSUMPTION, AND LEISURE

Unemployment	The state of those in the labor force who are able and willing to work and are seeking employment but are unable to find a job.
Discouraged workers	People who have sought work within the last year but not within the last four weeks.
Underemployment	The state of workers who are involuntarily working only part-time, working beneath their training and ability, or not fully occupied, as in a seasonal industry.
Living wage	An income high enough to meet the most basic family expenses.
Cathedrals of consumption	Large and lavish consumption sites, such as shopping malls, theme parks, and cruise ships.
Consumerism	An obsession with consumption.
Hyperconsumption	Buying more than you want, need, or can afford.
Hyperdebt	Borrowing more than you can repay.
Leisure	A means of escape from the obligations of work and family.

in **macrofinance**, or globalization as it relates to money and finance. Not long ago, money and finance were closely tied to the nation-state that issued the money and to the financial transactions that took place therein. Moving money and financial instruments—for example, stocks and bonds, as well new instruments such as derivatives—from one part of the world to another was difficult and cumbersome. Travelers would need to change their own country's currency into the currency of a country to which they were traveling. And if they were going to many different countries, this transaction had to be repeated over and over. Now, however, all a traveler needs is a debit card, which can be used in most nations in the world to rapidly and efficiently obtain the currencies of each of the nations visited. As Dodd (2012: 1446) puts it, "We are witnessing the end of money's geography."

As a result, money is increasingly liquid, and it flows around the world quite readily. This is clearly true for tourists and businesspeople, but it is true in other ways as well: Substantial flows of money are associated with the informal economy, criminal networks, the international drug trade, and money laundering. To take another example, much money flows in the form of remittances, largely from migrants in the Global North to family and friends back home in the Global South. In fact, in 2010, recorded remittances—much more probably went unreported—totaled \$325 billion (Ratha and Mohopatra

2012). While this sounds like a great deal of money, it pales in comparison with other types of global financial transactions. For example, in only one aspect of the global financial market, the market for the world's currencies, about \$4 trillion changes hands *every day* (Knorr Cetina 2012). The largest amounts of money by far flow easily and quickly through electronic transmissions associated with global financial markets (Knorr Cetina 2012). People and businesses are increasingly dependent on electronic transfers for the credit they need, or think they need, in today's world. Individuals usually need credit to purchase such things as homes and automobiles. Credit is also central to the growth and investments of corporations and governments.

Even more important is global trade in a series of obscure financial instruments. Banking practices tied to the U.S. housing market and such financial instruments set off a chain reaction that devastated international economic flows and triggered a global recession. Central to these problems was the fact that financial markets in both the United States and much of the rest of the world were deregulated to a great degree. Without governmental oversight, many of these markets were allowed to run wild. For example, there was wild speculation in exotic financial instruments, producing an economic bubble that burst violently, causing the recession to develop and gather momentum.

The bursting of the bubble created a global liquidity crisis because nations and their banks were reluctant to lend to one another. They were afraid the economic crisis would render other nations and banks unable to repay their loans. Without these loans, many nations were plunged into deep recessions. This was especially true in the European countries that constitute the *eurozone*, the 17 of 27 European nations that use the euro as a common currency.

macrofinance The globalization of money and finance.

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macrofinance The globalization of money and finance.

McDONALDIZATION TODAY

McJobs

Work was highly rationalized long before the advent of McDonald's and McDonaldization. Classic examples were jobs on the automobile assembly line that were rationalized as a result of, among other things, Fordism and Taylorism. However, the rise of lower-level, service-sector jobs, especially the millions created by the fast-food industry, led to the emergence of *McJobs* (Newman 2007; Ritzer 1997). McJobs have all of the basic characteristics of McDonaldization: They are to be done efficiently, the focus is on speed and quantity of output, they are to be performed the same way over and over, and they are highly controlled by various technologies. As a result, McJobs tend to be dehumanizing and degrading to the people who hold them, and generally are dead-end careers.

Some of the work in McDonaldized service settings closely resembles work on the assembly line. For instance,

hamburgers are assembled in much the same way as automobiles. However, a great deal of such service work involves human interaction with the public, and such interaction is more difficult to McDonaldize. Nevertheless, it has been McDonaldized to some degree by creating scripts for employees ("May I help you?" "Would you like a dessert to go with your meal?" and "Have a nice day!") and insisting that they be followed during every interaction (Leidner 1993). Thus, one of the distinctive aspects of McJobs is that they McDonaldize not only what people do but also what they say. This leads to new depths in *de-skilling*, taking skills out of jobs and away from employees. Lost is the ability to speak and to interact with people on one's own.

McJobs are clearly linked to social class. Those in the lower class are far more likely to hold such positions, at

least for a length of time, than those in the middle and upper classes. While more and more work is being McDonaldized, a whole other sector of the economy, the postindustrial sector, offers well-paid, highly skilled, non-McDonaldized service sector jobs—for example, financial adviser or computer programmer. Thus, we are increasingly moving to a two-tiered occupational system differentiated between the postindustrial work of the middle and upper classes and the McDonaldized work of the lower classes.

Think About It

How might a conflict/critical theorist explain the rise of McJobs? Do you agree that this kind of work is hastening the advent of a two-tiered occupational system, or did this system already exist? Explain your answer.

Over the years, this led to the *euro crisis*, which continues to this day, although it grew particularly intense in late 2011 and early 2012 (Riera-Crichton 2012). The wealthier European societies, especially Germany, were able to deal with the recession well. Other countries, especially Greece, Portugal, Ireland, Spain, and later Italy and Cyprus, were not. They suffered huge economic problems, such as the collapse of their housing markets and high unemployment. Several of these countries have had their credit ratings diminished. In such a situation, the typical course of action for a country is to devalue its currency, thereby reducing its costs. This makes its products cheaper and more competitive in the global economy, allowing the economy to begin to grow again. However, because those troubled countries were part of the eurozone, they were unable to devalue their currency. The troubled European economies were left without the traditional method of dealing with recessions and depression.

Further worsening the situation for these countries was the fact that it became more difficult for them to

borrow money to keep their economies functioning. Lenders increasingly believed that the troubled nations might not be able to repay those loans. The result was that the troubled eurozone countries had to pay ever higher interest rates to get the loans. In the short run, countries like Ireland, Greece, and Cyprus had to get bailouts from European sources. In exchange for those bailouts, they had to agree to practice greater austerity. For example, they fired government employees and cut back welfare programs. Paradoxically, this austerity further weakened their economies, at least in the short run, because many people had less money to spend.

While the dangers associated with the euro crisis ebbed in early 2012 with the bailout of Greece, the basic problems with a euro remained, and the crisis flared again in early 2013 in Cyprus. There were many



Microfinance

Chinese Textile Workers in Italy

There was a time when textiles produced in Italy and made by Italian workers, most notably is the town of Prato, meant something special. However, in recent years, Italian textile manufacturers have had difficulty competing on a price basis with textiles manufactured in China. More recently, tens of thousands of mostly undocumented Chinese workers have emigrated to Prato and other areas in Italy, transforming the town into a center of low-end garment manufacturing (Donadio 2010).

Chinese immigrants work for a large number of relatively small manufacturers. They often use materials imported from China to produce price-competitive textiles. Instead of textiles produced slowly and with care, the Chinese are focusing on the production of “fast fashion,” which seeks to rapidly deliver designer fashion for cheaper, mass-market consumption. In the process, the differences between “Made in Italy” and “Made in China” have blurred, with an adverse effect on the once prestigious “Made in Italy” label. In fact, the Chinese manufacturers are selling their lower-quality goods with “Made in Italy” labels, or wholesalers and retailers are sewing such labels into garments.

Prato now has the highest concentration of Chinese immigrants, both documented and undocumented, in not only Italy but all of Europe. Further, there are more Chinese than Italian factories in Prato. This has changed not only the nature of the manufacturing process in Prato, but also the culture of the town. It is beginning to



Does it matter who actually produces the fabric for which the Italian textile industry has been renowned?

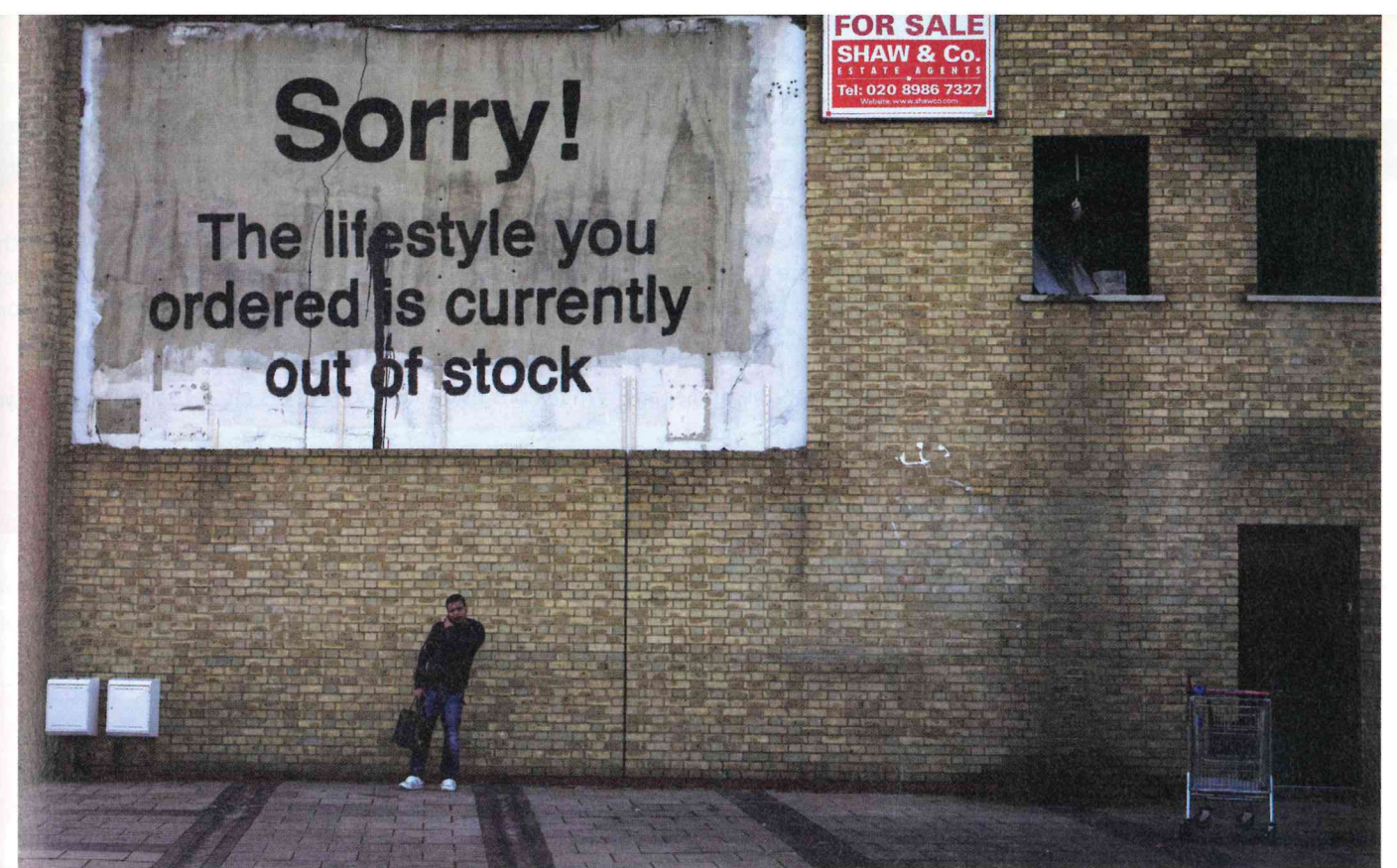
look more like a Chinatown, with signs in Chinese and Chinese grocery stores selling food imported from China.

There are certainly problems, especially for Italians, associated with Chinese businesses and business practices. Furthermore, Chinese workers in these factories remain very vulnerable and are subject to a variety of abuses and poor working conditions (Wu and Sheehan 2011). However, it is also the case that the Italians have been slow to innovate and the Chinese have been highly innovative. Drawing from their unique cultural heritage, the Chinese have blended their entrepreneurialism with Italian fashion

to create new hybrid forms of global culture and production (Santini, Rabino, and Zanni 2011). They produced the fast-fashion system and, in the process, probably created many more jobs, even for Italians, than would otherwise have been created.

Think About It

Do you think the Italian textile industry could have remained competitive without the incursion of Chinese methods and workers? Why or why not? What do you think this industry might look like, culturally and economically, in, say, 20 years? Why?



A billboard by the British street artist Banksy sums up one view of the future as the euro crisis continues to affect member countries of the European Union, including those, like Britain, that did not adopt the euro. What factors affect nations' policy choices in difficult times?

fears associated with the euro crisis. First, those living in the countries most affected by the crisis might face unavoidable economic hardships. Second, at least some of the affected countries would find it necessary to abandon the euro and return to the currencies they used before the creation of the euro, which began circulating in 2002. This could lead to huge internal economic problems for those countries in the short-term and, in the long-term, to the collapse of the eurozone. This, in turn, could lead to a return to the era in which European nations fought horrendous wars against one another. Third, there was a fear that affected countries would drag the rest of the eurozone countries, and eventually much of the rest of the world, down economically. Fourth, there was the worry that people in the most affected countries would grow increasingly disaffected, leading to political

revolutions. Among the fears was the possibility, in the face of looming insurrections, of the rise of right-wing governments and possibly the emergence of new dictatorships. This was what had happened as a result of economic disruption after World War I and the Great Depression, which, among other things, led to the rise of fascism in Europe and eventually to World War II (Thomas 2011).

CHECKPOINT 14.6 GLOBALIZATION AND THE WORLD ECONOMY

Macrofinance	A globalization process that relates to money and finance.
Deregulation	The lifting of government oversight of banking practices, allowing wild speculation and economic bubbles that worsened the recession.
Eurozone	The 17 European nations that use the euro as their currency.
Euro crisis	Deep recession in the eurozone.

ACTIVE SOCIOLOGY

Would You Give Up Your Day Job for Etsy?

The nature of work has changed in response to shifts in the economy. For instance, digital technology allows almost anyone with a business idea to market products and services anywhere in the world. This means that even small businesses can grow in a global society. Check out the marketplace website Etsy (www.etsy.com) as an example of this phenomenon by answering the following questions. Compare your responses with those of others in the class.

1. Browse two or three product categories listed on the homepage. What kinds of goods and services are for sale? What can you discover about the range of prices?

Category	Type of goods and services for sale	Price range

2. Review the Seller Handbook under the “Blog” tab on the homepage.
 - What kind of help and support does the site offer to sellers?
 - How do sellers help each other?
3. Who do you think are most likely to be buyers on this site? Why?
4. Who benefits most from a site like Etsy—the buyers, the sellers, or the site owners? Why?
5. What is the function of the business owner/seller on a marketplace site like Etsy? What roles or tasks must he or she perform?
6. How is this work different from that in a typical job?

Now consider a product or service that you could make or provide for sale on Etsy.

1. What steps would you have to take to begin your business?
2. What resources would you need to be successful? Consider tangible resources like cash, raw materials, a work space, or tools, as well as intangibles such as your own expertise or the advice of others. Be as specific as you can.

Tangible resources I would need	Intangible resources I would need

3. Would you be able to make this your full-time job? Why or why not?

SUMMARY

Politics is one way to advance a given position or policy through the use of, or by putting pressure on, the state. Democracy is a political system in which people within a given state vote to choose their leaders and, in some cases, to approve legislation. This is in contrast to dictatorships, which are usually totalitarian governments operating without the consent of the governed.

The United States is a democracy with a two-party system; the parties are the Republicans and the Democrats. Voting is one way of influencing politics, but there are several others. Structural-functionalists emphasize pluralism, while conflict theorists focus on power elite theory. One way of dealing with political disagreements is through war. Terrorism refers to nongovernmental actors engaging in violence targeting noncombatants, property, or military personnel.

Sociologists define the economy as the social system that ensures the production and distribution of goods and services. In the last 200 years, the capitalist U.S. economy has transitioned from the Industrial Revolution to industrialization to deindustrialization. Communism is an economic system oriented to the collective, and socialism, which followed it historically, is characterized by a society's efforts to plan and organize production consciously and rationally. The United States has some social welfare programs

but still lags far behind more developed welfare states in what it provides.

In addition to general shifts in the U.S. economy, there have been dramatic changes in the nation's labor force. The number of unemployed, discouraged, and underemployed workers rose during the recent recession. Deindustrialization and the decline of labor unions, as well as the growth of service jobs and an increasing focus on consumption, set the stage for a postindustrial society, in which the focus on the manufacture of goods has been replaced by an increase in service work.

Consumption is generally considered to be the hallmark of post-modern society. Consumerism indicates an obsession with consumption. Cathedrals of consumption show that consumption has in many ways become today's religion. The postmodern world is also associated with hyperconsumption and hyperdebt. One of the dominant trends of the last several decades is the increasing amount of leisure time devoted to consumption.

Capitalism has become increasingly global in that transnational, not national, economic practices predominate. The eurozone has faced, and may again confront, a euro crisis that threatens to destabilize Europe and possibly the world.

KEY TERMS

cathedrals of consumption, 498	geopolitics, 481	Republicans, 474
citizens, 471	group pluralism, 478	scientific management, 485
citizenship, 471	hyperdebt, 500	separation of powers, 478
competitive capitalism, 489	imagined communities, 482	single-party system, 474
consumerism, 499	leisure, 500	socialism, 488
cult of masculinity, 473	macrofinance, 502	soft money, 476
deindustrialization, 491	mass production, 485	terrorism, 480
democracy, 471	monopoly capitalism, 487	transnational capitalism, 490
Democrats, 474	multiparty system, 474	two-party system, 473
dictatorships, 473	political action committees (PACs), 476	underemployment, 497
direct democracy, 471	politics, 471	unemployment, 495
discouraged workers, 496	post-Fordism, 487	war, 480
economy, 483	postindustrial society, 493	welfare states, 488
elite pluralism, 478	power elite theory, 478	
Fordism, 486	representative democracy, 471	

REVIEW QUESTIONS

1. What factors help to explain the emergence of democratic political systems? How is democracy related to bureaucracy and rational-legal concepts that you learned about in previous chapters?
2. In what ways is citizenship an important component of a democratic political system? Do you think that low voter turnout in the United States is due to a failure of its citizens? Or do nonvoters in the United States express their political interests in other ways? In what ways could new technologies facilitate political involvement?
3. The question of who rules the United States is still being debated. In what ways does a pluralist understanding of power and politics in the United States differ from the power elite perspective? Do you think globalization has an effect on who rules the United States? Why or why not?
4. How are socialism and communism alternatives to capitalism? What elements of welfare states are socialistic, and what forces in the United States are resistant to social welfare programs?
5. What factors help to explain deindustrialization in the United States, and how does deindustrialization relate to the decline of unions? What effects has deindustrialization had on other countries?
6. How has work in postindustrial societies become increasingly McDonaldized? Has the McDonaldization of work affected all groups in the same way? Why or why not?
7. In what ways has the Internet changed the nature of work? What are some examples of how you use the Internet as a producer and/or consumer?
8. How is our society characterized by rampant and insatiable consumerism? How do we use consumption to satisfy our needs in the world today? Do you agree that we tend to consume beyond our needs?
9. In what ways is consumption today the new religion?
10. How do leisure activities create distinctions between groups of people? In what ways are these distinctions reflective of the system of stratification?

APPLYING THE SOCIOLOGICAL IMAGINATION

1. This chapter poses the question “Who rules the United States?” According to the power elite perspective, power is concentrated in the hands of a small number of people who control the major institutions of the state, the corporate economy, and the military. The powerful people who make up these institutions might have minor disagreements about policy, but for the most part they are unified in their interests and in owning and operating much of American society.

For this activity, choose an organization from the top 10 of the Fortune 500. Use the Internet to find the most up-to-date data. After selecting the company, go to its website to find information on its board of directors. A good place to start is the company’s annual report. For the most part, annual reports are made available on a company’s website or its “About Us” page. Finally, select two members from the company’s board of directors and answer the following questions:

- What are their racial or ethnic backgrounds?
- What are their educational backgrounds? Where did they go to school?
- What are their primary occupations?
- Do they have military backgrounds?
- Have they held formal positions in government?

- Do they have affiliations with other organizations? If so, which ones?
- Are they outspoken members of particular political parties?
- Do they belong to any specific social clubs?
- Are they often mentioned in news reports? What types of mention?

Do you think the answers to these questions provide evidence for or against the power elite perspective? How might a group pluralist or elite pluralist respond to the limited evidence you have compiled here?

2. How can you use the clothes on your back to understand the nature of globalization? As has been explored throughout the textbook, the things we consume say a lot about who we are and how we want others to perceive us. Rarely, however, do we pay attention to how these individual choices are situated within larger global processes. For this activity, choose five of your favorite articles of clothing and check their tags to see where they were made. Then do research on the companies and their production sites in these various countries. In what ways are the clothes you wear part of an increasingly globalized economy? What are the benefits of such an economy for you? What are the benefits and disadvantages for the workers producing the clothes? What are the consequences for each of the different countries?

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CATHEDRALS OF CONSUMPTION

Outdoor markets and bazaars are traditional exchanges in many countries, and you can even think of a multi-family garage sale as a descendant of this venerable form of commerce. "Cathedrals of consumption," on the other hand, are large and lavish sites, such as theme parks and shopping malls, that celebrate a level of consumption approaching a form of religion for some.



▲ The Disney Dreams show, created to celebrate the 20th anniversary of the Disneyland theme park resort outside Paris, was an extravaganza of special effects months in preparation. It featured fireworks, music, fountains, lasers, and projection mapping on the surface of the park's castle.



▲ Sihlcity (left), a recently opened shopping mall in Zurich, Switzerland, offers consumers 100,000 square meters of stores, restaurants, apartments, and offices and houses a multiplex movie theater, fitness area, nightclub, hotel, and chapel. At the multibillion-dollar Marina Bay Sands in Singapore (right), the largest atrium casino in the world accommodates thousands of guests and is only one of many luxury attractions.



▲ Vegetable vendors wait for customers at a wholesale produce market in northern India.

◀ Most of the developing world still trades at outdoor markets. Produce sellers at a floating market on Dal Lake in Srinagar, Kashmir (India).

THINKING ABOUT SOCIOLOGY

1. Do informal markets in developing countries share any characteristics of Western "cathedrals of consumption?" If so, what are they?
2. What social and cultural functions do malls and markets serve, besides providing for the economic exchange of goods and services? Do online stores serve the same functions?
3. **Essay question:** Describe the ways in which malls encourage us to shop for reasons other than need. What makes such consumption possible? What would make it easier to resist the pressure to consume?