Chapter 10

Politics and the Economy

Social Issues in the News

In January 2010, a Republican, Scott Brown, won the U.S. Senate seat in Massachusetts that had been held for almost a half century by the late Edward M. (Ted) Kennedy, who died in August 2009 from brain cancer. Like many Democrats throughout the country, business student Danielle Safran, who campaigned for Barack Obama in his 2008 presidential election, was distraught. She began to think she should get even more involved in politics and even run for office herself, and she also thought that maybe other Democrats were feeling the same way. This led to a brainstorm: start a Web site that would list open electoral positions around the country at various levels of government for potential candidates to consult. She got together with another business student, Robert Clifford, a Republican, and the two started a Web site to accomplish this purpose: WhatCanIRunFor.com. (Special to Capital Business, 2010)


It was Election Day in the United States, and all over the nation people were voting for the candidates of their choice. At a high school in New York City, people carrying umbrellas lined up to vote on a cold, rainy day. Some walked quickly toward the school, while others strolled more leisurely. Not too far away, a woman in a wheelchair was wheeling herself down the street. She said she had come several blocks so that she could vote.

A few people were handing out campaign literature in front of the school. Some voters took their pamphlets, while others said they had already made up their minds. One voter said, “No thanks, don’t confuse me with facts.” Another took a pamphlet and said to the college student who gave it to her, “You’re a fine citizen. I’m proud of you.” She was about 50 years old and said she had voted in every election since she was old enough to vote.

Nearby, someone else was handing out campaign literature. He was a retired garment worker who had fled Nazi Germany. He looked frail and spoke little English, but he stood in the cold rain on Election Day, watching and helping democracy unfold (Barkan, 1974).

Barkan, S. (1974, November 13). It takes all kinds, even on election day!
The scene just described plays out across the United States and other democracies every election day, but voting remains only a dream in much of the world. And although the United States is one of the world’s leading democracies, its economy leaves many people behind, as we have seen before in this book and will continue to see in this and later chapters. When the 20th century ended little more than a decade ago, Americans everywhere paused to reflect on its most significant events, including two World Wars, the Great Depression, the rise and fall of the Soviet Union, and the unleashing of the nuclear age. We thought about these and other events not only because they were historically important but also because they told us something about our society and the changes the last century brought. In all of these events, our political and economic institutions played a fundamental role.

In fact, it is not an exaggeration to say that the polity and the economy, as two of modern society’s most important institutions, intertwine day after day. When the economic recession began in the United States in 2008, it was the government that tried to deal with it by providing billions in federal stimulus money and “bailing out” huge banks and other financial institutions that had failed, among other measures. When unemployment soared in the aftermath of the recession, the government again was the institution to which Americans looked for relief. At the same time, as the recession and high unemployment continued well into 2010, political commentators predicted that the sour economy would hurt the chances of Democrats across the country to be elected or reelected. As these events suggest, the political and economic institutions cannot be fully understood without appreciating how they affect each other and work hand in hand, for better or worse, to help run the nation.

This chapter discusses what sociologists and other social scientists say about these two vital institutions. We will examine the major explanations about how they work and consider their operation within the United States and in other societies as well.
LEARNING OBJECTIVES

1. Define power and the three types of authority.
2. Distinguish the types of political systems.
3. Discuss and assess pluralist and elite theories.

Politics refers to the distribution and exercise of power within a society, and polity refers to the political institution through which power is distributed and exercised. In any society decisions must be made regarding the allocation of resources and other matters. Except perhaps in the simplest societies, specific people and often specific organizations make these decisions. Depending on the society, they sometimes make these decisions solely to benefit themselves and other times make these decisions to benefit the society as a whole. Regardless of who benefits, a central point is this: some individuals and groups have more power than others. Because power is so essential to an understanding of politics, we begin our discussion of politics with a discussion of power.

Power refers to the ability to have one’s will carried out despite the resistance of others. Most of us have seen a striking example of raw power when we are driving a car and see a police car in our rearview mirror. At that particular moment, the driver of that car has enormous power over us. We make sure we strictly obey the speed limit and all other driving rules. If, alas, the police car’s lights are flashing, we stop the car, as otherwise we may be in for even bigger trouble. When the officer approaches our car, we ordinarily try to be as polite as possible and pray we do not get a ticket. When you were 16 and your parents told you to be home by midnight or else, your arrival home by this curfew again illustrated the use of power, in this case parental power. If a child in middle school gives her lunch to a bully who threatens her, that again is an example of the use of power, or, in this case, the misuse of power.
These are all vivid examples of power, but the power that social scientists study is both grander and, often, more invisible (Wrong, 1996). Wrong, D. H. (1996). Power: Its forms, bases, and uses. New Brunswick, NJ: Transaction. Much of it occurs behind the scenes, and scholars continue to debate who is wielding it and for whose benefit they wield it. Many years ago Max Weber (1921/1978), Weber, M. (1978). Economy and society: An outline of interpretive sociology (G. Roth and C. Wittich, Eds.). Berkeley: University of California Press. (Original work published 1921) one of the founders of sociology discussed in earlier chapters, distinguished legitimate authority as a special type of power. **Legitimate authority** is power whose use is considered just and appropriate by those over whom the power is exercised. In short, if a society approves of the exercise of power in a particular way, then that power is also legitimate authority. The example of the police car in our rearview mirrors is an example of legitimate authority.

Weber’s keen insight lay in distinguishing different types of legitimate authority that characterize different types of societies, especially as they evolve from simple to more complex societies. He called these three types traditional authority, rational-legal authority, and charismatic authority. We turn to these now.

**Traditional Authority**

As the name implies, **traditional authority** is power that is rooted in traditional, or long-standing, beliefs and practices of a society. It exists and is assigned to particular individuals because of that society’s customs and traditions. Individuals enjoy traditional authority for at least one of two reasons. The first is inheritance, as certain individuals are granted traditional authority because they are the children or other relatives of people who already exercise traditional authority. The second reason individuals enjoy traditional authority is more religious: their societies believe they are anointed by God or the gods, depending on the society’s religious beliefs, to lead their society. Traditional authority is common in many preindustrial societies, where tradition and custom are so important, but also in more modern monarchies (discussed shortly), where a king, queen, or prince enjoys power because she or he comes from a royal family.
Traditional authority is granted to individuals regardless of their qualifications. They do not have to possess any special skills to receive and wield their authority, as their claim to it is based solely on their bloodline or supposed divine designation. An individual granted traditional authority can be intelligent or stupid, fair or arbitrary, and exciting or boring but receives the authority just the same because of custom and tradition. As not all individuals granted traditional authority are particularly well qualified to use it, societies governed by traditional authority sometimes find that individuals bestowed it are not always up to the job.

Rational-Legal Authority

If traditional authority derives from custom and tradition, rational-legal authority\(^6\) derives from law and is based on a belief in the legitimacy of a society’s laws and rules and in the right of leaders to act under these rules to make decisions and set policy. This form of authority is a hallmark of modern democracies, where power is given to people elected by voters, and the rules for wielding that power are usually set forth in a constitution, a charter, or another written document. Whereas traditional authority resides in an individual because of inheritance or divine designation, rational-legal authority resides in the office that an individual fills, not in the individual per se. The authority of the president of the United States thus resides in the office of the presidency, not in the individual who happens to be president. When that individual leaves office, authority transfers to the next president. This transfer is usually smooth and stable, and one of the marvels of democracy is that officeholders are replaced in elections without revolutions having to be necessary. We might not have voted for the person who wins the presidency, but we accept that person’s authority as our president when he (so far it has always been a “he”) assumes office.

Rational-legal authority helps ensure an orderly transfer of power in a time of crisis. When John F. Kennedy was assassinated in 1963, Vice President Lyndon Johnson was immediately sworn in as the next president. When Richard Nixon resigned his office in disgrace in 1974 because of his involvement in the Watergate scandal, Vice President Gerald Ford (who himself had become vice president after Spiro Agnew resigned because of financial corruption) became president. Because the U.S. Constitution provided for the transfer of power when the presidency was vacant, and because U.S. leaders and members of the public accept the authority of the Constitution on these and so many other matters, the transfer of power in 1963 and 1974 was smooth and orderly.

Charismatic Authority

Charismatic authority\(^7\) stems from an individual’s extraordinary personal qualities and from that individual’s hold over followers because of these qualities.
Such charismatic individuals may exercise authority over a whole society or only a specific group within a larger society. They can exercise authority for good and for bad, as this brief list of charismatic leaders indicates: Joan of Arc, Adolf Hitler, Mahatma Gandhi, Martin Luther King Jr., Jesus Christ, Muhammad, and Buddha. Each of these individuals had extraordinary personal qualities that led their followers to admire them and to follow their orders or requests for action.

Weber emphasized that charismatic authority is less stable than traditional authority or rational-legal authority. The reason for this is simple: once charismatic leaders die, their authority dies as well. Although a charismatic leader’s example may continue to inspire people long after the leader dies, it is difficult for another leader to come along and command people’s devotion as intensely. After the deaths of all the charismatic leaders named in the preceding paragraph, no one came close to replacing them in the hearts and minds of their followers.

Charismatic authority can reside in a person who came to a position of leadership because of traditional or rational-legal authority. Over the centuries, several kings and queens of England and other European nations were charismatic individuals as well (while some were far from charismatic). A few U.S. presidents—Washington, Lincoln, both Roosevelts, Kennedy, Reagan, and, for all his faults, even Clinton—also were charismatic, and much of their popularity stemmed from various personal qualities that attracted the public and sometimes even the press. Ronald Reagan, for example, was often called the Teflon president, because he was so loved by much of the public that accusations of ineptitude or malfeasance did not stick to him (Lanoue, 1988).


**Types of Political Systems**

Various states and governments obviously exist around the world. In this context, state means the political unit within which power and authority reside. This unit can be a whole nation or a subdivision within a nation. Thus the nations of the world are sometimes referred to as states (or nation-states), as are subdivisions within a nation, such as, in the United States, California, New York, and Texas. Government means the group of persons who direct the political affairs of a state,
but it can also mean the type of rule by which a state is run. Another term for this second meaning of government is political system, which we will use here along with government. The type of government under which people live has fundamental implications for their freedom, their welfare, and even their lives. Accordingly we briefly review the major political systems in the world today.

**Democracy**

The type of government with which we are most familiar is democracy, or a political system in which citizens govern themselves either directly or indirectly. The term democracy comes from Greek and means “rule of the people.” In Lincoln’s stirring words from the Gettysburg Address, democracy is “government of the people, by the people, for the people.” In direct (or pure) democracies, people make their own decisions about the policies and distribution of resources that affect them directly. An example of such a democracy in action is the New England town meeting, where the residents of a town meet once a year and vote on budgetary and other matters. However, such direct democracies are impractical when the number of people gets beyond a few hundred. Representative democracies are thus much more common. In these types of democracies, people elect officials to represent them in legislative votes on matters affecting the population.

As this definition implies, perhaps the most important feature of representative democracies is voting in elections. When the United States was established more than 230 years ago, most of the world’s governments were monarchies or other authoritarian regimes (discussed shortly). Like the colonists, people in these nations chafed under arbitrary power. The example of the American Revolution and the stirring words of its Declaration of Independence helped inspire the French Revolution of 1789 and other revolutions since, as people around the world have died in order to win the right to vote and to have political freedom.

Of course, democracies are not perfect. Their decision-making process can be quite slow and inefficient; decisions may be made for special interests and not “for the people”; and, as we have seen in earlier chapters, pervasive inequalities of social class, race and ethnicity, gender, and age can exist. Moreover, in not all democracies have all people enjoyed the right to vote. In the United States, for example, African Americans could not vote until after the Civil War, with the passage of the 15th Amendment in 1870, and women did not win the right to vote until 1920, with the passage of the 19th Amendment.

In addition to generally enjoying the right to vote, people in democracies also have more freedom than those in other types of governments. Figure 10.3 "Freedom Around the World (Based on Extent of Political Rights and Civil Liberties)" depicts
the nations of the world according to the extent of their political rights and civil liberties.

*Figure 10.3  Freedom Around the World (Based on Extent of Political Rights and Civil Liberties)*

![Map of freedom around the world (Based on Extent of Political Rights and Civil Liberties)](http://www.freedomhouse.org/template.cfm?page=363&year=2010)


The freest nations are found in North America, Western Europe, and certain other parts of the world, while the least free lie in Asia, the Middle East, and Africa.

**Monarchy**

*Monarchy* is a political system in which power resides in a single family that rules from one generation to the next generation. The power the family enjoys is *traditional authority*, and many monarchs command respect because their subjects bestow this type of authority upon them. Other monarchs, however, have ensured respect through arbitrary power and even terror. Royal families still rule today, but their power has declined from centuries ago. Today the Queen of England holds a largely ceremonial position, but her predecessors on the throne wielded much more power.

This example reflects a historical change in types of monarchies (Finer, 1997). Finer, S. E. (1997). The history of
government from the earliest times. New York, NY: Oxford University Press. From absolute monarchies to constitutional monarchies. In absolute monarchies, the royal family claims a divine right to rule and exercises considerable power over their kingdom. Absolute monarchies were common in both ancient (e.g., Egypt) and medieval (e.g., England and China) times but slowly gave way to constitutional monarchies. In these monarchies, the royal family serves a symbolic and ceremonial role and enjoys little, if any, real power. Instead the executive and legislative branches of government—the prime minister and parliament in several nations—run the government, even if the royal family continues to command admiration and respect. Constitutional monarchies exist today in several nations, including Denmark, Great Britain, Norway, Spain, and Sweden.

Authoritarianism and Totalitarianism

Authoritarianism and totalitarianism are general terms for nondemocratic political systems ruled by an individual or a group of individuals who are not freely elected by their populations and who often exercise arbitrary power. To be more specific, authoritarianism refers to political systems in which an individual or a group of individuals holds power, restricts or prohibits popular participation in governance, and represses dissent. Totalitarianism refers to political systems that include all the features of authoritarianism but are even more repressive as they try to regulate and control all aspects of citizens’ lives and fortunes. People can be imprisoned for deviating from acceptable practices or may even be killed if they dissent in the mildest of ways. The purple nations in Figure 10.3 "Freedom Around the World (Based on Extent of Political Rights and Civil Liberties)" are mostly totalitarian regimes, and the orange ones are authoritarian regimes.

Compared to democracies and monarchies, authoritarian and totalitarian governments are more unstable politically. The major reason for this is that these governments enjoy no legitimate authority. Instead their power rests on fear and repression. Because their populations do not willingly lend their obedience to their political systems, and because their political systems treat them so poorly, they are more likely than populations in democratic states to want to rebel. Sometimes they do rebel, and if the rebellion becomes sufficiently massive and widespread, a revolution occurs. In contrast, populations in democratic states usually perceive that they are treated more or less fairly and, further, that they can change things they do not like through the electoral process. Seeing no need for revolution, they do not revolt.
Since World War II, which helped make the United States an international power, the United States has opposed some authoritarian and totalitarian regimes while supporting others. The Cold War pitted the United States and its allies against Communist nations, primarily the Soviet Union, China, Cuba, and North Korea. But at the same time the United States opposed these authoritarian governments, it supported many others, including those in Chile, Guatemala, and South Vietnam, that repressed and even murdered their own citizens who dared to engage in the kind of dissent constitutionally protected in the United States (Sullivan, 2008).


Earlier in U.S. history, the federal and state governments repressed dissent by passing legislation that prohibited criticism of World War I and then by imprisoning citizens who criticized that war (Goldstein, 2001).


During the 1960s and 1970s, the FBI, the CIA, and other federal agencies spied on tens of thousands of citizens who engaged in dissent protected by the First Amendment (Cunningham, 2004).


While the United States remains a beacon of freedom and hope to much of the world’s peoples, its own support for repression in the recent and more distant past suggests that eternal vigilance is needed to ensure that “liberty and justice for all” is not just an empty slogan.

**Theories of Power and Society**

These remarks raise some important questions: Just how democratic is the United States? Whose interests do our elected representatives serve? Is political power concentrated in the hands of a few or widely dispersed among all segments of the population? These and other related questions lie at the heart of theories of power and society. Let’s take a brief look at some of these theories.

**Pluralist Theory: A Functionalist Perspective**

Recall (from *Chapter 1 "Sociology and the Sociological Perspective"*) that the smooth running of society is a central concern of functionalist theory. When applied to the issue of political power, functionalist theory takes the form of pluralist theory, which says that political power in the United States and other democracies is dispersed among several “veto groups” that compete in the political process for resources and influence. Sometimes one particular veto group may win and other times another group may win, but in the long run they win and lose equally and no one group has any more influence than another (Dahl, 1956).


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8. The view that political power in the United States and other democracies is dispersed among several veto groups that compete in the political process for resources and influence.
As this process unfolds, says pluralist theory, the government might be an active participant, but it is an impartial participant. Just as parents act as impartial arbiters when their children argue with each other, so does the government act as a neutral referee to ensure that the competition among veto groups is done fairly, that no group acquires undue influence, and that the needs and interests of the citizenry are kept in mind.

The process of veto-group competition and its supervision by the government is functional for society, according to pluralist theory, for three reasons. First, it ensures that conflict among the groups is channeled within the political process instead of turning into outright hostility. Second, the competition among the veto groups means that all of these groups achieve their goals to at least some degree. Third, the government’s supervision helps ensure that the outcome of the group competition benefits society as a whole.

**Elite Theories: Conflict Perspectives**

Several elite theories dispute the pluralist model. According to these theories, power in democratic societies is concentrated in the hands of a few wealthy individuals and organizations—or economic elites—that exert inordinate influence on the government and can shape its decisions to benefit their own interests. Far from being a neutral referee over competition among veto groups, the government is said to be controlled by economic elites or at least to cater to their needs and interests. As should be clear, elite theories fall squarely within the conflict perspective as outlined in Chapter 1 "Sociology and the Sociological Perspective".

Perhaps the most famous elite theory is the power-elite theory of C. Wright Mills (1956). Mills, C. W. (1956). *The power elite*. New York, NY: Oxford University Press. According to Mills, the power elite is composed of government, big business, and the military, which together constitute a ruling class that controls society and works for its own interests, not for the interests of the citizenry. Members of the power elite, Mills said, see each other socially and serve together on the boards of directors of corporations, charitable organizations, and other bodies. When Cabinet members, senators, and top generals and other military officials retire, they often become corporate executives. Conversely, corporate executives often become Cabinet members and other key political appointees. This circulating of the elites helps ensure their dominance over American life.

Mills’s power-elite model remains popular, but other elite theories exist. They differ from Mills’s model in several ways, including their view of the composition of the ruling class. Several theories see the ruling class as composed mostly of the large corporations and wealthiest individuals and see government and the military...
serving the needs of the ruling class rather than being part of it, as Mills implied. G. William Domhoff (2010) Domhoff, G. W. (2010). *Who rules America: Challenges to corporate and class dominance* (6th ed.). New York, NY: McGraw Hill. says that the ruling class is composed of the richest one-half to one percent of the population that controls more than half the nation’s wealth, sits on the boards of directors just mentioned, and are members of the same social clubs and other voluntary organizations. Their control of corporations and other economic and political bodies helps to maintain their inordinate influence over American life and politics.

Other elite theories say the government is more autonomous—not as controlled by the ruling class—than Mills thought. Sometimes the government takes the side of the ruling class and corporate interests, but sometimes it opposes them. Such relative autonomy, these theories say, helps ensure the legitimacy of the state, because if it always took the side of the rich it would look too biased and lose the support of the populace. In the long run, then, the relative autonomy of the state helps maintain ruling class control by making the masses feel the state is impartial when in fact it is not (Thompson, 1975). Thompson, E. P. (1975). *Whigs and hunters: The origin of the Black Act*. London, England: Allen Lane.

**Assessing Pluralist and Elite Theories**

As a way of understanding power in the United States and other democracies, pluralist and elite theories have much to offer, but neither type of theory presents a complete picture. Pluralist theory errs in seeing all special-interest groups as equally powerful and influential. Certainly the success of lobbying groups such as the National Rifle Association and the American Medical Association in the political and economic systems is testimony to the fact that not all special-interest groups are created equal. Pluralist theory also errs in seeing the government as a neutral referee. Sometimes the government does take sides on behalf of corporations by acting, or failing to act, in a certain way.

For example, U.S. antipollution laws and regulations are notoriously weak because of the influence of major corporations on the political process. Through their campaign contributions, lobbying, and other types of influence, corporations help ensure that pollution controls are kept as weak as possible (Simon, 2008). Simon, D. R. (2008). *Elite deviance* (9th ed.). Boston, MA: Allyn & Bacon. This problem received worldwide attention in the spring of 2010 after the explosion of an oil rig owned by BP, a major oil and energy company, spilled tens of thousands of barrels of oil into the Gulf of Mexico in the biggest environmental disaster in U.S. history. As the oil was leaking, news reports emphasized that individuals or political action committees (PACs) associated with BP had contributed $500,000 to U.S. candidates in the 2008 elections, that BP had spent $16 million on lobbying in 2009, and that the oil and gas industry had spent tens of millions of dollars on lobbying that year.
Although these examples support the views of elite theories, the theories also paint too simple a picture. They err in implying that the ruling class acts as a unified force in protecting its interests. Corporations sometimes do oppose each other for profits and sometimes even steal secrets from each other, and governments do not always support the ruling class. For example, the U.S. government has tried to reduce tobacco smoking despite the wealth and influence of tobacco companies. While the United States, then, does not entirely fit the pluralist vision of power and society, neither does it entirely fit the elite vision. Yet the evidence that does exist of elite influence on the American political and economic systems reminds us that government is not always “of the people, by the people, for the people,” however much we may wish it otherwise.

**KEY TAKEAWAYS**

- According to Max Weber, the three types of legitimate authority are traditional, rational-legal, and charismatic.
- The major types of political systems include democracy, monarchy, and authoritarianism and totalitarianism.
- Pluralist theory assumes that political power in democracies is dispersed among several veto groups that compete equally for resources and influence, while elite theories assume that power is instead concentrated in the hands of a few wealthy individuals and organizations who exert inordinate influence on the government and can shape its decisions to benefit their own interests.

**FOR YOUR REVIEW**

1. Think of someone, either a person you have known or a national or historic figure, whom you regard as a charismatic leader. What is it about this person that makes her or him charismatic?
2. Do pluralist or elite theories better explain the exercise of power in the United States? Explain your answer.
The discussion of theories of power and society began to examine the U.S. political system. Let’s continue this examination by looking at additional features of U.S. politics. We start with political ideology and political parties.

Political Ideology and Political Parties

Two central components of modern political systems are (a) the views that people hold of social, economic, and political issues and (b) the political organizations that try to elect candidates to represent those views. We call these components political ideology and political parties, respectively.

Political Ideology

Political ideology is a complex concept that is often summarized by asking people whether they are liberal or conservative. For example, the GSS asks, “I’m going to show you a seven-point scale on which the political views that people might hold are arranged from extremely liberal to extremely conservative. Where would you place yourself on this scale?” For convenience’ sake, responses to this question in the 2008 GSS are grouped into three categories—liberal, moderate, and conservative—and displayed in Figure 10.5 "Political Ideology". We see that moderates slightly outnumber conservatives, who in turn outnumber liberals.
This is a common measure of political ideology, but social scientists often advise using a series of questions to measure political ideology, which consists of views on at least two sorts of issues, social and economic. Social issues concern the morality of behavior and are similar to those we examined in the previous chapter’s section on aging and conservatism. Economic issues, on the other hand, concern such things as taxes and the distribution of income and wealth. People can hold either liberal or conservative attitudes on both types of issues, but they can also hold mixed attitudes: liberal on social issues and conservative on economic ones, or conservative on social issues and liberal on economic ones. Educated, wealthy people, for example, may want lower taxes (generally considered a conservative view) but also may favor abortion rights and oppose the death penalty (both considered liberal positions). In contrast, less educated, working-class people may favor higher taxes for the rich (a liberal view, perhaps) but oppose abortion rights and favor the death penalty.
We also see mixed political ideologies when we look at African Americans’ and whites’ views on social and economic issues. African Americans tend to be more conservative than whites on social issues but more liberal on economic concerns. This tendency is depicted in Figure 10.6 "Race and Attitudes on Social and Economic Issues", which shows responses to GSS questions on whether premarital sex is wrong, a social issue, and on whether the government should reduce income differences between the rich and poor, an economic issue. African Americans are more likely than whites to take a conservative view on the social issue by thinking that premarital sex is wrong but are more likely to take a liberal view on the economic issue by thinking that the government should reduce income inequality.

Figure 10.6  Race and Attitudes on Social and Economic Issues

Percentage saying that homosexual sex is always wrong and percentage saying that government should help the poor.

Source: Data from General Social Survey, 2008.

Political Parties

People’s political ideologies often lead them to align with a political party12, or an organization that supports particular political positions and tries to elect candidates to office to represent those positions. The two major political parties in the United States are, of course, the Democratic and Republican parties. However, in a national poll in October 2009, 44% of Americans called themselves Independents, compared to 30% who called themselves Democrats and only 17% who called themselves Republicans. The number of Americans who consider themselves Independents, then, almost equals the number who consider themselves either a Democrat or Republican (Rich, 2009). Rich, F. (2009, November 1). The G.O.P. Stalinists invade upstate New York. The New York Times, p. WK8.

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12. An organization that supports particular political positions and tries to elect candidates to office to represent those positions.
An important question for U.S. democracy is how much the Democratic and Republican parties differ on the major issues of the day. The Democratic Party is generally regarded as more liberal, while the Republican Party is regarded as more conservative, and voting records of their members in Congress generally reflect this difference. However, some critics of the U.S. political system think that in the long run there is not a “dime’s worth of difference,” to quote an old saying, between the two parties, as they both ultimately work to preserve corporate interests and capitalism itself (Alexander, 2008).

Socialists emerging as Democrats, Republicans lose voter confidence. American Chronicle. Retrieved from http://www.americanchronicle.com/articles/view/48507 In their view, the Democratic Party is part of the problem, as it tries only to reform the system instead of bringing about the far-reaching changes said to be needed to achieve true equality for all. These criticisms notwithstanding, it is true that neither of the major U.S. parties is as left-leaning as some of the major ones in Western Europe. The two-party system in the United States may encourage middle-of-the-road positions, as each party is afraid that straying too far from the middle will cost it votes. In contrast, because several Western European nations have a greater number of political parties, a party may feel freer to advocate more polarized political views (Muddle, 2007).

Some scholars see this encouragement of middle-of-the-road positions (and thus political stability) as a benefit of the U.S. two-party system, while other scholars view it as a disadvantage because it limits the airing of views that might help a nation by challenging the status quo (Richard, 2010).

One thing is clear: in the U.S. two-party model, it is very difficult for a third party to make significant inroads, because the United States lacks a proportional representation system, found in many other democracies, in which parties win seats proportional to their share of the vote (Disch, 2002). Instead, the United States has a winner-takes-all system in which seats go to the candidates with the most votes. Even though the Green Party has several million supporters across the country, for example, its influence on national policy has been minimal, although it has had more influence in a few local elections.
Whether or not the Democratic and Republican parties are that different, U.S. citizens certainly base their party preference in part on their own political ideology. Evidence of this is seen in Figure 10.8 "Political Ideology and Political Party Preference", which shows the political ideology of GSS respondents who call themselves Democrats or Republicans. People’s political ideology is clearly linked to their party preference.

![Political Ideology and Political Party Preference](image)

Source: Data from General Social Survey, 2008.

**Political Participation**

Perhaps the most important feature of representative democracies is that people vote for officials to represent their views, interests, and needs. For a democracy to flourish, political theorists say, it is essential that “regular” people participate in the political process. The most common type of political participation, of course, is voting; other political activities include campaigning for a candidate, giving money to a candidate or political party, and writing letters to political officials. Despite the importance of these activities in a democratic society, not very many people take part in them. Voting is also relatively uncommon among Americans, as the United States ranks lower than most of the world’s democracies in voter turnout (International Institute for Democracy and Electoral Assistance, 2009). Voter turnout. Retrieved from [http://www.idea.int/vt/index.cfm](http://www.idea.int/vt/index.cfm).

Not only is U.S. voter turnout relatively low in the international sphere, but it has also declined since the 1960s (see Figure 10.9 "Trends in Voter Turnout in Nonpresidential Election Years"). One factor that explains these related trends is voter apathy, prompted by a lack of faith that voting makes any difference and that
government can be helpful. This lack of faith is often called political alienation\(^{13}\). As Figure 10.10 "Trust in U.S. Government" dramatically shows, lack of faith in the government has dropped drastically since the 1960s, thanks in part, no doubt, to the Vietnam War during the 1960s and 1970s and the Watergate scandal of 1970s.

Yet it is also true that voter turnout varies greatly among Americans. In general, several sets of factors make citizens more likely to vote and otherwise participate in the political process (Burns, Schlozman, & Verba, 2001).

\(^{13}\) A lack of faith that voting makes any difference and that government can be helpful.
participation. Cambridge, MA: Harvard University Press. These factors, or correlates of political participation, include (a) high levels of resources, including time, money, and communication skills; (b) psychological engagement in politics, including a strong interest in politics and a sense of trust in the political process; and (c) involvement in interpersonal networks of voluntary and other organizations that recruit individuals into political activity. Thus people who are, for example, wealthier, more interested in politics, and more involved in interpersonal networks are more likely to vote and take part in other political activities than those who are poorer, less interested in politics, and less involved in interpersonal networks. Reflecting these factors, age and high socioeconomic status are especially important predictors of voting and other forms of political participation, as citizens who are older, wealthier, and more educated tend to have more resources, to be more interested in politics and more trustful of the political process, and to be more involved in interpersonal networks. As a result, they are much more likely to vote than people who are younger and less educated (see Figure 10.11 "Age, Education, and Percentage Voting, 2008").

Figure 10.11  Age, Education, and Percentage Voting, 2008

The lower voting rates for young people might surprise many readers: because many college students are politically active, it seems obvious that they should vote at high levels. That might be true for some college students, but the bulk of college students are normally not politically active, because they are too busy with their studies, extracurricular activities, and/or work, and because they lack sufficient interest in politics to be active. It is also true that there are many more people aged 18 to 24 (about 30 million), the traditional ages for college attendance, than there are actual college students (11 million). In view of these facts, the lower voting rates for young people are not that surprising after all.

Race and ethnicity also influence voting. In particular, Asians and Latinos vote less often than African Americans and whites among the citizen population. In 2008, roughly 65% of African Americans and 66% of non-Latino whites voted, compared to only 48% of Asians and 50% of Latinos (File & Cressey, 2010). File, T., & Cressey, S. (2010). Voting and registration in the election of November 2008 (Current Population Report P20–562). Washington, DC: U.S. Census Bureau. The voting percentage for African Americans and Latinos was the highest for these groups since the Census Bureau began measuring citizens’ voting in 1996, possibly because of the presence of Barack Obama, who considers himself an African American, on the Democratic ticket.

The impact of age, race and ethnicity, education, and other variables on voting rates provides yet another example of the sociological perspective. As should be evident, they show that these aspects of our social backgrounds affect a very important political behavior, voting, even if we are not conscious of this effect.

**Special-Interest Groups and Lobbying: The Influence Industry**

From 2003 through 2008, political action committees (PACs)\(^\text{14}\), organizations formed by special-interest groups to raise and spend money on behalf of political campaigns and various political issues, contributed more than $1 billion to the election campaigns of candidates for Congress (U.S. Census Bureau, 2009). U.S. Census Bureau. (2009). *Statistical abstract of the United States: 2009*. Washington, DC: U.S. Government Printing Office. Retrieved from [http://www.census.gov/compendia/statab](http://www.census.gov/compendia/statab). In 2008 and 2009, special-interest groups spent more than $6.3 billion to lobby Congress, the White House, and various federal agencies. They employed some 14,000 lobbyists, who outnumbered members of Congress 27 to 1, on such issues as health care, military spending, and transportation (Center for Responsive Politics, 2009). Center for Responsive Politics. (2009). Lobbying database. Retrieved from [http://www.opensecrets.org/lobbyists](http://www.opensecrets.org/lobbyists). The top lobbying group in 2009 was the U.S. Chamber of Commerce, which spent more than $65 million to lobby Congress, federal agencies, and other parties; in second place was Exxon Mobil, which spent more than $21 million. The pharmaceutical and health products

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14. An organization formed by special-interest groups to raise and spend money on behalf of political campaigns and various political issues.
industry as a whole spent more than $200 million in 2009, while the insurance
industry spent $122 million, oil and gas companies $121 million, electric and gas
utilities $108 million, and business associations $93 million.

Dubbed the “influence industry,” these lobbying efforts have long been criticized as having too much impact on federal policy and spending priorities. It is logical to think that the influence industry spends these large sums of money because it hopes to affect key legislation and other policies. This expenditure raises an important question: are PACs, special-interest groups, and lobbying good or bad for democracy? This question goes to the heart of the debate between pluralist and elite theories, discussed earlier. Representatives of PACs and lobbying groups say it is important that elected officials hear all possible views on complex issues and that these organizations merely give money to help candidates who already think a certain way. Supporting this notion, public officials say they listen to all sides before making up their minds and are not unduly influenced by the money they receive and by the lobbying they encounter. For their part, pluralist theorists say PACs and lobbying groups are examples of the competing veto groups favored by the pluralist model and that no one special-interest group wins out in the long run (James, 2004). James, M. R. (2004). Deliberative democracy and the plural polity. Lawrence: University Press of Kansas.

permitted corporations and unions to use money from their general funds to pay for ads urging the public to vote for or against a particular candidate. Because corporations have much more money than unions, the ruling was widely seen as being a procorporation one. The majority decision said that prohibitions of such advertising violated freedom of political speech by corporations and unions, while the minority decision said the ruling “threatens to undermine the integrity of elected institutions across the nation” (Vogel, 2010). Vogel, K. P. (2010, January 21). Court decision opens floodgates for corporate cash. *Politico*. Retrieved from http://www.politico.com/news/stories/0110/31786.html

**KEY TAKEAWAYS**

- Political ideology consists of views on social issues and on economic issues. An individual might be liberal or conservative on both kinds of issues, or liberal on one kind of issue and conservative on the other kind.
- Almost as many Americans consider themselves Independents as consider themselves either Democrats or Republicans. Although some scholars say that there is not very much difference between the Democratic and Republican parties, liberals are more likely to consider themselves Democrats, and conservatives are more likely to consider themselves Republicans.
- Voting is the most common form of political participation. Several factors influence the likelihood of voting, and socioeconomic status (education and income) is a very important factor in this regard.
- Political lobbying remains a very controversial issue, and critics continue to charge that the “influence industry” has too much sway over American social and economic policy.

**FOR YOUR REVIEW**

1. Do you consider yourself to be politically conservative, moderate, or liberal? What are examples of some of your beliefs that lead you to define yourself in this manner?
2. Do you think political lobbying is good or bad overall for the United States? Explain your answer.
One of the most momentous events of the 20th century was the Great Depression, which engulfed the United States in 1929 and spread to the rest of the world, lasting almost a decade. Millions were thrown out of work and bread lines became common. In the United States, a socialist movement gained momentum for a time as many workers blamed U.S. industry and capitalism for their unemployment.

The Depression involved the failing of the economy. The economy also failed in the United States in 2008 and 2009, as unemployment soared to just under 10% in the spring of 2010, with more than 14 million Americans out of work. When we hear the term economy, it is usually in the context of how the economy “is doing”: Is inflation soaring or under control? Is the economy growing or shrinking? Is unemployment rising, declining, or remaining stable? Are new college graduates finding jobs easily or not? All of these questions concern the economy, but sociologists define economy more broadly as the social institution that organizes the production, distribution, and consumption of a society’s goods and services. Defined in this way, the economy touches us all.

The economy is composed of three sectors. The primary sector is the part of the economy that takes and uses raw materials directly from the natural environment. Its activities include agriculture, fishing, forestry, and mining. The secondary sector of the economy transforms raw materials into finished products and is essentially the manufacturing industry. Finally, the tertiary sector is the part of the economy that provides services rather than products; its activities include clerical work, health care, teaching, and information technology services.

**Economic Development in Historical Perspective**

Societies differ in many ways, but they all have to produce, distribute, and consume goods and services. How this happens depends heavily on the level of a society’s development. Generally speaking, the less developed a society’s economy, the more important its primary sector; the more developed a society’s economy, the more
important its tertiary sector. As societies developed economically over the centuries, the primary sector became less important and the tertiary sector became more important. Let’s see how this happened.

Preindustrial Societies

When we reviewed the development of societies in Chapter 2 "Culture and Society", we saw that the earliest were hunting and gathering societies in which people eked out a meager existence by hunting animals and gathering plants to feed themselves. Most of their waking hours were devoted to these two tasks, and no separate economic institution for the production and distribution of goods and services existed. The horticultural and pastoral societies that next developed also lacked a separate economy. Although people in these societies raised animals and/or grew crops and were better off than their hunting and gathering counterparts, these tasks, too, were done within the family unit and monopolized most of their time. No separate institution for the production and distribution of these sources of food was involved.

This separate institution—the economy—finally did appear with the advent of agricultural societies about 5,000 years ago. These societies were able to produce food surpluses thanks to the invention of the plow and the wheel and other technological advances. These surpluses led to extensive trade within the societies themselves and also with other societies. The rise of trade was the first appearance of a separate economy. People also had to make the plows and wheels and repair them when they broke, and new crafts jobs arose to perform these functions. These jobs, too, marked the development of a separate economy. Despite this development, most people’s work still took place in or very near their homes. Craftspeople and merchants may have been part of the new economy, but most still worked out of their homes or very near them.

Industrialization and the Division of Labor

Work and home finally began to separate in the 1700s and 1800s as machines and factories became the primary means of production with the emergence of industrial societies. For the first time, massive numbers of people worked in locations separate from their families, and they worked not for themselves and their families but for an employer. Whole industries developed to make the machines and build the factories and to use the machines and factories to manufacture household goods, clothing, and many other products. As should be clear, the secondary sector of the economy quickly became dominant. Perhaps inevitably it led to a growth in the tertiary (service) sector to respond to the demands of an industrial economy. For example, enterprises such as banks emerged to handle the money that industrialization brought to people with names like Carnegie and Rockefeller but
also to a growing middle class of factory managers and the businesspeople that bought and sold the products that factories were producing.

One important consequence of industrialization was the **specialization** of work, more commonly called the **division of labor**. In agricultural societies, the craftspeople who made plows, wheels, and other objects would make the whole object, not just a part of it, and then sell it themselves to a buyer. With the advent of the division of labor under industrialization, this process became more specialized: some factory workers would make only one part of an object, other factory workers would make a second part, and so on; other workers would package and ship the item; and still other workers would sell it. This division of labor meant that workers became separated from the fruits of their labor, to paraphrase Karl Marx, who also worried that the type of work just described was much more repetitive and boring for workers than the craft work that characterized earlier societies. Because of these problems, Marx said, workers in industrial societies were alienated both from their work and by their work.

**Postindustrial Societies**

As Chapter 2 "Culture and Society" pointed out, today much of the world has moved from an industrial economy to a postindustrial economy. This is the **information age**, in which smartphones, netbooks, tablets, and other high-tech equipment have begun to replace machines and factories as the major means of production and in which the tertiary sector has supplanted the secondary sector. With the information age has also come an increasing globalization of the economy. The Internet connects workers and industries across the world, and multinational corporations have plants in many countries that make products for consumers in other countries. What happens economically in one part of the world can greatly affect what happens economically in other parts of the world. If the economies of Asia sour, their demand for U.S. products may decline, forcing a souring of the U.S. economy. A financial crisis in Greece and other parts of Europe during the spring of 2010 caused the stock markets in the United States to plunge. The world is indeed getting smaller all the time. We will return later to the implications of the postindustrial economy for U.S. workers.

**Types of Economic Systems**

The two major economic systems in modern societies are capitalism and socialism. In practice, no one society is purely capitalist or socialist, so it is helpful to think of capitalism and socialism as lying on opposite ends of a continuum. Societies’ economies mix elements of both capitalism and socialism but do so in varying degrees, so that some societies lean toward the capitalist end of the continuum, while other societies lean toward the socialist end. For example, the United States is
a capitalist nation, but the government still regulates many industries to varying degrees. The industries usually would prefer less regulation, while their critics usually prefer more regulation. The degree of such regulation was the point of controversy after the failure of banks and other financial institutions in 2008 and 2009 and after the BP oil spill in 2010. Let's see how capitalism and socialism differ.

**Capitalism**

Capitalism is an economic system in which the means of production are privately owned. By “means of production,” we mean everything—land, tools, technology, and so forth—that is needed to produce goods and services. As outlined by famed Scottish philosopher Adam Smith (1723–1790), widely considered the founder of modern economics, the most important goal of capitalism is the individual pursuit of personal profit (A. Smith, 1776/1910). Smith, A. (1910). *The wealth of nations*. London, England: J. M. Dent & Sons; New York, NY: E. P. Dutton. (Original work published 1776) As individuals seek to maximize their own wealth, society as a whole is said to benefit. Goods get produced, services get rendered, people pay for the goods and services they need and desire, and the economy and society as a whole prosper.

As people pursue personal profit under capitalism, they compete with each other for the greatest profits. Businesses try to attract more demand for their products in many ways, including lowering prices, creating better products, and advertising how wonderful their products are. In capitalist theory, such competition helps ensure the best products at the lowest prices, again benefitting society as a whole. Such competition also helps ensure that no single party controls an entire market. According to Smith, the competition that characterizes capitalism should be left to operate on its own, free of government intervention or control. For this reason, capitalism is often referred to as *laissez-faire* (French for “leave alone”) capitalism, and terms to describe capitalism include the *free-enterprise system* and the *free market*.

The hallmarks of capitalism, then, are private ownership of the means of production, the pursuit of profit, competition for profit, and the lack of government intervention in this competition.

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20. An economic system in which the means of production are privately owned.
Socialism

The features of socialism are the opposite of those just listed for capitalism and were spelled out most famously by Karl Marx. Socialism is an economic system in which the means of production are collectively owned, usually by the government. Whereas the United States has several airlines that are owned by airline corporations, a socialist society might have one government-owned airline.

The most important goal of socialism is not the individual pursuit of profit but rather work for the collective good: the needs of society are considered more important than the needs of the individual. Because of this view, individuals do not compete with each other for profit; instead they work together for the good of everyone. If under capitalism the government is supposed to let the economy alone, under socialism the government controls the economy.

The ideal outcome of socialism, said Marx, would be a truly classless or communist society. In such a society all members are equal, and stratification does not exist. Obviously Marx’s vision of a communist society was never fulfilled, and nations that called themselves communist departed drastically from his vision of communism.

Recall that societies can be ranked on a continuum ranging from mostly capitalist to mostly socialist. At one end of the continuum, we have societies characterized by a relatively free market, and at the other end we have those characterized by strict government regulation of the economy. Capitalist nations are found primarily in North America and Western Europe but also exist in other parts of the world.

Comparing Capitalism and Socialism

People have debated the relative merits of capitalism and socialism at least since the time of Marx (Bowles, 2007; Cohen, 2009). Bowles, P. (2007). Capitalism. New York, NY: Pearson/Longman; Cohen, G. A. (2009). Why not socialism? Princeton, NJ: Princeton University Press. Compared to socialism, capitalism seems to have several advantages. It produces greater economic growth and productivity, at least in part because it provides more incentives (i.e., profit) for economic innovation. It also is often characterized by greater political freedom in the form of civil rights and liberties. As an economic system, capitalism seems to lend itself to personal freedom: because its hallmarks include the private ownership of the means of production and the individual pursuit of profit, there is much more emphasis in

21. An economic system in which the means of production are collectively owned, usually by the government.
capitalist societies on the needs and desires of the individual and less emphasis on the need for government intervention in economic and social affairs.

Yet capitalism also has its drawbacks. There is much more economic inequality in capitalism than in socialism. Although capitalism produces economic growth, not all segments of capitalism share this growth equally, and there is a much greater difference between the rich and poor than under socialism. People can become very rich in capitalist nations, but they can also remain quite poor. As we saw in Chapter 6 "Social Stratification", several Western European nations that are more socialist than the United States have fewer extremes of wealth and poverty and take better care of their poor.

Another possible drawback depends on whether you prefer competition or cooperation. As we saw in Chapter 2 "Culture and Society" and Chapter 3 "Socialization and Social Interaction", important values in the United States include competition and individualism, both of which arguably reflect this nation’s capitalist system. Children in the United States are raised with more of an individual orientation than children in socialist societies, who learn that the needs of their society are more important than the needs of the individual. Whereas U.S. children learn to compete with each other for good grades, success in sports, and other goals, children in socialist societies learn to cooperate to achieve tasks.

More generally, capitalism is said by its critics to encourage selfish and even greedy behavior: if individuals try to maximize their profit, they do so at the expense of others. In competition, someone has to lose. A company’s ultimate aim, and one that is generally lauded, is to maximize its profits by driving another company out of the market altogether. If so, that company succeeds even if some other party is hurting. The small Mom-and-Pop grocery stores, drugstores, and hardware stores are almost a thing of the past, as big-box stores open their doors and drive their competition out of business. To its critics, then, capitalism encourages harmful behavior. Yet it is precisely this type of behavior that is taught in business schools.

Some nations combine elements of both capitalism and socialism and are called social democracies, while their combination of capitalism and socialism is called democratic socialism22. In these nations, which include Denmark, Sweden, and several other Western European nations, the government owns several important industries, but much property remains in private hands, and political freedom is widespread. The government in these nations has extensive programs to help the poor and other people in need. Although these nations have high tax rates to help finance their social programs, their experience indicates it is very possible to combine the best features of capitalism and socialism while avoiding their faults (see the “Learning From Other Societies” box).
Learning From Other Societies

Social Democracy in Scandinavia

The five Scandinavian nations, also called the Nordic nations, are Denmark, Finland, Iceland, Norway, and Sweden. These nations differ in many ways, but they also share many similarities. In particular, they are all social democracies, as their governments own important industries while their citizens enjoy much political freedom. Each nation has the three branches of government with which most people are familiar—executive, judicial, and legislative—and each nation has a national parliament to which people are elected by proportional representation.

Social democracies like the Scandinavian nations are often called controlled capitalist market economies. The word controlled here conveys the idea that their governments either own industries or heavily regulate industries they do not own. According to social scientist Tapio Lappi-Seppälä of Finland, a “defining characteristic” of these social democracies’ economy is that “inequalities in income and distribution of wealth and power are not tolerated as much as in most other countries.” Employers, employees, and political officials are accustomed to working closely to ensure that poverty and its related problems are addressed as much as possible and in as cooperative a manner as possible.

Underlying this so-called social welfare model is a commitment to universalism. All citizens receive various services, regardless of their socioeconomic status or family situation, that are free or heavily subsidized, such as child care and universal health care. To support this massive provision of benefits, the Scandinavian nations have very high taxes that, according to Lappi-Seppälä, are “accepted with little or no resistance.”

This model leads political scientist Torben Iversen to observe, “Scandinavian social democracy represents one of the most systematic attempts to shape economic institutions and policies in pursuit of equality and full employment.” This attempt has not been entirely free of difficulties but overall has been very successful, as the Scandinavian nations rank at or near the top in international comparisons of health, education, economic well-being, and other measures of quality of life. The Scandinavian experience of social democracy teaches us that it is very possible to have a political and economic model that combines the

**Corporations**

One of the most important but controversial features of modern capitalism is the corporation\(^\text{23}\), a formal organization that has a legal existence, including the right to sign contracts, that is separate from that of its members. We have referred to corporations several times already and now discuss them in a bit more detail.

Adam Smith, the founder of capitalism, envisioned that individuals would own the means of production and compete for profit, and this is the model the United States followed in its early stage of industrialization. After the Civil War, however, the corporation quickly replaced individuals and their families as the owners of the means of production and as the competitors for profit. As corporations grew following the Civil War, they quickly tried to control their markets by, for example, buying up competitors and driving others out of business. To do so, they engaged in bribery, kickbacks, and complex financial schemes of dubious ethics. They also established factories and other workplaces with squalid conditions. Their shady financial practices won their chief executives the name “robber barons” and led the federal government to pass the Sherman Antitrust Act of 1890 to prohibit restraint of trade that raised prices (Hillstrom & Hillstrom, 2005). Hillstrom, K., & Hillstrom, L. C. (Eds.). (2005). *The Industrial Revolution in America*. Santa Barbara, CA: ABC-CLIO.

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23. An organization that has a legal existence apart from that of its members.
More than a century later, corporations have increased in both number and size. Although several million U.S. corporations exist, most are fairly small, but the largest 500 each have annual revenue exceeding $4.6 billion (2008 data) and employ thousands of workers. Their total assets run into the trillions of dollars (Wiley, 2009). Wiley, H. (2009). Welcome to the 2009 Fortune 500. Fortune, 159(9), 14. It is no exaggeration to say they control the nation’s economy, as together they produce most of the U.S. private sector output, employ millions of people, and have revenues equal to most of the U.S. gross domestic product. In many ways, the size and influence of corporations stifle the competition that is one of the hallmarks of capitalism. For example, several markets, including that for breakfast cereals, are controlled by four or fewer corporations. This control reduces competition because it reduces the number of products and competitors, and it thus raises prices to the public (Parenti, 2007). Parenti, M. (2007). Democracy for the few (6th ed.). Belmont, CA: Wadsworth.

The last few decades have further seen the rise of the multinational corporation, a corporation with headquarters in one nation but with factories and other operations in many other nations (Wettstein, 2009). Wettstein, F. (2009). Multinational corporations and global justice: Human rights obligations of a quasi-governmental institution. Stanford, CA: Stanford Business Books. Multinational corporations centered in the United States and their foreign affiliates have more than $16 trillion in assets and employ more than 30 million people (U.S. Census Bureau, 2009). U.S. Census Bureau. (2009). Statistical abstract of the United States: 2009. Washington, DC: U.S. Government Printing Office. Retrieved from http://www.census.gov/compendia/statab The assets of the largest multinational corporations exceed those of many of the world’s nations. Often their foreign operations are in poor nations, whose low wages make them attractive sites for multinational corporation expansion. Many multinational employees in these nations work in sweatshops at very low pay and amid substandard living conditions. Dependency theorists, discussed in Chapter 6 "Social Stratification", say that multinationals not only mistreat workers in poor nations but also exploit these nations’ natural resources. In contrast, modernization theorists, also discussed in Chapter 6 "Social Stratification", say that multinationals are bringing jobs to developing nations and helping them achieve economic growth. As this debate illustrates, the dominance of multinational corporations will certainly continue to spark controversy.

In sum, corporations are the dominant actors in today’s economy. They provide most of our products and many of our services and employ millions of people. It is impossible to imagine a modern industrial system without corporations. Yet they often stifle competition, break the law, and, according to their critics, exploit people and natural resources in developing nations. The BP oil spill in 2010 reminds us of the damage corporations can cause. BP’s disaster was the possible result, according to news reports, of many violations of federal safety standards for oil drilling (Uhlmann, 2010). Uhlmann, D. M. (2010, June 4). Prosecuting crimes against the Earth. The New York Times, p. A27.

**KEY TAKEAWAYS**

- As a separate institution, the economy appeared with the advent of agricultural societies about 5,000 years ago. Work and family separated during the 1700s and 1800s with the advent of industrialization.
- The two major economic systems in modern societies are capitalism and socialism. In practice most societies have economies that mix elements of both systems but that lean toward one end of the capitalism-socialism continuum.
- Social democracies combine elements of both capitalism and socialism.
1. Write a brief essay in which you discuss the benefits and costs of industrialization during the 19th century.

2. In what ways might capitalism be a better economic system than socialism? In what ways might socialism be a better economic system than capitalism?
10.4 Work and Labor in the United States

LEARNING OBJECTIVES

1. Discuss the changes industrialization brought in the relationship between workers and management.
2. Outline recent trends in jobs and wages.
3. Assess Marx’s prediction regarding the alienation of work in a capitalist society like the United States.

The history of work and labor in the United States reflects the change, discussed earlier, in economies from agricultural to industrial to postindustrial. From the time the colonies began in the 1600s until well into the 19th century, the United States was primarily an agricultural society, as people worked on their own farms, and the family was the major unit of economic production. With the advent of industrialization came machines and factories, and the secondary, manufacturing sector became dominant. In the decades after the Civil War, the Industrial Revolution transformed the nation.

Workers and Management After Industrialization

One of the most important developments accompanying industrialization was the rise of labor unions and their conflict with management over wages and working conditions (Dubofsky & Dulles, 2010). The pay that workers received was quite low, and the conditions in which they worked were often miserable. The typical employee worked at least 10 hours a day for 6 or 7 days a week, with almost no overtime pay and no paid vacations or holidays. To improve wages and working conditions, many labor unions were founded after the Civil War, only to meet determined opposition from companies, the government, and the courts. Companies told each other which workers were suspected of being union members, and these workers were then prevented from getting jobs. Strikers were often arrested for violating laws prohibiting strikes. When juries began finding them not guilty, employers turned to asking judges for injunctions that prohibited strikes. Workers who then went on strike were held in contempt of court by the judge as juries were kept out of the process.

Many strikes became violent, as companies brought in armed guards, state troopers, and strikebreakers to put down the strikes. Workers themselves rioted to

Labor strife reached a peak during the Great Depression, as masses of people blamed business leaders for their economic plight. Huge sit-ins and other labor protests occurred in Detroit at auto plants. In response the Congress passed several laws that gave workers a minimum wage, the right to join unions, a maximum-hour workweek, and other rights that Americans now take for granted.

Today labor unions have lost some of their influence, especially as postindustrialization has supplanted the industrial economy and as the United States has lost much of its manufacturing base. Four decades ago, about one-fourth of all private-sector nonagricultural workers belonged to labor unions. By 1985 this figure had dropped to 14.6%, and today it stands at less than 8% (Hirsch & Macpherson, 2009). Hirsch, B., & Macpherson, D. (2009). Union membership and coverage database from the CPS. Retrieved from http://unionstats.com In response, labor unions have ramped up their efforts to increase their membership, only to find that U.S. labor laws are filled with loopholes that allow companies to prevent their workers from forming a union. For example, after a company’s workers vote to join a union, companies can appeal the vote, and it can take several years for courts to order the company to recognize the union. In the meantime, the low wages, the working conditions, and other factors that motivated workers to want to join a union are allowed to continue.
Recent Trends in Jobs and Wages

Recall that the United States has joined other industrial nations in moving into postindustrial economies. If physical prowess and skill with one’s hands were prerequisites for many industrial jobs, mental prowess and communication skills are prerequisites for postindustrial jobs.

This move to a postindustrial economy has been a mixed blessing for many Americans. The information age has obvious benefits too numerous to mention, but there has also been a cost to the many workers whom postindustrialization and the globalization of the economy have left behind. Since the 1980s many manufacturing companies moved their plants from U.S. cities to sites in the developing world in Asia and elsewhere, a problem called capital flight. This shift has helped fuel a loss of more than 1.5 million manufacturing jobs in the United States (Mishel et al., 2009). Mishel, L., Bernstein, J., & Shierholz, H. (2009). The state of working America 2008/2009. Ithaca, NY: ILR Press [An imprint of Cornell University Press].

A related problem is outsourcing, in which U.S. companies hire workers overseas for customer care, billing services, and other jobs that Americans used to do. China, India, and the Philippines, which have skilled workforces relatively fluent in English, are the primary nations to which U.S. companies outsource their work. At least four million jobs are estimated to have been transferred to these nations from the United States and other Western countries (Thomas, 2009). Thomas, M. (2009, July 16). Outsourcing statistics: What figures will tell you. EzineArticles. Retrieved from http://ezinearticles.com/?Outsourcing-Statistics---What-Figures-Will-Tell-You&id=2621948 Many call centers employ workers in India, and when you call up a computer company or some other business for technical help, you might very well talk with an Indian. Because these call centers have cost Americans jobs and also because Americans and Indians often have trouble understanding each other’s accents, outsourcing has been very controversial in the decade since it became popular.

All of these problems reflect a more general shift in the United States from goods-producing jobs to service jobs. Although some of these service jobs, such as many in the financial and computer industries, are high paying, many are in low-wage occupations, such as restaurant and clerical work, that pay less than the goods-producing jobs they replaced. Partly as a result, the average hourly wage (in 2007 dollars) in the United States for workers (excluding managers and supervisors) rose from only $16.88 in 1979 to $17.42 in 2007. This change represented an increase of just 0.1% per year during that three-decade span (Mishel et al., 2009). Mishel, L., Bernstein, J., & Shierholz, H. (2009). The state of working America 2008/2009. Ithaca, NY: ILR Press [An imprint of Cornell University Press].
These wage figures mask an important gender difference. Men’s median hourly wages dropped (in 2007 dollars) by 4.4% from 1979 to 2007, while women’s wages rose by 24.4% (while still remaining $3.11 less per hour than men’s wages in 2007) (Mishel et al., 2009). Mishel, L., Bernstein, J., & Shierholz, H. (2009). The state of working America 2008/2009. Ithaca, NY: ILR Press [An imprint of Cornell University Press]. Although, as we saw in Chapter 8 "Gender and Gender Inequality", women have been catching up to men in wages, some of this catching up is due to the decline in male wages.

Wage changes in recent years also depend on what social class someone is in. While the average compensation of chief executive officers (CEOs) of large corporations grew by 167% from 1989 to 2007, the average compensation of the typical worker grew by only 10%. Another way of understanding this disparity is perhaps more striking. In 1965 CEOs earned 24 times more than the typical worker; in 2007 they earned 275 times more than the typical worker (Mishel et al., 2009). Mishel, L., Bernstein, J., & Shierholz, H. (2009). The state of working America 2008/2009. Ithaca, NY: ILR Press [An imprint of Cornell University Press].

The U.S. Labor Force

The civilian labor force consists of all noninstitutionalized civilians 16 years of age or older who work for pay or are looking for work. The civilian labor force (hereafter labor force) consists of about 154 million people, or almost two-thirds of the population, including about 72% of men and 59% of women (Bureau of Labor Statistics, 2009). Bureau of Labor Statistics. (2009). Employment and earnings online. Washington, DC: Bureau of Labor Statistics, U.S. Department of Labor. Retrieved from http://www.bls.gov/opub/ee/home.htm Chapter 8 "Gender and Gender Inequality" noted that women’s labor force participation soared during the last few decades. This general increase is even steeper for married women with children under 6 years of age: in 2007 almost 62% of such women were in the labor force, compared to less than 19% in 1960 (U.S. Census Bureau, 2009), a threefold difference (U.S. Census Bureau. (2009). Statistical abstract of the United States: 2009. Washington, DC: U.S. Government Printing Office. Retrieved from http://www.census.gov/compendia/statab (see Figure 10.16 "Labor Force Participation Rate, Percentage of Married Women with Children Younger Than 6 Years of Age, 1960–2007").
Unemployment

Unemployment is a fact of life. There will always be people laid off or fired, who voluntarily quit their jobs, or who just graduated school and are still looking for work. But most unemployed people are involuntarily unemployed, and for them the financial and psychological consequences can be devastating.

Unemployment rates rise and fall with the economy, and the national unemployment rate was 10.2% in October 2009 amid the serious economic recession that began more than a year earlier and 9.5% in June 2010 as many people stopped looking for work and dropped out of the labor force. But whether unemployment is high or low, it always varies by race and ethnicity, with African American and Latino unemployment rates higher than the white rate. In October 2009, 17.1% of African Americans and 13.1% of Latinos were unemployed, compared to only 9.5% of whites. Unemployment is also higher for younger people than for older people. In October 2009, 27.6% of all teenagers (aged 16–19) were unemployed, a figure almost three times higher than that for adults. The unemployment rate for African Americans in this age group was a very high 41.3%, considerably greater than the 25.3% figure for whites in this age group (Bureau of Labor Statistics, 2009). Bureau of Labor Statistics. (2009). Employment and earnings online. Washington, DC: Bureau of Labor Statistics, U.S. Department of Labor. Retrieved from http://www.bls.gov/opub/ee/home.htm.
Unemployment figures exclude what is often called underemployment. This category includes unemployed workers and also three other types of people: (a) those who are working part-time but who want to work full-time; (b) those who have stopped looking for work because they have not been able to find a job; and (c) those who have not sought work recently but have done so in the last year. Many economists think that underemployment provides a more accurate measure than unemployment of the number of people with employment problems. For example, in September 2009, when the unemployment rate was 9.8%, the underemployment rate was 17%, equal to 26.5 million people. Reflecting the racial/ethnic disparity in unemployment, 25.1% of Hispanic workers and 23.8% of African American workers were underemployed, compared to only 14.2% of white workers (Edwards, 2009). Edwards, K. (2009). *Minorities, less-educated workers see staggering rates of underemployment*. Washington, DC: Economic Policy Institute. Retrieved from [http://www.epi.org/economic_snapshots/entry/minorities_less-educated_workers_see_staggering_rates_of_underemployment](http://www.epi.org/economic_snapshots/entry/minorities_less-educated_workers_see_staggering_rates_of_underemployment)

We have just seen that unemployment rises when the economy falters and that race and ethnicity affect the probability of being unemployed. These two facts provide evidence supporting the sociological imagination. As C. Wright Mills (1959) emphasized in his original discussion of this concept, it is best viewed more as a public issue than as a personal trouble. When so many people are unemployed during an economic recession and when there is such striking evidence of higher unemployment rates among the persons of color who have the least opportunity for the education and training needed to obtain and keep a job, it is evident that high unemployment rates reflect a public issue rather than just a collection of public troubles.

Several kinds of problems make it difficult for people of color to be hired into jobs and thus contribute to the racial/ethnic disparity in unemployment. The “Sociology Making a Difference” box discusses these problems.
Sociology Making a Difference

Race, Ethnicity, and Employment

Sociological research has documented that people of color face several kinds of problems in securing employment. While their relative lack of education is an obvious factor, other kinds of problems are also apparent.

One problem is racial discrimination on the part of employers, regardless of how conscious employers are of their discriminatory behavior. Chapter 7 "Race and Ethnicity" recounted a study by sociologist Devah Pager (2007), Pager, D. (2007). Marked: Race, crime, and finding work in an era of mass incarceration. Chicago, IL: University of Chicago Press. who had young white and African American men apply independently in person for various jobs in Milwaukee. These men wore the same type of clothing and reported similar levels of education and other qualifications. Some said they had a criminal record, while others said they had not committed any crimes. In striking evidence of racial discrimination in hiring, African American applicants without a criminal record were hired at the same low rate as white applicants with a criminal record. Pager and sociologists Bruce Western and Bart Bonikowski also investigated racial discrimination in another field experiment in New York City (Pager, Bonikowski, & Western, 2009). Pager, D., Bonikowski, B., & Western, B. (2009). Discrimination in a low-wage labor market: A field experiment. American Sociological Review, 74(5), 777–799. They had white, African American, and Latino “testers,” all of them “well-spoken, clean-cut young men” (p. 781), apply in person to low-level service jobs (e.g., retail sales and delivery drivers) requiring no more than a high school education; all the testers had similar (hypothetical) qualifications. Almost one-third (31%) of white testers received a call back or job offer, compared to only 25.2% of Latino testers and 15.2% of African American testers. The researchers concluded that their findings “add to a large research program demonstrating the continuing contribution of discrimination to racial inequality in the post-civil rights era” (p. 794).

They randomly assigned the applications to feature either a “white-sounding” name (e.g., Emily or Greg) or an “African American–sounding” name (e.g., Jamal and Lakisha). White names received 50% more callbacks than African American names for job interviews.

Racial differences in access to the informal networks that are often so important in finding a job also contribute to the racial/ethnic disparity in employment. In a study using data from a nationwide survey of a random sample of Americans, sociologist Steve McDonald and colleagues found that people of color and women are less likely than white males to receive informal word of vacant, high-level supervisory positions (McDonald, Nan, & Ao, 2009). McDonald, S., Nan, L., & Ao, D. (2009). Networks of opportunity: Gender, race, and job leads. Social Problems, 56(3), 385–402.

As these studies indicate, research by sociologists and other social scientists reveals that race and ethnicity continue to make a difference in employment prospects for Americans. This body of research reveals clear evidence of discrimination, conscious or unconscious, in hiring and also of racial/ethnic differences in access to the informal networks that are often so important for hiring. By uncovering this evidence, these studies underscore the need to address discrimination, access to informal networks, and other factors that contribute to racial and ethnic disparities in employment. For this reason, sociology is again making a difference.

Job Satisfaction and Alienation

Recall that Karl Marx thought that job alienation was a major problem in industrial societies. Following up on his concern, social scientists have tried to determine the extent of worker alienation and job satisfaction, as well as its correlates (Bockerman & Ilmakunnas, 2009). Bockerman, P., & Ilmakunnas, P. (2009). Job disamenities, job satisfaction, quit intentions, and actual separations: Putting the pieces together. Industrial Relations, 48(1), 73–96. They generally find that American workers like their jobs much more than Marx anticipated, but also that the extent to which they like their jobs depends on the income their jobs bring, the degree of autonomy they enjoy in their jobs, and other factors.

One way of measuring job satisfaction is simply to ask people, “On the whole, how satisfied are you with the work you do?” The General Social Survey uses precisely this question, and 85.8% of respondents (2008 data) say they are satisfied with their
Figure 10.17

Friendships among employees are very common and may contribute to high levels of satisfaction with one’s job in the United States.

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One possible reason for the low amount of job dissatisfaction, and one that Marx did not foresee, is that workers develop friendships in their workplace (McGuire, 2007). McGuire, G. M. (2007). Intimate work: A typology of the social support that workers provide to their network members. *Work and Occupations, 34*, 125–147. Coworkers discuss all kinds of topics with each other, including personal matters, sports, and political affairs, and they often will invite other coworkers over to their homes or go out with them to a movie or a restaurant. Such friendships can lead workers to like their jobs more than they otherwise would and help overcome the alienation they would feel without the friendships. Such coworker friendships are quite common, as research finds that about half of all workers have at least one close friend who is a coworker (Marks, 1994). Marks, S. R. (1994). Intimacy in the public realm: The case of co-workers. *Social Forces, 72*, 843–858.

**KEY TAKEAWAYS**

- In the aftermath of industrialization, management and labor clashed over wages and working conditions.
- During the last few decades, goods-producing jobs have declined and service jobs have increased as the United States has moved further into the postindustrial, information age.
- Job satisfaction is higher and worker alienation lower than what Karl Marx would have predicted for the United States, thanks in part to workplace friendships.
1. Fewer workers belong to labor unions now than just a few decades ago. Do you think this is a good development or a bad development? Explain your answer.

2. Think of a job you now have or your most recent job if you are currently not employed. On a scale of 1 = very dissatisfied to 10 = very satisfied, how satisfied are you (were you) with your job? Explain why you have (had) this level of satisfaction.
10.5 Militarism and the Military

In democracies the political and economic institutions intersect at the military. The military is both part of the government and run and funded by the government. As C. Wright Mills recognized when he spoke of the power elite (discussed earlier in the chapter), the military in the United States involves not just the armed forces but also some of the biggest corporations that receive billions of dollars in military contracts, as well as the government leaders who approve large military budgets to fund these contracts.

The military has played a key role in some of the most significant events of the last 100 years and beyond. One of these, of course, was World War II. This war was what we now call the good war, a war fought to save the world for democracy. Millions died on the battlefield, in cities bombed by planes, and in concentration camps, and in the end Hitler and his allies were defeated. About 20 years after World War II ended, the United States began fighting another war meant to save the world for democracy, but this war was very different from the one against Hitler. This war was fought in Vietnam, and however a noble effort World War II might have been, the Vietnam War was just as ignoble to its critics. It was a war, some said, not to save the world for democracy but to help extend America’s power where it did not belong. If the World War II generation grew up with a patriotic love for their nation, the Vietnam War generation grew up with much more cynicism about their government. Some members of this generation read Mills’s critique of the power elite and agreed with his concern about America’s military might.

Ironically Mills’s concern about the military was shared by none other than President Dwight D. Eisenhower, who warned about the dangers of what he called the military-industrial complex in his farewell presidential address. Eisenhower himself had been a member of the military-industrial complex, having served as a five-star general and supreme commander of the Allied forces in Europe during World War II and head of Columbia University before becoming president. His military experience made him no fan of warfare, as he once observed, “I hate war as only a soldier who has lived it can, only as one who has seen its brutality, its futility, its stupidity.” He also feared that the military-industrial complex was becoming too
powerful and gaining “unwarranted influence” over American life as it acted for its own interests and not necessarily for those of the nation as a whole. He warned that the “potential for the disastrous rise of misplaced power exists and will persist” (Eisenhower, 1960, p. A1).


Eisenhower’s fears about the military-industrial complex reflected his more general concern about militarism, or an overemphasis on military policy and spending, which he thought was costing the nation far too much money. In a remarkable and now famous statement made early in his presidency in April 1953, Eisenhower (1960) declared,

> Every gun that is made, every warship launched, every rocket fired, signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. This is not a way of life at all in any true sense. Under the clouds of war, it is humanity hanging on a cross of iron.

A half century after Eisenhower made this statement, U.S. military spending continues unabated. In 2009 it was $767 billion (including $92 billion for veterans’ benefits) and accounted for almost 22% of all federal spending (U.S. Census Bureau, 2009). Federal spending over which the government has any control. The federal budget includes both mandatory and discretionary spending. As the name implies, mandatory spending is required by various laws and includes such things as Social Security, Medicare and Medicaid, food stamps, and interest payments on the national debt; much of these mandatory expenses are funded by trust funds, such as Social Security taxes, which are raised and spent separately from income taxes. Discretionary spending involves the money the president and Congress must decide how to spend each year and includes income tax dollars only. Military spending accounts for about 43% of discretionary spending (Friends Committee on National Legislation, 2009). Friends Committee on National Legislation. (2009). *How much of your 2008 income taxes pay for war?* Washington, DC: Friends Committee on National Legislation. Retrieved from [http://www.fcnl.org/issues/item.php?item_id=3553&issue_id=19](http://www.fcnl.org/issues/item.php?item_id=3553&issue_id=19)

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The U.S. military budget is by far the highest in the world and dwarfs the military budgets for the nations ranking after the United States. In 2008, the latest year for which international data were available, the U.S. military budget was $607 billion; the nations ranking after the United States were China, $85 billion; France, $66 billion; United Kingdom, $65 billion; Russia, $59 billion; Germany, $47 billion; and Japan, $46 billion. U.S. military spending accounted for almost 42% of the world’s military spending in 2008 (Stockholm International Peace Research Institute, 2009).

Another dimension of militarism involves arms exports by both the U.S. government and U.S. military contractors. Combining data on both types of exports, the United States sent $12.2 billion in arms deliveries to other nations in 2008. This figure ranked the highest in the world and constituted about 38% of all world arms exports. Russia ranked second with $5.4 billion in arms deliveries, while Germany ranked third with $2.9 billion (Grimmett, 2009).


Cost equivalencies illustrate what is lost when so much money is spent on the military. An F-22 fighter aircraft, conceived and built to win fights with aircraft that the Soviet Union (and later, Russia) never built, costs about $350 million each (R. J.)
Smith, 2009). Smith, R. J. (2009, July 10). Premier U.S. fighter jet has major shortcomings. The Washington Post, p. A1. This same sum could be used to pay the salaries of about 11,700 new teachers earning $30,000 per year or to build 23 elementary schools at a cost of $15 million each. A nuclear submarine can cost at least $2.5 billion. This sum could provide 500,000 scholarships worth $5,000 each to low- and middle-income high school students to help them pay for college.

A key question, of course, is whether U.S. military spending is higher than it needs to be. Experts disagree over this issue. Some think the United States needs to maintain and even increase its level of military spending, even with the Cold War long gone, to replace aging weapons systems, to meet the threat posed by terrorists and by “rogue” nations such as Iran, and to respond to various other trouble spots around the world. Military spending is good for workers, they add, because it creates jobs, and it also contributes to technological development (Ruttan, 2006). Ruttan, V. (2006). Is war necessary for economic growth? Military procurement and technology development. New York, NY: Oxford University Press.

Other experts think the military budget is much higher than it needs to be to defend the United States and to address its legitimate interests around the world. They say the military budget is bloated because the defense industry lobbies so successfully and because military spending provides jobs and income to the home districts of members of Congress. For these reasons, they say, military spending far exceeds the amount that needs to be spent to provide an adequate defense for the United States and its allies. They also argue that military spending actually produces fewer jobs than spending in other sectors. According to a recent estimate, $1 billion spent by the Pentagon creates 11,600 jobs, but the same $1 billion spent in other sectors would create 17,100 clean energy jobs, 19,600 health-care jobs, and 29,100 education jobs (Pollin & Garrett-Peltier, 2009). Pollin, R., & Garrett-Peltier, H. (2009). The U.S. employment effects of military and domestic spending priorities: An updated analysis. Washington, DC: Institute for Policy Studies.

Militarism in the American Culture

The discussion to this point has highlighted military spending, but many observers also criticize the extent of militarism in the U.S. culture. According to this critique, many aspects of the American popular culture are violent and militaristic. Innumerable video games on PlayStation, Wii, and other platforms involve military operations, including the dropping of bombs, shooting with automatic weapons, and hand-to-hand combat; these games are criticized as constituting a key part of the “military entertainment complex” (Leonard, 2004). Leonard, D. (2004). Unsettling the military entertainment complex: Video games and a pedagogy of peace. Studies in Media & Information Literacy Education, 4, 1–8. Professional wrestling does not involve weapons, but its (fake) violence attracts legions of fans across the
nation. Critics say that all of these aspects of the popular culture contribute to a willingness to use violent means to solve interpersonal disputes and to support for militarism in U.S. foreign policy. They also say that the militaristic video games are training youths for life in the military later. As the call for an October 2009 protest vigil at the site of a military contractor starkly claimed, “Our children are being trained through video games today to be the remote killers of tomorrow” (http://news.haverford.edu/blogs/cpgc).

Perhaps more seriously, hundreds of militia, survivalist, and patriot groups populate the country and have been increasing in numbers in recent years thanks to the failing economy and concern over immigration (Guarino, 2010). Guarino, M. (2010, March 30). Hutaree: Why is the Midwest a hotbed of militia activity? The Christian Science Monitor. Retrieved from http://www.csmonitor.com/USA/Justice/2010/0330/Hutaree-Why-is-the-Midwest-a-hotbed-of-militia-activity Although the military-industrial complex may be cause for concern, the existence of so many of these groups shows that militarism has also penetrated American life in a rather frightening way.

As this overview of the debate over military spending and militarism in American life indicates, the military remains a hot topic more than two decades after the Cold War ended with the demise of the Soviet Union. As we move further into the 21st century, the twin issues of military spending and militarism will represent a major challenge for the U.S. political and economic institutions to address in a way that meets America’s international and domestic interests.

### KEY TAKEAWAYS

- U.S. military spending amounted to almost $770 billion in 2009, reflecting the highest military budget in the world.
- Critics of the military budget say that the billions of dollars spent on weapons and other military needs would be better spent on domestic needs such as schools and day care.

### FOR YOUR REVIEW

1. Do you think the U.S. military budget should be increased, be reduced, or stay about the same? Explain your answer.
Addressing Political and Economic Issues: What Sociology Suggests

Sociological theory and research are once again relevant for addressing certain issues raised by studies of the polity and economy. We discuss this relevance briefly for each social institution.

Political Issues

Sociological work on the political institution highlights at least two related issues. The first is the possible monopolization and misuse of power by a relatively small elite composed of the powerful or the haves, as they are often called. If elite theories are correct, this small elite takes advantage of its place at the top of American society and its concomitant wealth, power, and influence to benefit its own interests. Sociological work that supports the assumptions of elite theories does not necessarily imply any specific measures to reduce the elite’s influence, but it does suggest the need for consumer groups and other public-interest organizations to remain vigilant about elite misuse of power and to undertake efforts to minimize this misuse.

The second issue is the lack of political participation from the segments of American society that traditionally have very little power: the poor, the uneducated, and people of color. Because voting and other forms of political participation are much more common among the more educated and wealthy segments of society, the relative lack of participation by those without power helps to ensure that they remain without power. Sociological research on political participation thus suggests the need to promote voting and other political participation by the poor and uneducated if American democratic and egalitarian ideals are to be achieved.

Economic Issues

Sociological work on the economy also highlights at least two related issues. The first is continuing evidence of racial and ethnic discrimination in hiring and employment. This evidence certainly suggests the need for stronger enforcement of existing laws against racial and ethnic discrimination in employment and for public education campaigns to alert workers to signs of this type of discrimination.
The second issue concerns the satisfaction that American workers find in their jobs. Although the level of this satisfaction is fairly high, sociological research highlights the importance of coworker friendships for both job satisfaction and more general individual well-being. These research findings indicate that employers and employees alike should make special efforts to promote coworker friendships. Because work is such an important part of most people’s lives, these efforts should prove beneficial for many reasons.
10.6 End-of-Chapter Material
Summary

1. Politics involves the distribution of power in a society. Three types of authority, or the legitimate use of power, exist. Traditional authority is based on a society’s customs and traditions, while rational-legal authority stems from a society’s rules. Charismatic authority derives from an individual’s extraordinary personal qualities and is the most unstable of the three types of authority, because it ends with the death of the person who possesses this type of authority.

2. The major types of political systems in the world today are democracies, monarchies, and authoritarian and totalitarian regimes. Few pure democracies exist, and most take the form of representative democracies, in which people elect officials to represent their views and interests. Monarchies are much less common than they used to be, and today’s monarchs primarily serve symbolic and ceremonial functions. Authoritarian and totalitarian regimes exist in different parts of the world and typically involve harsh repression of their citizenries.

3. Pluralist and elite theories both try to explain the distribution and exercise of power. Pluralist theory says that society is composed of special-interest groups whose competition ensures that the interests of all segments of society are represented. Elite theory says that power is concentrated in the hands of relatively few individuals and organizations. Mills’s power-elite model attributes power to the nation’s top government, business, and military leaders, while other elite theories say that power is concentrated in the hands of a relatively few families at the top of the socioeconomic system.

4. Political ideology is usually classified along a continuum from very liberal to very conservative. It consists of social and economic views on which some people may hold inconsistent positions; for example, they may hold liberal views on social issues but conservative views on economic issues. Political participation is the cornerstone of democracy, but in the United States relatively few people vote or otherwise take part in the political process. Voter apathy and alienation help account for the lack of voting, as do low levels of education and other variables.

5. Lobbying by various special-interest groups certainly influences the political process, but the different parties disagree on whether lobbying is good or bad. To the extent that lobbying by corporate interests unduly influences the political process, elite theories of the political system are supported.

6. The type of economy characterizing societies has changed over the centuries. With the development of agricultural societies, economic functions began to be separated from family functions. Industrialization increased this separation further, and factories and machines became the primary means of production. The development of postindustrial societies in the last few decades has had important implications for the nature of work and other aspects of social and economic life in modern societies.

7. Capitalism and socialism are the two primary types of economic systems in the world today. Capitalism involves private ownership, the pursuit of profit, and competition over profit, while socialism involves the collective ownership of goods and resources and efforts for the common good. The relative merits of capitalism and socialism continue to be debated; several nations practice democratic socialism, which is meant to combine the best of capitalism and socialism.
8. Corporations are essential players in modern economic systems but remain quite controversial. They concentrate economic power in the hands of a few organizations and often act in a way that stifles competition and harms their own workers and much of the public.

9. The development of labor unions occurred amid a concerted effort by management to resist demands for wage increases and better working conditions. In the recent past, U.S. workers have faced declining wages in constant dollars, although this general trend obscures some important gender, race and ethnicity, and social class differences in wage trends. Postindustrialization has meant a loss of manufacturing jobs across the United States but especially in its large cities.

10. Unemployment, underemployment, and job alienation remain problems facing U.S. workers. Job alienation is probably less than what Karl Marx envisioned in a capitalist society, in part because workers develop workplace friendships.

11. President Eisenhower warned of the dangers of a high military budget and the militarism of the United States. In the aftermath of the demise of the Soviet Union by the end of 1991, the military budget remains quite large. Experts disagree over the proper size of the military budget, and militarism will remain a major challenge as we move further into the new century.

**USING SOCIOLOGY**

You graduated from college a year ago and have begun working in the human relations department of a medium-sized company. You are very happy with your salary and prospects for promotion. However, part of your job involves processing application forms from prospective employees, and you have become concerned with one part of that process. Your supervisor has told you to put applications with “black-sounding” names like Jamal and Lateesha in a separate file to be examined only if a sufficient number of employees cannot be hired from the “regular” file. What, if anything, do you do? Explain your answer.