



SOCIAL CLASS IN AUSTRALIA

‘If

Australia truly is a classless society, then someone forgot to tell Ja'mie King, star of the ABC TV mockumentary *Summer Heights High*. Inserted into an ordinary public high school for a semester, Ja'mie, “the smartest non-Asian” at Hilford Girls’ College, finds herself in a blazerless wasteland.

“At public schools, the girls are skanks,” she notes with dismay. But she’s not unsympathetic. The problem is that parents of state school kids just don’t care enough about their kids to send them to good private schools. This neglect of “povvo” children by their “povvo” parents forms a “cycle of skankiness that I am so glad I am not a part of”.

She doesn’t use the word “class” much, but then Australians generally don’t, now less than ever. Class politics grates against the egalitarian idea we have of ourselves. And that others, apparently, have of us too. Reflecting on the differences between the countries battling for the Ashes this winter, English sportswriter Simon Barnes wrote: “If you think social

snobberies are a thing of the past in Britain, then go to Australia and understand how class penetrates every aspect of English life. In Australia, you can be free, not from your social class, but from the feeling that it matters.”

We do like to think of ourselves as above class. And there’s something glorious about the way Australians treat the outward trappings of class as a joke. At the spring racing carnival, all kinds of people come to play the toff in hired suits and muddy stilettos. A hundred times a day during the Boxing Day Test, a roaring Mexican wave collapses among the obdurate tweed and sensible hats of the members’ pavilion, and everyone boos with gleeful derision. This class business is a hoot.

But there’s a big step between taking the piss out of class divides and concluding, therefore, that we don’t really have any. As Craig McGregor puts it in his book, *Class in Australia*, the “attempt to run away from class

Stratification *in a* Modern Society

does credit to the heart of Australians—because class is one of the most invidious and unfair ways in which people are divided up—though not to their mind”.

Our egalitarian self-image certainly doesn't match the facts. Australian inequality is, in fact, world-class. According to data gathered by the United Nations Development Program, we're the world's fifth-most unequal developed nation. Between the mid-1990s and mid-2000s, incomes of the top fifth of earners grew four times faster than those of the bottom fifth. But there's evidence that Australians realise that egalitarianism is becoming a non-core value. In various polls over the past decade, large majorities have consistently told pollsters that they believe inequality is growing.

Yet class still doesn't get much of a run in the mainstream. Perhaps because the word has a hectoring edge to it; it sounds like it's looking for trouble. Much of the political class rhetoric came out of the blue-collar unions and their belligerent talk of silver tails, fat cats and parasites. But in recent decades those unions have been—depending on your point of view—reformed or persecuted, but either way stunningly diminished. Radicals still talk class, but their revolutionary hopes,

vested in a fragmented “working class” that doesn't seem to understand its Marxist destiny, seem more forlorn than ever. Even in academic circles, some see faith in the explanatory power of class waning.

“Just when class differences seemed to be intensifying and the concentration of power and wealth intensified globally,” argued John Parry, an education academic at Monash University, in a recent paper, “class went into a hiatus for sociologists”.

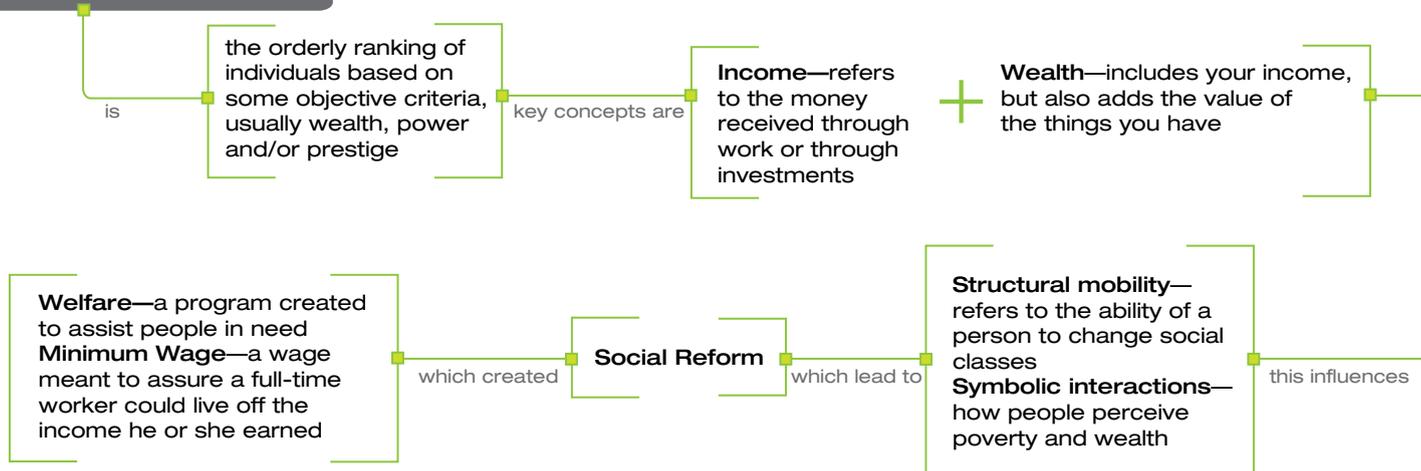
Of course, everyone knows that Australian society has more layers than a *MasterChef* gâteau. But the socio-economic basis of our social divisions has largely faded out of sight. What defines us in everyday life are social markers—things like our age, our job, clothes, sexuality, the make of our car, our kids' schools, religion, where we live or what paper we read, if any. Since most of these things are about preference, we don't have to take them too seriously. And we don't. Flick on the telly to *Fat Pizza* or *Kath & Kim* or reruns of *The Castle* to see the comic riches of our cashed-up bogans, latte-sippers, ferals or nouveau riche types. Class? You're standing in it, darl.'

T. McCamish (2009). 'Whatever Happened to the Classless Society?', *The Age*, 16 August.

Which class do you belong to? Over many decades, surveys of Australians have shown a broad shift in perceptions relating to class. Whereas once many Australians were willing to identify as 'working class', now most Australians seem comfortable with the perception that they are 'middle class', giving weight to arguments that egalitarianism is a pervasive ideology in Australia, albeit not a

reality. Australians no longer even like to talk much about social classes, and politicians, from both left and right persuasions, assiduously avoid the 'C' word. The Howard Coalition government (1996–2007) instead preferred to talk about 'elites' (a term which could include just about anyone, except the exceptionally wealthy) or 'battlers' (a generalised term for what was once known as the 'middle class'). The Labor govern-

Social Stratification





^ In this chapter, we will examine if
 ^ Australia is a nation defined by class.

ment has shown a preference for the term ‘working families’, which seems to be inclusive of groups once referred to as ‘working class’ and ‘middle class’. Amidst all this, no one likes to talk about a ‘ruling class’ anymore, and almost no one would identify themselves as belonging to such a grouping. Outlining a new vision for Australia in 2004, John Howard stated: ‘Australia should never be a nation defined by class or envy, but rather a nation united by *mateship* and achievement.’

Even academics have been relatively silent of late on the issue of social class. Michael Gilding (2004), an Australian sociologist, has observed that there was a flurry of research during the 1970s and 1980s on wealth in Australian society. The Weberian tradition, evident in the work of Sol Encl (1970), examined ‘elites’, while the Marxist tradition, captured in the work of R.W. Connell (1977), drew attention to that Australian ‘ruling class’ that no one much likes to talk about anymore. Research on ruling class and elites fell away in the 1980s, which Gilding

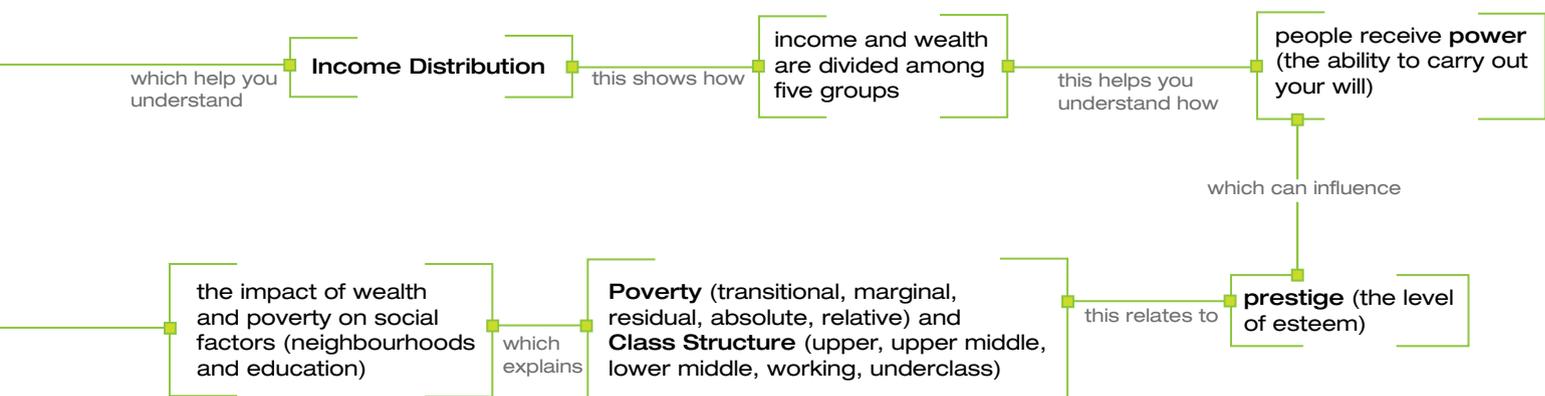
suggests was partly the result of shifts in political attitudes following the demise of the Soviet Union. However, more recently the socio-economic upheaval generated by the global financial crisis has prompted academics to again examine class and the nature of wealth inequality in contemporary societies. This chapter will explore some of these recent findings and debates associated with class analysis in Australia.

Stratification in Australian Society

The ‘American dream’ is well known. It involves the ‘rags to riches’ story of starting at the bottom of the economic heap and climbing to the top. The ‘rags to riches’ narrative is not absent from Australian culture, and is regularly invoked by the media to suggest a high degree of social mobility in Australian society, despite the fact that research repeatedly suggests that most of us will remain steadfastly fixed in the social class into which we were born. Yet Australia also holds close to the notion of what may be called the ‘egalitarian dream’, premised upon the advocacy of sameness and ordinariness. An Irish tourism operator once observed on an Australian television program *Getaway* that whereas American tourists wanted to believe that their ancestors might have once dwelled in the ruined castle up on the hill, lording it over the land, the Australians he encountered were more ready to identify with the peasants who had once ploughed the fields below the castle. Many Australians are also delighted to discover they have convict ancestry, transforming what had once been considered the nation’s ‘birth stain’ into a source of national pride. When the Australian novelist Kathy Lette (2010) was awarded an honorary doctorate by a British university in 2009, she gave a speech celebrating her convict ancestor Mary Frost, who as a 14-year-old had been transported to Australia in 1789 following a conviction for theft. In her speech, Lette played to the idea of Australia as a relaxed and casual nation, free of the cultural baggage (including class) of Old Europe. She observed:

Our nation began with a gross act of indecency. When the Mayflower landed in Plymouth Rock, the first act of the passengers was a prayer meeting. When the First Fleet landed at Port Jackson, their first act was an orgy. It explains a lot about the ensuing characters of our two nations.

Australians’ disdain for what might be considered success or difference has been articulated with reference to the ‘tall poppy syndrome’ —



the idea that if a fellow Australian rises too much above the pack they ought to be cut back down to size. Egalitarianism pervades the Australian consciousness, with frequent references to notions of 'mateship' and the 'fair go'. The historian Russell Ward was one of the first to attempt to locate the egalitarian dream in a socio-historical context. He argued that egalitarianism was first articulated with reference to the 19th-century Australian bushman.

According to the myth the 'typical Australian' is a practical man, rough and ready in his manners and quick to decry any appearance of affectation in others. He is a great improviser, ever willing 'to have a go' at anything, but willing too to be content with a task done in a way that is 'near enough'. Though capable of great exertion in an emergency, he normally feels no impulse to work hard without good cause. He swears hard and consistently, gambles heavily and often, and drinks deeply on occasion. Though he is the 'world's 'best confidence man', he is usually taciturn rather than talkative, one who endures stoically rather than one who acts busily. He is a 'hard case', skeptical about the value of religion and of intellectual and cultural pursuits generally. He believes that Jack is not only as good as his master but, at least in principle, probably a good deal better, and so he is a great knocker of eminent people unless, as in the case of sporting heroes, they are distinguished by physical prowess. He is a fiercely independent person who hates officiousness and authority, especially when these qualities are embedded in military officers and policemen. Yet he is very hospitable and, above all, will stick with his mates through thick and thin, even if he thinks they may be in the wrong. (Ward 1966: 1–2).

As Ward observed, this was an ideological representation: it is how the typical Australian wanted to be seen, not how they really were. As Ward makes clear, the typical Australian was a white male. Historically, women, immigrants and Aborigines were excluded from the egalitarian dream of a workers' paradise. The idea of Australians as a homogeneous (British) people discouraged the promotion and acknowledgement of socio-cultural diversity. People who had *different* ideas and looked *different* were feared or regarded with some suspicion in Australia.

Donald Horne, writing of Australia as the 'lucky country' in the 1960s, recognised the darker side of the egalitarian dream and noted the pervasiveness in Australian life of egalitarian ideology itself:

In outward form, and as far as ordinary people know or care, Australia is the most egalitarian of all countries, untroubled by obvious class distinctions, caste or communal domination, the tensions of racialism or the horrors of autocracy. Taxi drivers prefer their passengers to sit with them in the front seat and sometimes tip them the small change. A person who doesn't like ordinary people to think they are as good as he is, or to enjoy some of the things he enjoys himself, will not like Australia. The spirit of fraternalism permeates the nation. Sometimes the substance of an accompanying equality is missing; there are still inequalities of wealth, power and opportunity; but the ordinary people have won—or had delivered to them—a profound and satisfying ideological victory. (Horne 1965: 19–20)

Horne viewed the egalitarian dream with some distaste. Although many Australians have since come to glorify the notion that Australia

is literally a 'lucky country', Horne coined the term as a criticism: Australians enjoyed a relatively high quality of life through good luck, rather than through industriousness and innovation. For Horne, Australia was a country run by second-rate people who were more concerned with lifestyle than achievement. In Australia a 'cult of informality' reigned, derived from a belief in the 'essential sameness and ordinariness of mankind'. One cost of egalitarianism was a disdain for culture and education. This has persisted until recent times, with educated people ('elites') treated with suspicion and distrust.

While there may be an ideology of egalitarianism that manifests with regard to culture, in material terms Australia is far from egalitarian. Horne noted, for example, a strong materialistic streak in Australia, with Australians being obsessed with the acquisition of status symbols such as cars. As in all other modern societies, class provides the basic structure of Australian society. Class determines who gets what in terms of education, health and work. The social commentator Craig McGregor has argued that the strong egalitarian tradition in Australia has led some to conclude that Australia is less class conscious than other societies, while others have come to the opposite conclusion: that the strength of the tradition is a testament to Australians' consciousness of class and their resentment of it (McGregor 1997: 13). According to McGregor (1997: 2–3):

It is impossible to understand Australia or the lives Australians live without reference to class... Class largely explains why some people are bosses and some people are workers. It is impossible to live in Australia without coming to realise that different social classes have different sorts of jobs, live in different suburbs, go to different schools, get different incomes, speak in different ways, experience crucial differences in privilege and inequality, indeed live different lives.

In short, McGregor recognises that not only is Australia stratified according to class, but that Australia is one of the most highly stratified countries in the world.



▲ James Packer is one of Australia's
▲ wealthiest business tycoons. His
\$18 million home is situated in Vaucluse,
one of Sydney's most affluent suburbs.

get the topic: WHAT IS SOCIAL STRATIFICATION?

Social Stratification

Modern Western societies have displayed an obsessive urge to rank things. Pick up any magazine at the end of a given year, and you're sure to find 'top ten' lists ranking the best (or worst) movies, albums or books of the year. Sociologists can even get in the act. As we saw in Chapter 1, members of The Australian Sociological Association (TASA) were asked in 2003 to rank the ten most influential books in Australian sociology (Skrbis and Germov 2004). The top two ranked books (by R.W. Connell and Michael Pusey, who we will come to later in this chapter) were both concerned with class stratification, with the next three in the top five concerned with gender stratification. Clearly, class and gender stratification have been important issues for Australian sociologists, but such interests aren't restricted to Australian sociology. Nor is the tendency to rank.



Some societies use birth as a way to stratify people. Although Japan is a democracy with a prime minister, nobility such as Emperor Akihito and Empress Michiko are among Japanese society's most elite and wealthy members.

Sociologists, generally, like to rank individuals based on objective criteria. **Social stratification** relates to the ranking of people and the rewards they receive based on objective criteria, often including wealth, power and/or prestige.

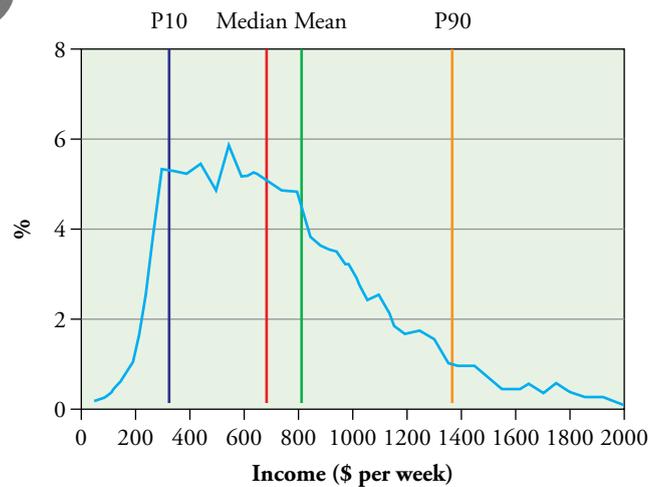
All forms of society have ways to rank, or stratify, the members of their populations, but the level of stratification can vary a great deal between societies (Salzman 1999). Some societies may use political power to separate people by giving party members special privileges unavailable to others.

In Australia, we tend to divide groups by their access to wealth and/or income. **Income** refers to the money received for work or through investments. Whether it is the pay cheque you get at the end of each month or the dividends you receive from your share portfolio, the money you receive regularly is considered income. **Wealth**, on the other hand, refers to all your material possessions, including income. If you were to take everything you owned—your car, your computer, clothes, etc.—and sell it all at a fair market value, you could probably raise a considerable sum that would be more than your monthly income. It is important to know the difference between the two and to understand how each of these factors can affect your social standing.

DISTRIBUTION OF WEALTH

The reluctance to acknowledge class in Australia is reflected in the fact that the last serious investigation into the country's wealth distribution was conducted in 1915. This comprehensive survey found that wealth differentials were more significant at that time than income. In 1915,

DISTRIBUTION OF EQUIVALISED DISPOSABLE HOUSEHOLD INCOME, 2007–08



Note: Persons with an income between \$25 and \$2,025 are shown in \$50 ranges on the graph.

Source: © Commonwealth of Australia, Australian Bureau of Statistics (ABS) *Household Income and Income Distribution, Australia, 2007–08*. Cat. No. 6523.0.

In 2008, Australia was the fourth most unequal country in the world behind the US, Portugal and the UK (Livingstone 2009: 31).



^ Data suggest that the inequality gap in ^ accumulated wealth is twice that of ^ wages and salaries.

1 per cent of men owned 30 per cent of the country's wealth, and 5 per cent owned 66 per cent. In 1986, the Hawke Labor government successfully resisted pressure to establish an inquiry into the distribution of wealth in Australia. Because governments have been reluctant to examine this issue—perhaps because it might shatter our egalitarian self-image—we know very little about how wealth is distributed in Australia. The census doesn't ask questions about wealth holdings, concentrating instead on income. The only official research in this area is Australian Bureau of Statistics (ABS) analysis of distribution of net worth by households. As with the 1915 survey, the data show that wealth is more unevenly distributed than income.

ABS data indicate that in 2005/2006 the average net worth of households in Australia was \$563 000. The data suggest that wealth is largely concentrated. While the wealthiest 20 per cent of Australians control about 90 per cent of overall household wealth, the bottom 20 per cent of households control about 1 per cent of overall wealth. In 2004 the wealthiest 20 per cent of households had an average wealth of \$1.38 million and the bottom 20 per cent \$24 000. This means the wealthiest 20 per cent of Australians are 56 times wealthier than the least wealthy 20 per cent of Australians. This hardly seems egalitarian; so, have things always been this way? There is much evidence to show that while income inequality fell in Australia between the 1950s and the 1970s, it rose again in the 1980s and 1990s (Saunders 2001; Thompson 2001). This has all changed.

Prominent Australian sociologists Raewyn (formerly R.W.) Connell and Michael Pusey have argued that Australian capitalism has entered a new phase of development since the 1970s. This new phase is centred on a neo-liberal dismantling of the 'Keynesian' welfare state apparatus. Connell has argued that the 1970s witnessed a shift in power from industrial to finance capital. Ironically, the dismantling of the welfare state, which was conducted under the Thatcher and Reagan regimes in the UK and US, respectively, was instigated in Australia by Labor governments under Bob Hawke and Paul Keating. During this period, there was strong growth in incomes at the top end of the spectrum, but slower growth in the middle

and the bottom. The gap between the top and middle increased during the 1990s, with a decline in the share of the total income cake going to the bottom 10 per cent and middle 20 per cent of households, and an increase for the top 20 per cent of households. Inequality would have been greater during this period if not for social transfers and income taxes. These two redistributive measures operated to reduce income inequality by about a third at the turn of the last century (Saunders 2001).

Atkinson and Leigh (2006) argue that the top income share of the richest Australians largely fell from the 1920s until the 1980s and then began to rise sharply during the 1990s. In the early 1990s a CEO in a top-50 ranked company earned 27 times the national average, but by the turn of the last century this had increased to 98 times more. In the 2007/2008 financial year, the richest 1 per cent of taxpayers accounted for 9.8 per cent of all income, with the pays of this group increasing at twice the rate other workers during the previous decade. In this period there were approximately 60 000 people in Australia with incomes of over \$600 000.

POWER

Another measure of stratification is **power**—the ability to carry out your will and impose it on others. In university classrooms, lecturers possess great power. They select the textbooks, the topics the class will cover, and the order in which they will cover them. In short, all lecturers have a great deal of power over what is in their classes, and students' only power is to enrol in or drop the course. Why are things this way? Because the power to educate in a university is **delegated**, meaning given or assigned, to faculty by the university. Members of Parliament have delegated power when they represent the people who elected them. They can use this power to authorise the deployment of troops into a military conflict or to steward the economy into or out of a recession.

Individuals have varying amounts of power, but no one has totally unlimited power. C. Wright Mills (1956) suggested that within the United States a small group called the **power elite** holds immense power. In Australia, Sol Encel (1970) found evidence for the emergence of business, bureaucratic and political elites, none of whom had total social or political primacy. Ron Wild (1974) found major status divisions in the country town of 'Bradstow' between upper income groups on the fringes of town and the townspeople themselves. Those on the outskirts of town constituted 20 per cent of the population and consisted mostly of landholders. Townspeople were divided into four groups of bosses and managers, trades and skilled workers, manual and service occupations, and an underclass of semi-skilled workers and those referred to as 'no-hopers'. Major status divisions in the town materialised in terms of organisational affiliations of after-work leisure activities. For example, elites tended to opt for the golf club, Liberal Party membership or the arts council. The country club and Lions organisation were favoured by bosses. The bowling club and Masons were utilised mostly by tradespeople, while the rugby league and RSL clubs were the most likely options for unskilled workers. The so-called 'no hopers' had nothing.

PRESTIGE

Prestige refers to the level of esteem associated with our status and social standing. Most of us want others to hold us in high regard, but various types of jobs hold differing levels of prestige. Generally, low-paying jobs have less prestige because of the stigma attached to such jobs. Not only do low-wage workers struggle to pay their bills, they also struggle to earn respect in a society that stigmatises their work.

From One Extreme to Another

The United States has the greatest percentage of children living in poverty compared with other industrial democracies (Rainwater and Yancey 1968). In the US, 17.4 per cent of children under the age of 18 live in poverty (US Census Bureau [USCB] 2008), and 17 per cent of these

children live in households classified as 'food insecure', which are households that change the quantity or quality of their food or frequently skip meals because of limited incomes (USCB 2008). In 2005, 7 per cent of the children living in the United States lived in extreme poverty (Ross, Reynolds and Geis 2000). These families have incomes below 50 per cent of the poverty threshold (ChildStats.gov 2008).

Ironically, the United States leads the world in the total number of millionaires as well as the highest percentage of new millionaires (Frank 2004). Many of these millionaires run for positions in government or contribute large donations to political causes. In fact, of the 100 members in the 1995 Senate, 40 were millionaires (Dannheisser 2007).

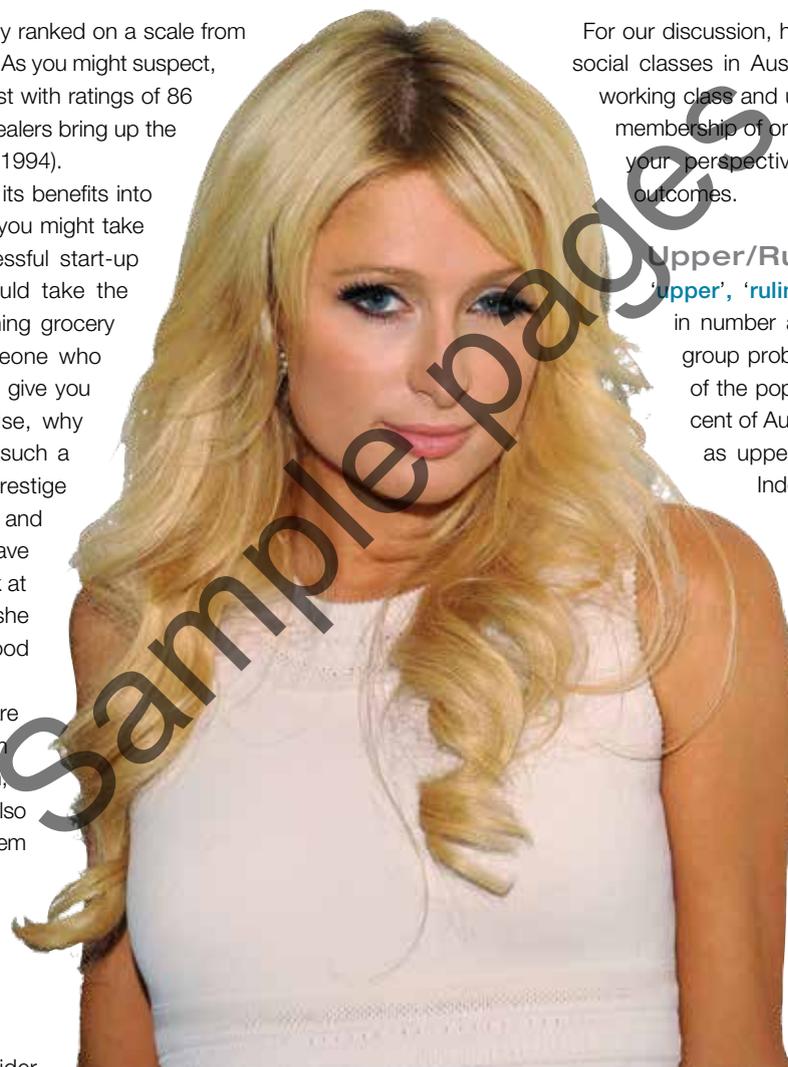
Prestigious jobs are generally ranked on a scale from 0 to 100, with 0 being the lowest. As you might suspect, physicians and lawyers top the list with ratings of 86 and 75; and street corner drug dealers bring up the rear with a 13 (Nakao and Treas 1994).

A prestigious job may carry its benefits into other areas of life. For example, you might take an investment tip from a successful start-up CEO, but it's doubtful you would take the advice of a minimum-wage-earning grocery bagger. You don't expect someone who works as a bagger to be able to give you a great investment tip. Otherwise, why would he or she be working in such a low-status job? Occupational prestige varies a great deal between jobs and shows the general respect we have for certain work. Few people look at their newborn baby and hope she will grow up to become a fast-food cook rather than a doctor.

Wealth, power and prestige are the basis for the stratification system used to characterise the population, so these three components can also be used to analyse the class system of Australia.

CLASS STRUCTURE IN AUSTRALIA

Most Australians like to consider themselves as belonging to one big homogeneous middle class, despite there being wide inequalities in the distribution of wealth in Australia. While Australian sociologists claim that there is significant stratification in Australian society, they have varying opinions on how many classes there should be and what constitutes each class.



^ **Paris Hilton is a celebrity primarily because**
^ **she was born into extraordinary wealth, but**
^ **she has used the wealth, power and prestige of**
her family name to pursue television, modelling,
musical and fashion design careers.

For our discussion, however, let's look at four different social classes in Australia: upper class, middle class, working class and underclass. Ask yourself how your membership of one class or another might influence your perspective, opportunities and long-term outcomes.

Upper/Ruling/Elite Class The 'upper', 'ruling' or 'elite' class is very small in number and holds significant wealth. This group probably constitutes about 1 per cent of the population, not including about 8 per cent of Australians who consider themselves as upper middle class (McGregor 1997).

Indeed, if some sections of the upper middle class—such as high-level managers—were included in this grouping, it might constitute as much as 10 per cent of the population. This class may include employing groups, large landholders, financiers, entrepreneurs, some self-employed, managers and professionals. They are the least visible of social classes in Australia; however, Connell (1977) has argued that when the sanctity of private property appears threatened this class will mobilise, as was the case when the Chifley government sought to nationalise Australian banks in the late 1940s. Another example of this mobilisation, cited by Connell, was the dismissal of the Whitlam government in 1975. Connell's study of this group shows they don't only have material clout; they also control worldviews as reflected in media, education and the arts. Generally, this

class supports the Liberal and National parties in Australian political life, but will support the Australian Labor Party when these parties seem ineffective, as was the case when the Whitlam Labor government came to power in 1972.

We have already learnt that only a small proportion of the population controls most of the nation's wealth. The upper class possesses much of the country's 'old money', which affords them great access to the three components of class: wealth, power and prestige. Many entertainers and professional athletes are also part of this class. Notably, this group includes not only owners of the means of production, but also high-level managers who control industry and gain benefits from their strategic control of large capital flows. This group derives much of its wealth from salaries and bonuses, rather than status. Increasingly, this group has become detached from national values and egalitarian workplace structures.

In Australia, this class has been typified by a high-level concentration in terms of the schools they attend, the people they are likely to marry and mix with socially, the type of work they do, and the companies where they invest their wealth (Encel 1970; Gilding 2004).

Sociologist G. William Domhoff (1970; 2002) has done extensive work studying the upper class. According to his findings, membership of this class comes from attending an exclusive private school, belonging to exclusive social clubs, and being born into a wealthy or powerful family.

Membership of private clubs is often available only to members of the upper class. Most state capitals have such clubs. One such club is the all-male Melbourne Club, established by the wealthy Victorian squattocracy in 1839. The club offers luxurious retreats to its exclusive members. Members are a who's who of Australian business tycoons and political figures, including officers or directors from 40 of the 50 largest corporations in Australia. Approximately one-third of the club's 1500 members are listed in *Who's Who in Australia*. Membership is highly restricted.

Domhoff (1970; 2002) suggests that such clubs allow the upper class to unify. At these retreats, politicians and national speakers provide information and ideas about the future. The relaxing nature of a social



^ The Melbourne Club is a males-only
^ club established in 1839. Membership
of the club is by invitation only.



^ Class isn't confined to what you do in
^ the workplace. It affects many aspects
of social life, including what type of
activities occupy your leisure time. Polo
tends to be regarded as an elite sport.

club, such as the Melbourne Club, also increases social integration of its members because of its climate—that is, social cohesion increases in the relaxed atmosphere. The upper class's money affords them opportunities that most people only dream of having. However, members of the upper middle class come pretty close to matching the elite's status.

Middle Class Australian studies have suggested that this group may account for as much as 60 per cent of the population, depending on how such a group is defined. The Australian welfare state contributed to the growth of this class, especially after the 1930s, as has increasing complexity in terms of trade and commerce. This has led to an increased government demand for skilled professionals in terms of health, welfare and education. Professions increased from 5.7 per cent of the Australian workforce in 1911 to 31.2 per cent in 2004. Most sociologists divide the middle class into at least two spheres, these being upper and lower. As with all distinctions of class, the definition of the upper middle class is fairly subjective. For the purposes of our discussion, the **upper middle class** consists of high-income members of society who are well educated but aren't among the super-wealthy. These people occupy professional positions and have achieved a level of income that makes their lives comfortable. They own property, have high occupational prestige, and often hold positions of authority within their jobs (Kerbo 2006). The two primary components of this group are occupational prestige and education. Owning a small business, having a professional career, or holding a high-status job often propels a person into this group. Your dentist, your solicitor or the owner of your local supermarket chain may belong in this group (Gilbert 2003).

The **lower middle class** is thought to consist of white-collar workers, operators of small businesses, clerks, salespeople, teachers and affluent tradespeople. In general, lower-middle-class people have moderate incomes. Middle-class workers generally aren't involved in

Australian sociologist Michael Gilding (2002; 2004) conducted interviews with 43 people from *BRW*'s rich list to examine the social attitudes and practices of wealthy Australians. In 1999 the minimum entry point into the rich list was \$72 million, with the largest fortune estimated at \$6.8 billion. Of those who agreed to be interviewed, 39 were men. Their average age was 56, and their median wealth was \$128 million.

Gilding argues that while the media, such as *BRW*, exalts new money (90 per cent of those listed had made their fortune since 1945), with upwardly mobile entrepreneurs being highly visible, the 200 individuals represented on the rich list most likely account for only about 20 per cent of the super-rich. Most wealth is old money, resting in the hands of inconspicuous families who haven't dramatically increased their wealth holdings in recent times. Most of this old money isn't invested with individuals. Instead, to minimise taxes and protect against bankruptcy, it is spread among groups linked by kinship.

Gilding has argued that, despite the stability of wealth holdings in the hands of

a small group of families, the upper class has undergone a radical reconfiguration of its practices and values in recent decades. Dynastic succession, with its emphasis on the family unit, for example, has been challenged by contemporary norms emphasising self-fulfilment and autonomy. While there had been some institutional unity among this group, with most having studied at the same schools, being of a similar ethnicity, being members of the same exclusive social clubs and company boards, and intermarrying, there was a feeling among those interviewed that this common culture was now being challenged by an emergent 'entrepreneurialism'. It was felt that there was now a lack of unifying institutions and institutional trust among members of the upper class. New money had diverse interconnections, based on ethnic diversity, political pragmatism and globalisation. The old system of social closure, based on ethnicity and religion, could not keep newcomers locked out. Gilding (2004: 137) cites Alexander Waterman, one of the *BRW* top 200, who spoke with regret about the decline of traditional families:

There's no doubt that those of us who went to a private school, certainly those who went to a private boarding school—our kids and I still have as our best friends those people we went to school with. The reason for that is, you got to know them and you can trust them. That's pretty well down to a tee, because there was a certain code of conduct, I guess. Now with people coming from all over the world and from different communities... It's awful that you really start off by having to say to yourself, 'Well, I cannot trust anyone.' And you begin any negotiation or any deal on that premise. That's the way it is, I'm afraid and that's very sad.



manual labour, but they may be skilled labourers (such as electricians). Members of the lower middle class have at least a high school certificate and many have technical training or university credits. Such attainment affords them a moderate level of occupational prestige.

There has been ongoing debate in Australia regarding the consequences of economic rationalist policies for the Australian middle class. Politicians and the media have been quick to reinforce the notion that the middle class (Howard's 'battlers' and Rudd/Gillard's 'working families') are doing it tough in the face of mortgage stress and interest rate rises and the rising cost of everyday living, as evident in petrol and grocery prices.



Michael Pusey (2003) argues that this group is shrinking and is under attack from neo-liberal capitalism, which has broken up and reconfigured forms of community and family life that gave meaning to this class. One coping mechanism has been increasingly to turn to consumerism to give a sense of meaning and value to life. Pusey has argued that the middle class is feeling squeezed by double income professionals and a working poor who receive more government assistance than they do. He notes an increase in part-time work and a decline of 'real wages among this group'. One group particularly challenged has been single-income households.

Hamilton, Downie and Lu (2008) have questioned the idea that the Australian middle class is really doing it tough, distinguishing between real and imagined hardship. They note that, in 2005, disposable income for all households was \$48 193. For a couple with at least one dependant and headed by someone of working age (41 per cent of the population), household income was \$69 073, at a time when the average income for all households was \$76 778. They argue that the middle class had not shrunk, but had actually grown slightly in the decade leading to 2005/2006. They have argued that a middle class under stress is a

<<< When you graduate from university and get your first job, you are likely to start out in the middle class.



^^ Middle-class families often have to survive on a single income.

perception, as opposed to a material reality. The middle class focus not on what they have, but on the gap between what they have and what they want, creating a sense of material deprivation in a time of plenty. They argue that the middle classes are not struggling with finances, but with other things, created by overwork and the pressure to succeed.

Working Class The **working class** is generally made up of people with high school certificates and lower levels of education. This class was thought to have shrunk during the course of the 20th century and may account for as little as 30 per cent of the Australian population, having declined as the middle class grew. At Federation (1901), manual workers accounted for 75 per cent of all Australian workers. Some of the decline in this number may be accounted for by the growth in Australia of a post-industrial service sector. Those that didn't join the middle class in the latter half of last century became relatively affluent, adopting many of the cultural practices and tastes of the middle class. It has been suggested that, in this period, trade unions were no longer vehicles for class action, but became bargaining agents to gain middle-class affluence. As such, large sections of the working class have been aligned with the right of politics, more interested in consumption than class interests. But not all the traffic has been upwards. Many white-collar jobs have been increasingly routinised by technological development, with some clerks and secretaries who previously enjoyed some middle-class privileges moving down the scale. Their work has become less autonomous and rewarding. This process has been referred to as 'proletarianisation'.

Unlike those in the middle and upper middle class, members of the working class earn an hourly wage instead of a salary. Because they work by the hour and lack formal education, the working class has very limited opportunities for job improvement. Many non-traditional university students come from the working class. They understand that 'good jobs' are increasingly rare and that education opens doors. However, their ability to raise their social class is hindered by the increasing number of blue-collar and even white-collar jobs that are moving overseas. There is an increasing amount of competition for work, which is a further motivation for workers to boost their marketable skills (Lankard Brown 2008).

Underclass Finally, a notch below the working class are the members of society who truly feel the effects of poverty: the **underclass**. Thanks to the skyrocketing costs of tuition, food and rent, many university students might think they understand what it means to be poor. However, in most cases, the relative poverty of their situation pales in comparison to the experiences of the working poor. After all, the privileges of attending a university and receiving a higher education are designed to lead students to employment that will land them in the middle class.

Sociologists have several different ways of defining poverty. **Transitional poverty** is a temporary state that occurs when someone loses a job for a short time. **Marginal poverty** occurs when a person lacks stable employment. For example, if your job is lifeguarding at a pool during the summer season, you might experience marginal poverty when the season ends. The next, more serious level, **residual poverty**, is chronic and multigenerational. People who live in a seemingly never-ending cycle of poverty that passes on to their children and grandchildren experience this type of poverty. A person who experiences **absolute poverty** is so poor that he or she doesn't have resources to survive. The people who are starving to death in the Darfur region of the Sudan are living in absolute poverty. **Relative poverty** is a state that occurs when we compare ourselves to those around us. You might experience relative poverty if you feel like your mobile phone is old and insufficiently 'cool' compared with your friend's phone.

One result for the dismantling of the welfare state in the 1980s was an increase in the number of people living in poverty in Australia. The face of poverty changed from that of an aged pensioner to families lacking a breadwinner. The ABS suggests that since the 1990s the main source of income for 26–28 per cent of Australian households has been government pensions and benefits. However, the Henderson Poverty Line, which measures household disposable income, has indicated that certain government benefits fall below the poverty line. A Parliament of Australia, Senate Standing Committee report (2004) on poverty shows varying estimates, from 5 per cent of the population to 22.6 per cent. The Australian Council of Social Services (Saunders, Hill and Bradbury 2007) has argued that in 2003/2004 there were approximately



^^ Blue-collar factory workers, farm workers or white-collar clerical workers make up most of the working class.

1.5 million people living in poverty in Australia, including 350 000 children. It is staggering to consider that over 40 per cent of Australians living in poverty live in families where one or both parents work, albeit part-time or casually. Over 100 000 Australians are classified as homeless.

The underclass is typically considered the chronically unemployed or underemployed, pensioners, recent NESB (non-English speaking background) migrants, sick, disabled, and families who have no breadwinner or who are work poor. Workers who cannot bargain for increased rewards by using their labour power—resulting in low wages and few fringe benefits—might also fall within this group. Typically, such occupations are populated by women, some ethnic groups (especially NESB) and young people. In Australia, Aboriginal people also make up a large proportion of this group. Single parents also constitute a high proportion of those in this class, although all people who live on their own (especially the aged) are at risk of falling into poverty. A feature of the underclass in recent decades has been intergenerational poverty.

NEIGHBOURHOODS AND SOCIAL CLASS

Recently, sociologists have observed how neighbourhoods influence behaviour. Their findings have determined an increase in the geographic concentration of poverty and affluence in Australia and other Anglophone countries, such as the US. Over time, poor people are living in neigh-

>>> The underclass is typically considered the chronically unemployed or underemployed, pensioners, recent NESB migrants, sick, disabled, and families who have no breadwinner or who are work poor.



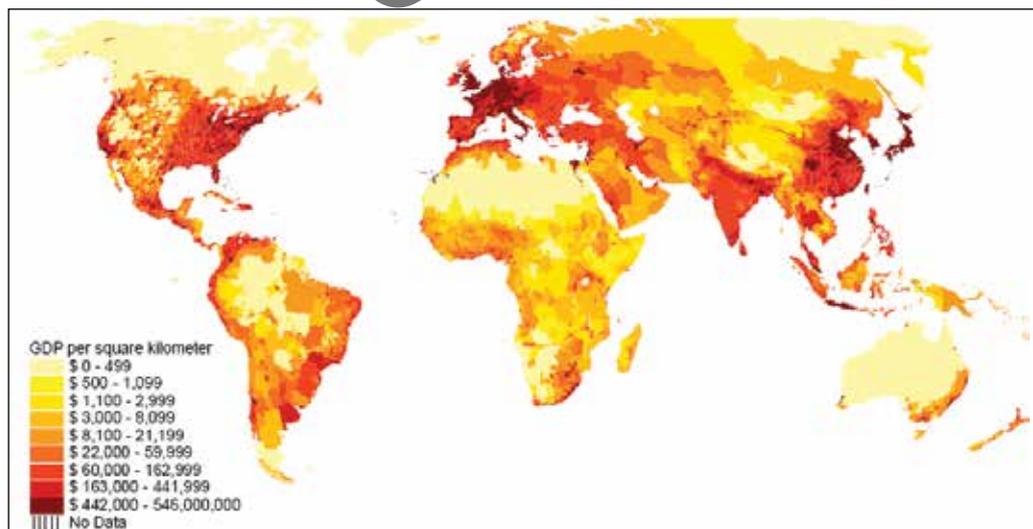
bourhoods densely populated by other poor people. Simultaneously, the well-off members of society, particularly those who live in cities, tend to cluster in economically affluent suburbs (Jargowsky 1996; Raskell 2002; St John 2002). Looking at each end of the spectrum gives us a clear vision of the dynamics between poverty and affluence in Australia.

The concentration of poverty in a single geographic area is correlated to various issues such as high crime rates, increased drug use, and increasing numbers of single-parent homes. Raskell (2002) found that there was a massive realignment of the spatial economy of Australia during the unprecedented economic growth period of the 1990s, especially in cities along the eastern seaboard such as Sydney. While pockets of Sydney surged ahead in terms of growth of household income, other areas experienced a decline in fortunes, especially the outer suburban areas and regional and rural centres. Raskell concluded that the dramatic rise in inequality in Sydney's suburban enclaves posed a serious threat to social cohesion.

EDUCATION AND SOCIAL CLASS

We have all heard it said that Australia is the land of opportunity, and in many ways it lives up to this image. It grants free education to every child, regardless of socioeconomic status. Unfortunately, all educational opportunities aren't exactly the same. For example, public schools frequently offer different educational opportunities. But what difference do these opportunities really make?

GDP DENSITY



<<< Spatial analysis of wealth indicates that, worldwide, most wealth is concentrated in the Northern Hemisphere. Wealth also tends to be concentrated in industrial or urban settings.

Source: Gallup et al (1999). Reproduced by permission of Sage Publications.

A seminal study on class and education in Australia is Connell et al.'s *Making the Difference* (1982). The authors conducted over 400 interviews with parents, teachers and children from two clusters of schools defined as 'working class' and 'ruling class'. Ruling-class schools were private, run largely through the market, while working-class schools were largely public schools run through a bureaucratic state. Ruling-class schools provided a shared space for teachers, students and parents to network and form active social relationships. As such, these schools provided an important means to create a sense of unity and shared interest among the often diverse and competitive sections of the ruling class. Because working-class schools were run on a bureaucratic state model, teachers at these schools had a very different relationship with children and parents. The teachers were primarily responsive to state interests and had much less informal contact with parents. Indeed, their relationship with parents was based less on a market-driven 'clientele' model, and was more authoritative and remote. These relations impacted upon the quality and form of education offered in private and public schools.

People from lower socioeconomic backgrounds are significantly underrepresented in Australian higher education. Structural factors influence the educational and occupational outcomes of students. Such factors include education of parents and socioeconomic status. Survey data show that Australians from higher socioeconomic backgrounds are more likely to aspire to attend university. The data also show a gap between aspiration and enrolment levels. The aspirations gap falls 20 per cent short, affecting lower socioeconomic groups more significantly (Bowden and Doughny 2009).

HEALTH AND SOCIAL CLASS: FATS AND FICTIONS

Obesity is ranked by the World Health Organization (WHO) as among the top ten preventable health issues requiring urgent attention. The



Many non-traditional students are working-class adults who want to gain more skills through education. More and more adults are going back to school for additional training and new careers.

Australian government also considers obesity to be a National Research priority.

One argument has it that obesity is a product of modern lifestyle and personal choice, for which we are responsible. While social inequalities are relevant in the debate about the causes of obesity and responses to it, these remain largely invisible in public discussion. Prevalence rates for obesity are associated with socioeconomic factors, with most of the overweight population having less education and income, residing in rural and remote areas, and being from among the most marginalised ethnic groups.

Social Mobility

Wherever we are in life, there is always the chance that something could happen to us that would change our status. Whether it is winning the lottery or investing in the right shares, our social class could change in an instant. Likewise, the mortgage crisis and corporate downsizing have sent

many middle-class families plummeting into poverty. **Social mobility** is a term that describes this ability to change social classes. If social class is a ladder, social mobility occurs when we climb either up or down it. Several patterns of social mobility are possible. Jones and Davis (1988), in a study of Australian and New Zealand mobility in 1986, argued that while there was considerable change in family fortunes within the class structure, the structure that distributes these positions remains fixed.

Horizontal mobility, as the name suggests, refers to moving within the same status category. For example, when a teacher leaves one school to take a position at another school, horizontal mobility has occurred. The teacher is earning the same amount of money and performs the same tasks; she just happens to be doing these things at a different location. Her movement is lateral, not vertical. **Vertical mobility** involves moving from one social status to another. This type of mobility can be either upward, in the form of a promotion at work, or downward, in the form of a demotion. For example, if the same teacher from our previous example got a master's degree and became a principal, then vertical mobility has occurred.

Intragenerational mobility occurs when an individual changes social standing, especially in the workforce. Climbing the corporate ladder is a prime example of this type of mobility. For instance, if you begin your working career as an unskilled labourer doing construction work and then ten years later own a construction company, you are experiencing intragenerational mobility.

In Australia, the labour market has changed immensely. Many companies are outsourcing manual labour overseas to developing

<<< **Australia has the fifth-highest obesity rate in the world, with 25 per cent of the population overweight. The cost to the public is \$3.7 billion a year.**

countries. Australians who previously performed this type of work find themselves out of a job, which, in turn, slows upward mobility.

Intergenerational mobility refers to the change that family members make from one social class to the next through generations. If you hope to live a better life than your parents did, then you hope for upward intergenerational mobility. However, if you expect to do *much* better than your parents, the odds are probably stacked against you. A number of researchers have found that while intergenerational mobility does occur, children tend to climb only a little higher on the social class ladder when compared with their parents, if they climb at all (Solon 1992; Zimmerman 1992).

Structural mobility occurs when social changes affect large numbers of people. During economic booms, some climb the ladder and benefit from changes in the economy. Think of the success that the automobile manufacturers experienced during the economic prosperity of the mid-1990s. When the economy heads into a recession, workers who have lost their jobs to outsourcing experience downward structural mobility.

The concept of **exchange mobility** suggests that, within Australia, each social class contains a relatively fixed number of people. If you move upward into a class above you, someone else must move down. When you consider the changes in income over time that we talked about earlier, you can see that such data generally support the idea that social stratification levels don't change much, though the people who make up each layer may be different.



^ Julia Gillard came from a
^ working-class family to become
^ the first female Australian prime
minister in 2010.

think sociologically: WHAT ARE THE THEORIES BEHIND SOCIAL STRATIFICATION?

Functionalism

Functionalists believe that systems find equilibrium, or balance, so stratification must be the result of some kind of functional balance. Theorists Kingsley Davis and Wilbert Moore summarise the common argument that the stratification system in the United States is inevitable and aids in the smooth functioning of that society (Davis and Moore 1944). This **meritocracy argument** states that those who get ahead do so based on their own merit.

Davis and Moore believe that each society has important positions that must be filled. The more important the position, the more we reward those who choose to pursue it. Doctors in the US generally get hefty pay cheques because everyone needs a doctor to tend to their health care needs. In order to get someone to fill an important position, society offers a reward to anyone who is willing to fill it. The rarer the skill or the longer the training period, the greater the rewards can be. If you faint at the sight of blood or if you can't stand the thought of spending a good portion of your life at university, you probably shouldn't become a doctor.

On the other hand, the reason KFC is able to pay its employees the minimum wage is because you can learn to fry chicken in about two hours. But why would anyone become a medical doctor, considering the stress and training involved? Davis and Moore say that society has to offer greater rewards to entice people to take particularly tough or stressful jobs. To sum up the functionalist view, stratification inevitably

happens because people have different abilities, and those abilities are more or less important to society.

Therefore, if you get ahead, it is based on some ability or drive that you have that pushes you to get there. Delayed gratification, or the ability to wait in order to get something you want, can also determine your success. If you are willing to put in the time to go to university and work hard, you are likely to be successful.

In this sense, it means that stratification is inevitable, since we don't all have the same intelligence, drive and desire. Those who get ahead tend to be those who use these individual forces to reap society's rewards.

In a non-scientific student study I use in my classes, I yield the same results virtually every year. I ask students if they 'agree with the following statements' regarding why people 'get ahead'. 'Working hard' is agreed with by 98 per cent of students, 'Getting a good education' by 94 per cent. 'Being smart' receives agreement from 80 per cent, and 'Taking risks' only 60 per cent. What do you think? Do people in Australia determine their own success?

Conflict Theory

Unlike functionalists, conflict theorists focus on the role of conflict as the basis of stratification. Every society has limited resources to go around, so groups struggle with one another for those resources. Melvin Tumin (1963) offers a critique of Davis and Moore that supports the conflict point of view. For Tumin, social inequality is rooted in a system that is

WHAT IS SOCIAL STRATIFICATION? 39

the ranking of people and the rewards they receive based on objective criteria, often including wealth, power and/or prestige

WHAT ARE THE THEORIES BEHIND SOCIAL STRATIFICATION? 47

functionalism: stratification is the result of some kind of functional balance, is inevitable, and aids in the smooth functioning of society

conflict theory: social inequality is rooted in a system that is more likely to reward you based more on where you start than on your abilities

symbolic interactionism: a person's particular social class affects how he or she discusses class in general

get the topic: WHAT IS SOCIAL STRATIFICATION?

Social Stratification 39
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Functionalism 47
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Symbolic Interactionism 48

Theory

FUNCTIONALISM 47

- social class is connected to a person's ability to negotiate the social world
- intelligence, drive and personal choice influence a person's social class
- all people are different, so it makes sense that differences in social class exist

CONFLICT THEORY 47

- social mobility rarely occurs in a dramatic way
- generally, one's parents and the opportunities they can provide determine social class

- the higher our socioeconomic status, the less we believe social class matters

SYMBOLIC INTERACTIONISM 48

- social class and our understanding of it are relative to our personal belief system
- for example, middle-class citizens would not question poor people's behaviour if they held similar beliefs about marriage and childbearing
- many poor women think childless people lead empty lives, so they place more emphasis on the maternal relationship than on marriage

Key Terms

social stratification is the ranking of people and the rewards they receive based on objective criteria, often including wealth, power and/or prestige. 39

income is the money received for work or through investments. 39

wealth is all of your material possessions, including income. 39

power is the ability to carry out your will and impose it on others. 40

delegated means given or assigned. 40

power elite is a small group of people who hold immense power. 40

prestige is the level of esteem associated with one's status and social standing. 40

upper or elite class is a social class that is very small in number and holds significant wealth. 41

upper middle class is a social class that consists of high-income members of society who are well educated but don't belong to the elite super-wealthy class. 42

lower middle class is a social class that consists of those who have moderate incomes. 42

working class is a social class generally made up of people with high school certificates and lower levels of education. 44

underclass is a social class living in disadvantaged neighbourhoods that are characterised by four components: poverty, family disruption, male unemployment, and lack of individuals in high-status occupations. 44

transitional poverty is a temporary state of poverty that occurs when someone loses a job for a short time. 44

marginal poverty is a state of poverty that occurs when a person lacks stable employment. 44

residual poverty is chronic and multigenerational poverty. 44

absolute poverty is poverty so severe that one lacks resources to survive. 44

relative poverty is a state of poverty that

occurs when we compare ourselves to those around us. 44

social mobility is the ability to change social classes. 46

horizontal mobility refers to moving within the same status category. 46

vertical mobility refers to moving from one social status to another. 46

intragenerational mobility occurs when an individual changes social standing, especially in the workforce. 46

intergenerational mobility refers to the change that family members make from one social class to the next through generations. 47

structural mobility occurs when social changes affect large numbers of people. 47

exchange mobility is a concept suggesting that each social class contains a relatively fixed number of people. 47

meritocracy argument states that those who get ahead do so based on their own merit. 47

Sample Test Questions

These multiple-choice questions are similar to those found in the test bank that accompanies this textbook.

1. People with seasonal jobs most likely experience
 - a. residual poverty.
 - b. absolute poverty.
 - c. marginal poverty.
 - d. transitional poverty.
2. Which of the following is *not* a member of the power elite?
 - a. The Commonwealth Attorney General
 - b. A military general
 - c. A corporate CEO
 - d. A town mayor
3. Which of the following is true of the upper, or elite, class?
 - a. Most members are newly wealthy.
 - b. They have higher rates of teen pregnancy.
 - c. They make up a small proportion of the country's population.
 - d. They are generally regarded highly for their specialised skills.
4. A doctor transferring from one hospital to another is an example of
 - a. intergenerational mobility.
 - b. horizontal mobility.
 - c. vertical mobility.
 - d. exchange mobility.
5. A high school graduate who works on an assembly line in a manufacturing plant is most likely a member of which social class?
 - a. Underclass
 - b. Working class
 - c. Middle class
 - d. Manufacturing class

ANSWERS: 1. c; 2. d; 3. c; 4. b; 5. b

ESSAY

1. How does prestige affect one's social standing?
2. How is the mobility of the underclass restricted?
3. What is the relationship between social class and education?
4. How can egalitarianism be characterised as an ideology in Australian society?
5. How does the concept of exchange mobility conflict with the beliefs of conflict theorists?

WHERE TO START YOUR RESEARCH ESSAY

For more information on poverty in Australia, go to www.acoss.org.au/

For more information on hunger and poverty in the world, go to www.poverty.com/

For more information on the distribution of wealth in Australia, go to www.abs.gov.au/ and www.melbourneinstitute.com/hilda/



Check www.pearson.com.au/mysoclab for additional information, downloadable flashcards and other helpful resources.

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