The Multi Layer Structure of Inequality

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It is customary to divide sociological theory between a structural perspective and a constructivist one. A few scholars attempt to cross over the boundaries separating these two outlooks (Giddens, 1984; Bourdieu, 1990a, 1990b; Collins, 1988: ch. 6; 1998). Most notable is the relatively recent attempt of Harrison C. White to create a meta-theoretical language, encompassing both a network/structural view of the social world with a partially narrative standpoint (White, 1992; 2000). Harrison White discusses terms such as "pecking order" with "disciplines", ties and networks with "stories" (White, 1992), and markets with discourse (White, 2000). White attempts to form a new language to describe - from a structural point of view - the ways social action is structured, and the processes by which identities are formed, reproduced and changed. White has inspired a new generation of students who are influenced by his general approach and by Tilly's (Emirbayer, 1997; Emirbayer and Mische, 1998; Mische and Pattison, 2000). It seems that Tilly - who was an intellectual friend, commentator and a colleague of White's even before moving into Columbia University - was also impressed by White's published intellectual endeavor to describe basic processes in a new language. Their mutual influence is clear.[1] In both volumes, the language is highly abstract and complex, coining many new terms for those protean processes, setting up the social kaleidoscope.

Charles Tilly offers us a novel meta-theory to describe the very basic structure of inequality. In his essay he attempts to decompose the generic processes producing social inequality. The paper is a later, abbreviated and modified version of Chapter 8 in his Durable Inequality (1998).[2] In the 1998 Chapter he delineates four future possibilities of inequality. Yet in the current paper, Tilly is read as more pessimistic (from a social-democratic or humanistic viewpoint), and rightly so.

I believe that one can read Tilly's paper as a multi-level perspective of inequality. The first layer is a "naive" one. According to this version, inequality is observed through differential capacities of social actors. People may have unequal potentials because of some objective reason. They could be ordered, then, in accordance with their capabilities in "queues", and being selected

[1] Compare, for example, "dominance ordering and comparability", which "can be described as a mutual arrangement of pair ties together with a valuation" (White, 1992: 28) to "paired and unequal categories, consisting of asymmetrical relations across a socially recognized (and usually incomplete) boundary between interpersonal networks" (Tilly, 2001).

[2] Some basic elements of the theory are specified in Tilly (1999).

respectively. But this is a very special case. Queues, then, are a rare phenomenon. The second instance of inequality is structural. Social structure systematically benefits certain players at the expense of others. More specifically, structurally advantaged actors can systematically exploit others. The third layer is a narrative one. Social construction and negotiation of reality define who gets what piece of the pie (Lieberson, 1980).

First Layer: Queues and Rational Agents

For economists, inequality typically stems from variations in "endowment" (people may differ in aptitudes or finance) or "preferences" (leading people to different investments: one in crime, another in higher education). In their idealized world of perfect competition, economists envisage purposive agents making rational choices, based on perfect information. Their differential abilities create queues in the marketplace. Though ordered queues are rare, and what economists describe as "non-competitive market", "directly unproductive profit-seeking behavior", "rent-seeking society" are common, the economistic models take the competitive, fair, and quite impossible case as their baseline exemplar for theory construction.

If queues were not so rare, we could have perfectly modeled inequality in the labor market by calculating agents' parameters for a mutual rational choice. For example, in a perfectly competitive market, employers seek and choose employees (and vice versa)[3]. For that, all we would have to do is: (1) model a queue of ordered objective qualities of employees, and (2) corresponding queues, composed of ordered objective attributes of employers, and then (3) explain their match (or mismatch) in a precise way (using highly stylized technique such as simulation, or an empirical technique such as switching regression model). If queues were not so rare, we could have easily explained trends in structured inequality using Markovian chains of supply and demand of jobs and candidates.

Social queues are rare, precisely because they require comparison between individuals based on "objective" qualities. Yet, the social organization is rarely conducted in that fashion. Many social skills are culturally constructed. Additionally, there is a spillover between different spheres of action. For example, the decision of a female to work in a female-segregated sector is determined by the sexual division of labor in her household (Oren, 2001). Economic decisions, particularly those related to gender roles - are refracted through an ideological lens (Bielby and Bielby, 1992).

[3] See a review in Chase (1991).

Second Layer – "Thin, but Constrained Rationality":[4]
Social Networks, Opportunity Hoarding and Exploitation

Even if a required skill for a job is "objectively" defined and measured, it is common that recruitment and promotion are overshadowed by another "irrelevant", categorical criterion. This is particularly true where skills are hard to measure, or where a job performance requires the execution of discretionary power, and where trust is integral to the role. To the degree to which discretionary power, uncertainties in performance measurement, or in future contractual arrangement are high, social networks become the vehicle for valuation, recruitment and promotion. More specifically, to the extent that uncertainty is essential to the task, social ties would be tighter, and networks would tend to be more cohesive (Talmud and Mesch, 1997; Talmud, 1999). For example, it is evident that female middle managers in a technologically-intensive matrix firm - who have to break the corporate "glass ceiling" - are typically promoted through strong ties, while male managers' promotion is a positive function of their weak ties (Burt, 1992; Chapter 4). Additionally, it has been found that network density (indicating average strength of relations) increases with managerial rank and with trust, because it provides cohesion, which is necessary for smooth organizational politics.[5]

Networks usually serve as an opportunity-hoarding device. The precise configuration of a network is contingent upon the type of transaction taking place. To follow Tilly's imagery, social networks run queues. If we assume, at least as a heuristic device, that people are rational actors, then it implies that social agents attempt to maximize (or optimize) their advantage over others, given their opportunity and constraints structure. Now we can take this psychological working assumption into a sociological scheme. Systematic differences in network positions provide social actors with distinct opportunities and constraint patterns. Accordingly, actors who occupy various network positions make different cost and benefit calculations. It follows then, that network position produces differential rates of accumulation between the advantaged and the disadvantaged. Evidence can be shown from sociology of science, through housing markets, to relations in the world system. In other words, those actors occupying a monopoly position over scarce resources or over privileged access to those assets (through their "social capital": their direct and indirect relations with others), can influence the "price" of the transaction. Network position, then, determines the ability of an actor to deviate from equity in exchange relations. Those structurally advantaged actors can "exploit" others by directly squeezing a profit from their advantageous position. Their profit includes appropriated "rent", an unproductive reward, that is directly derived from their monopolization or usurpation of a social position (c.f. Sorensen,

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4 On "thin" versus "thick" rationality see Ferejohn (1990), Hechter and Kanazawa, (1997).

5 See a review in Talmud and Mesch, 1997; Talmud, 1999.

2000). Not only do people attempt to navigate their way in the social labyrinth, they also try to construct ties to gain access to privileged resources and to block others from privileged access, as Geertz vividly demonstrates in the Moroccan bazaar of Sefrou. (Geertz, 1979). Network structure, then, advises us of the ways inequality is precisely generated and reproduced. Moreover, network configuration determines the differential abilities of actors, by explaining the way position in a social structure systematically benefits certain players at the expense of others.

Third Layer - "Thick" Rationality:
Networks, Narratives and Inequality

The problem is that people are not that rational. Like any other social phenomenon, inequality is inherently structured by narrative means; a means which is an integral part of the "structural" side of inequality. A "thick rationality" framework pays a price of being less parsimonious then "thin rationality", but offers the reward of greater realism. The term "thick rationality" implies that rational agents are structurally embedded in networks of ongoing relations, in political and legal institutions ("political embeddedness"), in normative expectations and ideological scripts ("cultural embeddedness"), and in subjective perceptions of the environment ("cognitive embeddedness") (Zukin and DiMaggio, 1990). If we adopt a "thick rationality" assumption, then the process of inequality seems to be much more complex. We also are able to understand the duality of social structure and human agency. According to the "conversation" approach, the very terms of the exchange are dictated by negotiation. It has a "fixed effect" of narrative or discursive practices, but a "variable effect" of improvisation (Tilly, 1999). In this "conversation" people try to maximize their well being and fate using scripts, rules and resources. But one cannot assign, neither to the individual interest, nor to social rule, an *a-priori* analytical advantage, even though many "conversational analyses" clearly demonstrate the fact that relational patterns are often asymmetric. A "conversation" approach is an attempt to assign a narrative-interactionist perspective at the meso-level. Conversation is embedded in the social exchange between actors, along with other resources.

Inequality and Heterogeneity

Rare also is the situation in which inequality involves scalar differentiation of resources and rewards. More often, different groups or communities (categories) vie for those resources. Status groups usurp societal goods, but sometimes categories, which are not even groups, are denied access to certain kinds of assets (female, homosexual, physically disadvantaged). Like Blau, (1977), Tilly draws a link between inequality and heterogeneity. Subtle selection processes often involve a form of negotiated order or an asymmetric "conversation", in which the powerful group successfully manipulates the upper mobility process. Stringent selection of upper mobile people frequently curtails the opportunity of subaltern groups to compete with the dominant group over lucrative positions in the economy. Still, in the "Western" democracies, meritocratic selection (=queue) is viewed as a legitimate basis for the differentiation of opportunities (Shavit, 1990). However, when the subordinate group is excluded by direct or subtle discrimination and, consequently, prevented from competing for desirable positions, the system is not pressed to practice rigorous selection. A subtle form of discrimination is cultural distinction. In the short term, the ability to manipulate inequality via institutionalized cultural distinctions is the cheapest control mechanism. Yet, more and more we observe that excluded groups do not accept their presumed "cultural inferiority". They create their own "identity politics".

From the dominant group perspective, successful conversation is the ability to capture resources, to use them for further exploitation and accumulate more productive and exploitative resources, and to translate this "material" profit squeezing capacity into a taken-for-granted reality, in which at least two social categories have "naturally" different qualities. As a result, they have distinct access to valuable resources.[6] Conversation is different from "discourse" because it utilizes discourse or ideological script as rhetorical devise. Yet, I would argue that narrative practice is often an inherent characteristic of inequality generating process. Discursive practice, furthermore, is an integral part of capturing value-producing resources.

Global Trade Networks, "the Market" as a Rhetoric Device, and Privatization Project

If one takes, for example, the globalized economy as a merely structural process, one cannot comprehensively depict its impact. I contend, in a way similar to Tilly, that globalization is first and foremost a structural phenomenon, involving rapid technological innovation, especially in communication and transportation, and consequent expansion and intensification of international trade and investment networks. Globalization of trade and production is facilitated and amplified by yet another kind of globalization: i.e. international conceptual diffusion of "the market" as an abstract system. It is a narrative depiction of the "marketplace" according to the popular version of the perfect competition paradigm of textbook economics. This narrative, diffused by social agents [7], reproduces non-discursive (i.e. structural) practice (international trade networks). In short, globalization stems as structural-material phenomenon, but

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[6] On contrasting strategy, which should be utilized by the subaltern group, see Bhabha, (1994).

[7] Social agents have incoherent interests in this narrative. Professional economists strive for prestige and "pastoral power", capitalists need a cover-up of the ways competition is not perfect in a privatized economy. Still, not all of them have vested material interest in this discourse. Though politicians may sometimes have an interest in privatization (belief in accountability and effectiveness, budgetary relief) the state, as a political organization, does not necessarily have a clear-cut interest in privatization.

is facilitated by "conversations". These conversations entail asymmetric discursive practices which are governed by economists, though not without weak, but significant, social resistance. Neo-liberal discourse profoundly generates a series of responses, among them: changing international and domestic barriers, deregulation, and privatization. It is common also to accompany privatization of state-owned enterprises by corresponding levels of decreasing societal responsibility and individualization of solidarity and public compassion. The decline of the welfare state is often weaker than the counterpart decomposition of the state-as-economic-producer. The reason for this stems from domestic political and electoral considerations which undermine politicians' intentions to privatize the state-as-social-insurer.

Tilly marks three components contributing to the growing inequality in a globalized world. These are: financial capital, concentrated information stores, and scientific expertise. All are highly concentrated commodities (and means of production of further exploitation). From a purely structural view, he is correct. Yet, the future of inequality is contingent upon the way the economy and politics intertwine. What is evident from the shift from organized corporatism to "disorganized capitalism", is the decreasing ability of political and social agencies to buffer societies from global market. In other words, it seems that intensifying globalization reduces the political actor's level of control. Yet, without the global narrative of "the market" and the construction of international institutional framework, globalization of trade cannot operate smoothly.

More specifically, privatization efforts and neo-liberalism discourse emerged because of the chronic incapacity of the state to effectively steer the contradictions between political equality (the essence of the legitimation process) and economic inequality (the crux of the accumulation process) under the globalizing marketplace. There are other possibilities of steering the economy, even under the increasing importance of the globalization regime. As "rational" agents, diverse social actors (capitalists, states, and professional economists) attempt to mitigate the changing conditions of the global economy. Yet, the ideological conception of the market ("cognitive embeddedness") serves as a blinder. All other policy options are deemed impossible or ineffective. More important, this very attempt to construct the market assists in covering privatization's future pitfalls, especially regarding increasing inequality, where other voices are considered ridiculous or utopist (Talmud, 1995). Neo-liberalism, thus, transforms the program of neo-classical economics, as a discursive practice, as a "savior", a base of knowledge to recognize the "economic order of things" (Foucault, 1991), into a real practice. This, in turn, brings about some meaningful chronic inequalities, structural hazards, and, in the long run, creates basic contradictions between "govemmentality" - what citizens expect from the state - and the economic practices of the state. As an institutional response, then, the privatization project entails contradictions between the real economic options and the individual life-worlds.

Exploitation is possible because social networks generate unequal access to scarce resources. A "conversation" also means possible resistance. Because people utilize narrative devices with other forms of negotiation, they can enhance, cover, or expose roots of inequality. Moreover, the contradictions between a narrative (for example: free and fair opportunities) and practice (intersection between social categories such as: ethnic groups, and their unequal access to resources) may lead to social explosions. I am afraid that in a globalized economy, where chronic unemployment and hopelessness will thrive, we will face many social outbursts.

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