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What's missing from the New York Times and Wall Street Journal.

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BODY:

THE MYTH OF THE SELF-MADE MAN IS AMERICAN CULTURE'S own special heart of darkness, helping to explain both its infectious optimism and ruthless greed. The idea holds enough truth and seductiveness to make it easy to forget its delusional dangers. To reprise Marx's famous formulation, individuals, like humankind, do make their own personal history, but not under conditions they choose. But in America, we choose to ignore the caveat about conditions at our peril.

The myth, or belief, that people are solely what they make of themselves is useful to keep in mind while reading two ongoing series: the *New York Times'* on class and the *Wall Street Journal's* on social mobility. Both focus attention on a truth about American society that runs counter to most people's deep-seated beliefs: There is less social mobility in the United States now than in the '80s (and less than in the '70s) and less mobility than in many other industrial countries, including Canada, Finland, Sweden and Germany. Yet 40 percent of respondents to a *Times* poll said that there was a greater chance to move up from one class to another now than 30 years ago, and 46 percent said it was easier to do so in the United States than in Europe.

Although the news about social mobility has not been widely reported, it is generally recognized that inequality has grown over the past thirty years. The *Times* series highlights how much the super-rich have made out like, well, bandits. While the real income of the bottom 90 percent of Americans fell from 1980 to 2002, the income of the top 0.1 percent -- making \$ 1.6 million or more -- went up two and a half times in real terms before taxes. With the help of the Bush tax cuts, the gap between the super-rich and everyone else grew even larger.

The American people accept this, it is argued, because they think not only that there's more social mobility than there is, but also that they'll personally get rich. Indeed, a poll in 2000 indicated that 39 percent of Americans thought they were either in the wealthiest one percent or would be "soon." The *Times* poll was slightly less exuberant: 11 percent thought it was very likely they would become wealthy, another 34 percent somewhat likely.

"It is OK to have ever-greater differences between rich and poor, [Americans] seem to believe," David Wessel wrote in the *Wall Street Journal*, "as long as their children have a good chance of grasping the brass ring."

This view is problematic. First, the greater the inequality, the less likely the possibility of mobility. Increased inequality worsens the large disparities in resources that families can devote to education -- resources that are increasingly important for both entering many careers and for social mobility. A college degree, it should be stressed, is important not just because of the knowledge acquired, but because college serves as a class-biased sorting mechanism for entry to certain jobs. In contrast, the record suggests that countries with greater equality also have greater mobility. Substantive equality creates more equality of opportunity.

But even if there were mobility, such inequality would be problematic. Is it fair that society's wealth be divided so unevenly? Isn't there a decent standard of living -- rising as economies become wealthier -- to which everyone who "works hard and plays by the rules," in the Clintonian formulation, should be entitled? Great social disparity means that the financially well-off use their money and greater political leverage to protect their privilege rather than to design policies for the common good.

In defense of the rich getting richer, former Bush economic advisor Gregory Mankiw wrote in response to the *Times* series that the richest increased their share when the economy boomed; so if we want prosperity, let the plutocrats prosper. But the economy grew faster in the first three decades after World War II when equality was increasing than in the next three decades when equality was decreasing. In any case if the income from growth is captured by the very rich, as it largely has been for a couple decades, this path to prosperity offers little to most people. Also, with high inequality, even the pretense of community declines, social conflict increases and society functions more poorly. Individual mobility is not the only way to improve one's lot. Social solidarity and working together can improve everyone's lot.

This brings us back to the self-made man. It becomes clear, as the *Times* series is titled, that "class matters," just as race, gender and other accidents of history matter. The social class into which someone is born largely defines one's class as an adult, and both make a difference in how healthy or how long-lived the person will be, especially in the absence of universal health insurance. It influences access to education and to jobs.

The myth of the self-made person, however, encourages the person who succeeds to think his good fortune is due entirely to his work and genius. For this reason businessmen in the United States have historically been more anti-union and hostile to government than their counterparts in Europe. And the myth makes those who fail blame themselves.

According to recent polls, American workers -- worried more about job insecurity, rising costs of education, health care expenses, the availability of insurance, pension failures and social security privatization -- are increasingly looking for stronger social action to provide security. They are deeply skeptical about the globalization that has increased inequality and insecurity. Like the French vote on the European Union constitution, a U.S. referendum on globalization might well divide along class lines. The irony is that taking responsibility as a society to guarantee more stability and equality -- by regulating the global economy and establishing universal guarantees of health care, education, and retirement security -- can provide citizens with more individual freedom.

For now, the realm of freedom for most Americans remains constricted to the shopping mall, where they can buy their identities. Both the *Journal* and *Times* point to the rapid growth of personal credit as one way that Americans have continued to buy while earnings have stagnated. Former United Auto Workers official Frank Joyce even sees the rise of credit cards as undermining workers' interest in unions. Income, earned or borrowed, obviously greatly differentiates people's lives, even if a working class consumer can only indulge in a box of luxury chocolates or sub-luxury car. And the growing differences in income are exacerbated by growing but unmeasured differences in health insurance, as well as various business perks such as free cars or expense accounts.

But the focus on income ignores the even greater inequalities of wealth. Wealth provides security. As the *Times* series points out, the better-off consistently talk of making choices while working class individuals talk about feeling trapped. Kids from wealthy families can take unpaid internships, spend a year abroad or experiment with careers; kids from working class families are likely to stick with a summer job that pays the bills and provides health insurance, thus failing to finish college.

More important, wealth and class are issues of power. Aaron Kemp, who lost his job when Maytag shifted production from Illinois to Mexico and Korea (see "Maytag Moves to Mexico," January 17), remarked, "I never remember even thinking about what class I was in until after the plant closing announcement and layoff. And then you begin to think about what class you're in." Rather than manners or fashion, class ultimately has more to do with who has the power to make such decisions and the powerlessness of the majority. These crucial aspects of class -- social, political and economic power -- have been missing from the series.

It might have been good for the *Times* to run an excerpt of Michael Graetz and Ian Shapiro's new book, *Death by a Thousand Cuts*. It recounts how the super-rich worked with ultra-conservatives to demonize and possibly eliminate the estate tax, which they renamed the "death tax." As William Gates, Sr., father of Microsoft Bill, often argued on behalf of the tax, the very rich accumulate their wealth not simply because of what they did but because of the society in which they lived, and they have a debt to that society. And the heirs of such wealth are the antithesis of self-made men.

The rich used their political power, their money and the right's shameless, mendacious hucksters to protect their riches, at the expense of society. But belief in the myth of the self-made man -- abetted by the feckless incompetence of Democratic opposition -- made many ordinary people suckers for the right-wing pitch. Class matters, but so does consciousness of class. That's another, longer story.

GRAPHIC: Picture, no caption

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