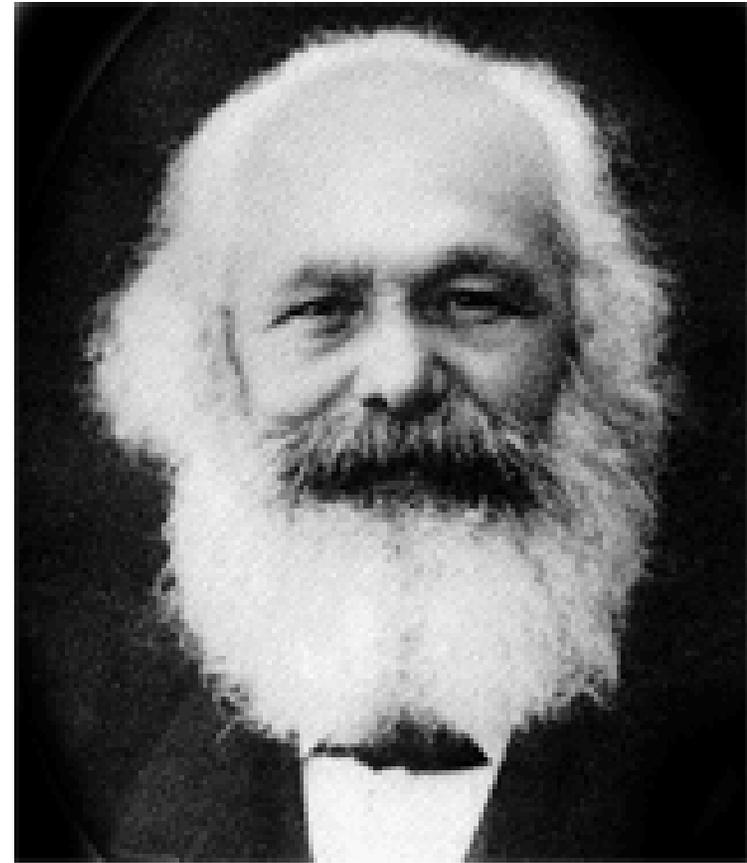


# Lecture 6: Economic, Sociological, and Political Theories of Conflict

- Marxism
- Strain Theory (American Dream)
- Relative Deprivation
- The Problem of Values and Possible Solutions

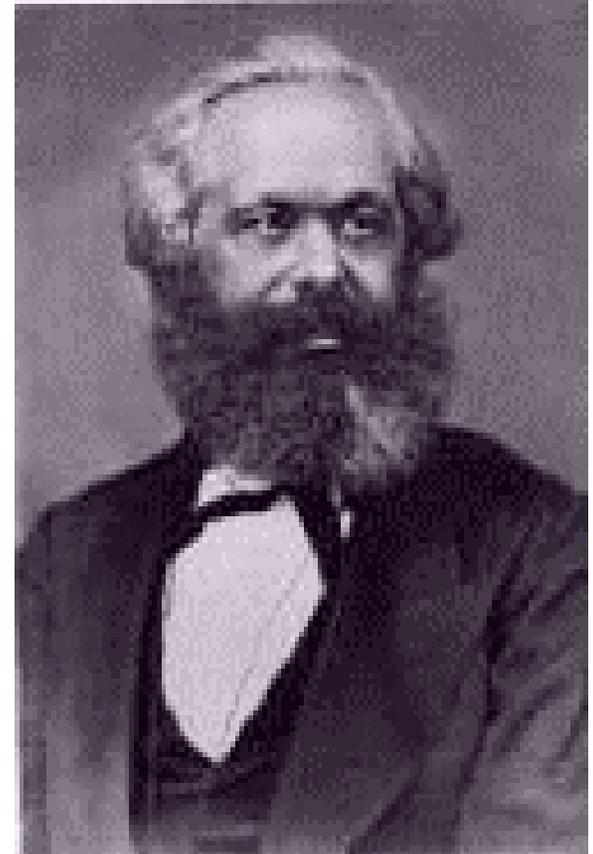
# Part I: Karl Marx (1818-1883)

- Born to a wealthy Jewish family
- Studied at Universities of Bonn and Berlin
- Wrote many works including: Capital, The German Ideology, The Communist Manifesto, etc.
- Influenced many world leaders including Mao Zedong, Leon Trotsky and Vladimir Lenin.



# Marxist Perspective

- Premises
- 1) Social class and inequality defined by
  - (a) means of production
  - (b) social relations of production



# Marxist Perspective

2) Two conflicting social classes with differential power

A) Capitalist or **Bourgeoisie**

- Owners of capital and “means of production”
- The capitalist class are the “Haves”, and can buy and control labor for profit.

# Marxist Perspective

## B) Wage laborers, or **Proletariat**

- Sell their labor power to the bourgeoisie
- The “Have Nots”
- Petty bourgeoisie
  - Salaried or management positions
- Lumpenproletariat
  - Unemployed (reserve army of workers)

# Marxist Perspective

- 3) Social Conflict leads to class struggle
- Class inequality includes exploitation of the powerless at the hands of the powerful

# Marxist View of Class



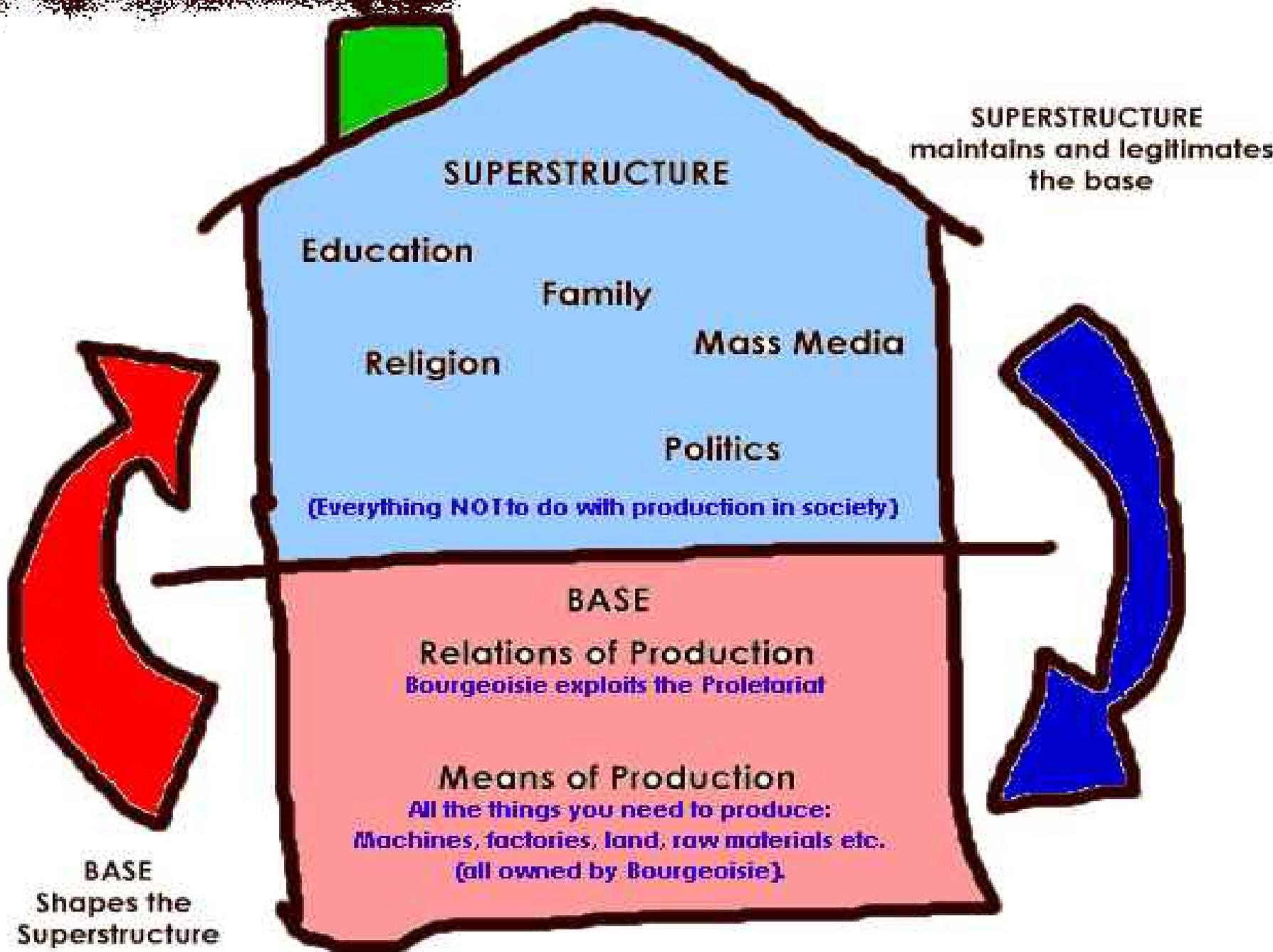
**Owners of  
Production  
(Capitalist  
Bourgeoisie)**



**Workers  
(Proletariat)**



**The Non-Productive  
(Lumpen Proletariat)**



# Basic Questions:

- Is money (or the economic relations we are in) the most important determinant in our life?
  - our achievements;
  - our social relations;
  - our ideas;
  - literature and all the cultural products.

# Marx's Critique of Capitalism

1. Capitalism – caused by industrialism's amplification of labor power. Machines and technology lead to surplus values, and the accumulation and expansion of capital.
2. Consequences: exploitation and alienation of laborers; reification and commodification of human relations

# Control over “Ideology”

- Marx argued that the capitalists not only had control over the means of production, but also the cultural aspects of society.
- The powerful use the media and other sources of information propagation to spread myths about how the system works.
- Marxists often like to highlight myths in society.

# False Consciousness

**commodity fetishism**

# Dialectic Materialism: Marx's Two major Statements

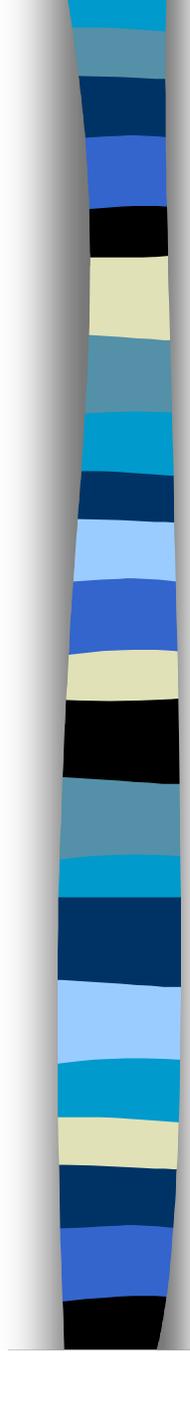
- It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness.
- (In other words-- Consciousness does not determine life; life determines consciousness.)

# Marx: Two major Statements (2)

- The philosophers have only interpreted the world in various way; the point is to change it.
- Marx believed that revolutions (and violence) were the main way, if not the only way to resolve the inherent conflict between the “Haves” and the “Have Nots”

# Part II: Anomie/Strain Theory

- Anomie: state of “normlessness,” or lack of social regulation in modern society.
- Merton believed an integrated society maintains a balance between social structure (approved social means) and culture (approved goals).
- Anomie occurs when there is a disassociation between valued cultured ends and legitimate social means to achieve those goals.



# Conflict: Means and Goals

- Cultural Goal in U.S.?
  - This goal is universal
  - (The American Dream)
- Institutionalized Means?
  - Due to the social structure in the U.S., the means are unequally distributed
  - Segment of society with no way to attain goal



# Typology of Individual Modes of Adaptation

**MODES OF  
ADAPTATION**

**CULTURAL  
GOALS**

**INSTITUTIONALIZED  
MEANS**

**1. Conformity**

+

+

**2. Innovation**

+

-

**3. Ritualism**

-

+

**4. Retreatism**

-

-

**5. Rebellion**

+/-

+/-

# Part III: Relative Deprivation

- Are people seeking an absolute level of material wealth and subjective happiness?
- What happens when people are happy, but perceive other people have more than them?
- The causal mechanisms are complex (involve individual and group-level forces), but inequality does seem to have bad outcomes for society (happiness, crime, and health).

# Social Comparisons

- Am I rich? Am I beautiful? Am I happy?
- How we view ourselves is largely influenced by comparing ourselves to others.



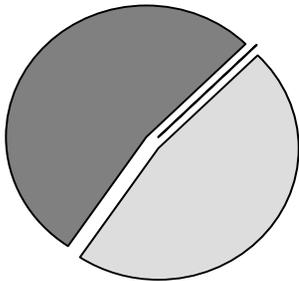
People living in the Tanzanian village I worked in told me that they were happier before I started living there.

“Brian, you have a motorcycle, a car, medicine... food all the time. Before you came here, I knew I was poor, but now I really want things.”



# Widening Gap between Rich & Everyone else in US

**Wealth in America:  
Bill Gates &  
"Everybody else"**



- Bill Gates is wealthier than half the American people put together!
- Is this a problem?

# Theory of RELATIVE DEPRIVATION

- “a person (or group) feels more or less deprived **on basis of comparisons between one’s own situation and that of comparable others**”
- “relative” “subjective perception of **gap** “between **self and relevant REFERENCE GROUP**”

# Theory of Relative Deprivation



- disparities between individuals in small groups

Example: “The American Soldier”

- Researchers found morale higher in companies with lowest promotion rates?
- **WHY?????**

# “Relative deprivation” among soldiers in small groups

- A soldier’s “satisfaction level” is based on the promotion rate of “relevant reference groups” (other soldiers in their unit) and not on the basis of some objective standard (highest promotion rate in all units).



# Study 282 areas - US

## Mortality rates & RELATIVE (not absolute) income gap

- 
- **High Mortality Rates**
  - Biloxi, Miss.
  - Las Cruces, NM
  - Steubenville, Ohio
- **Low Mortality Rates**
  - Allentown, PA
  - Pittsfield, Mass.
  - Milwaukee, Wis..

# Which occupations most harmful to your health?

- **“K-sector”**
  - Knowledge workers
  - **“C-sector”**
  - Workers making
  - consumption goods
  - **“S-sector”**
  - Workers in service
  - sector
- **Which sector employs most Americans?**

# 80% Americans work in Service Sector (“S-sector”)

- Low (minimum) wages
- No subsidized health care
- No corporate pension plan
- Few opportunities for upward mobility



# Additional evidence: Cross-sectional correlations

## Occupation & Health

- 1970 Study
- Large-scale  
N=17,000
- British
- civil servants
- several occupations
- Who had more heart attacks? higher rates of cancer? higher rates of other illnesses?
- **Clerks or managers?**
- **Chief Statisticians or**
- **Assist. Statisticians?**

# Difference in job rank is a strong predictor health

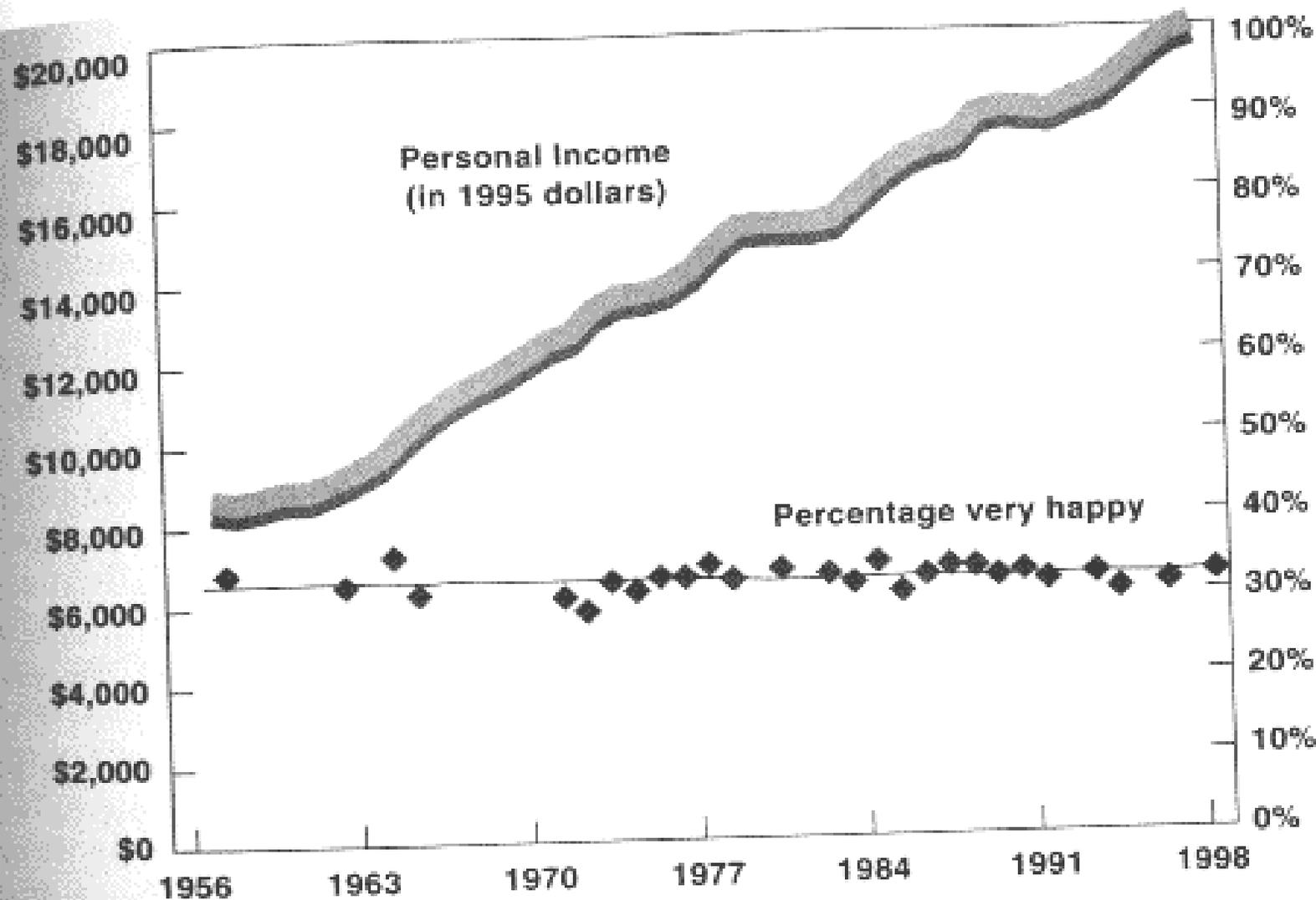
- Clerks & Assistant Statisticians **4 times more heart attacks**
- same pattern with other illnesses



# Social Comparisons: Does Money Really Make People Happier?

- Correlation between wealth and happiness is surprisingly weak.
- Happiness is lower among the very poor, but once people are meeting their basic needs, they self-report to be happy.
- **Relative deprivation** is important; People report they are happy, as long their “frame of reference” is among people of **similar** socioeconomic standing.





Source: Happiness data from General Social Surveys, National Opinion Research Center, University of Chicago. Income data from Bureau of the Census (1973) and Economic Indicators.

# The Gini Coefficient

- Bounded between zero (complete equality) and one (complete inequality).
- Treats deviations from equality the same regardless of where they occur within income distribution.
- Typically between 0.25 and 0.35 for developed countries.

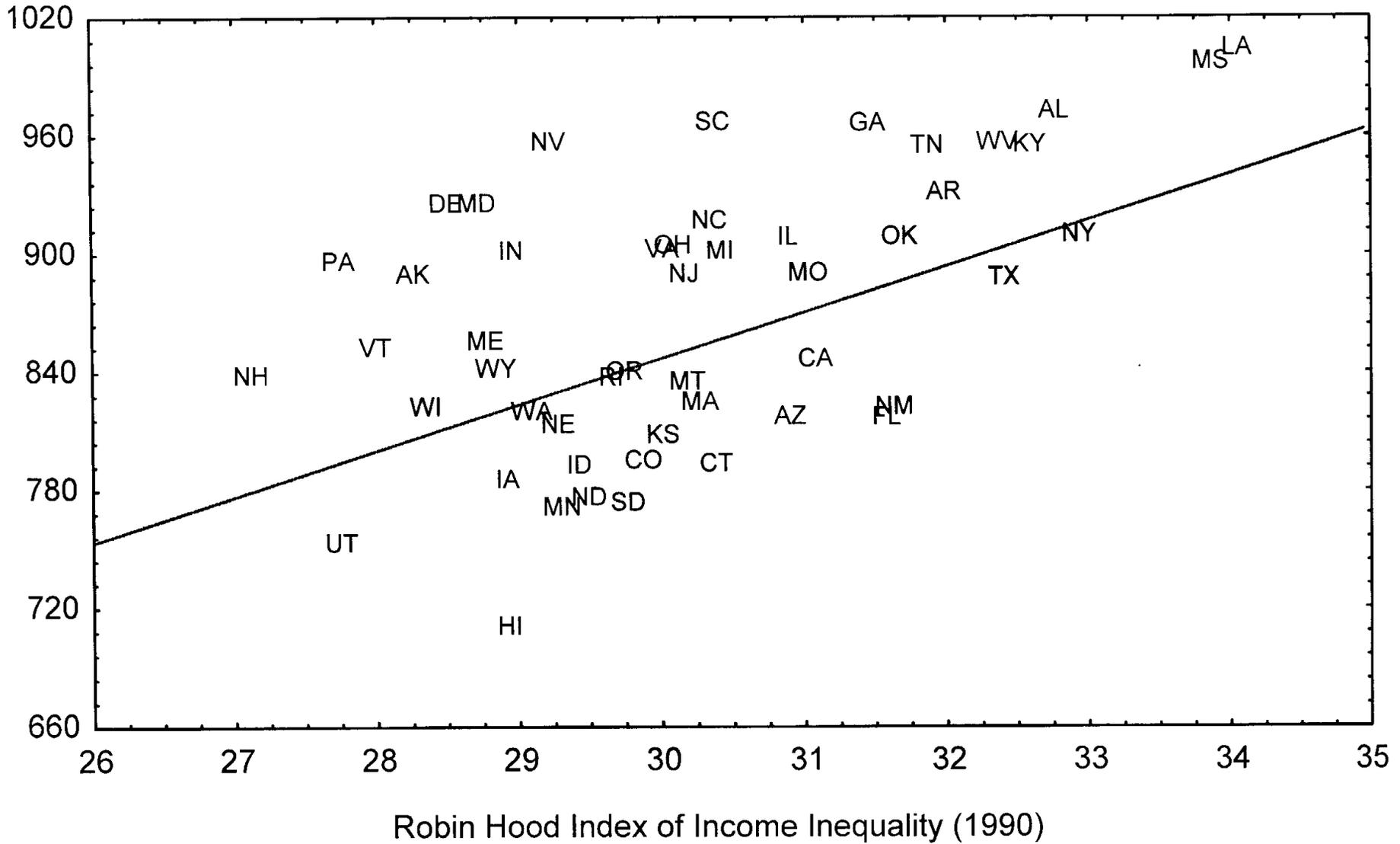
# The Gini Coefficient 1961 – 2001/02



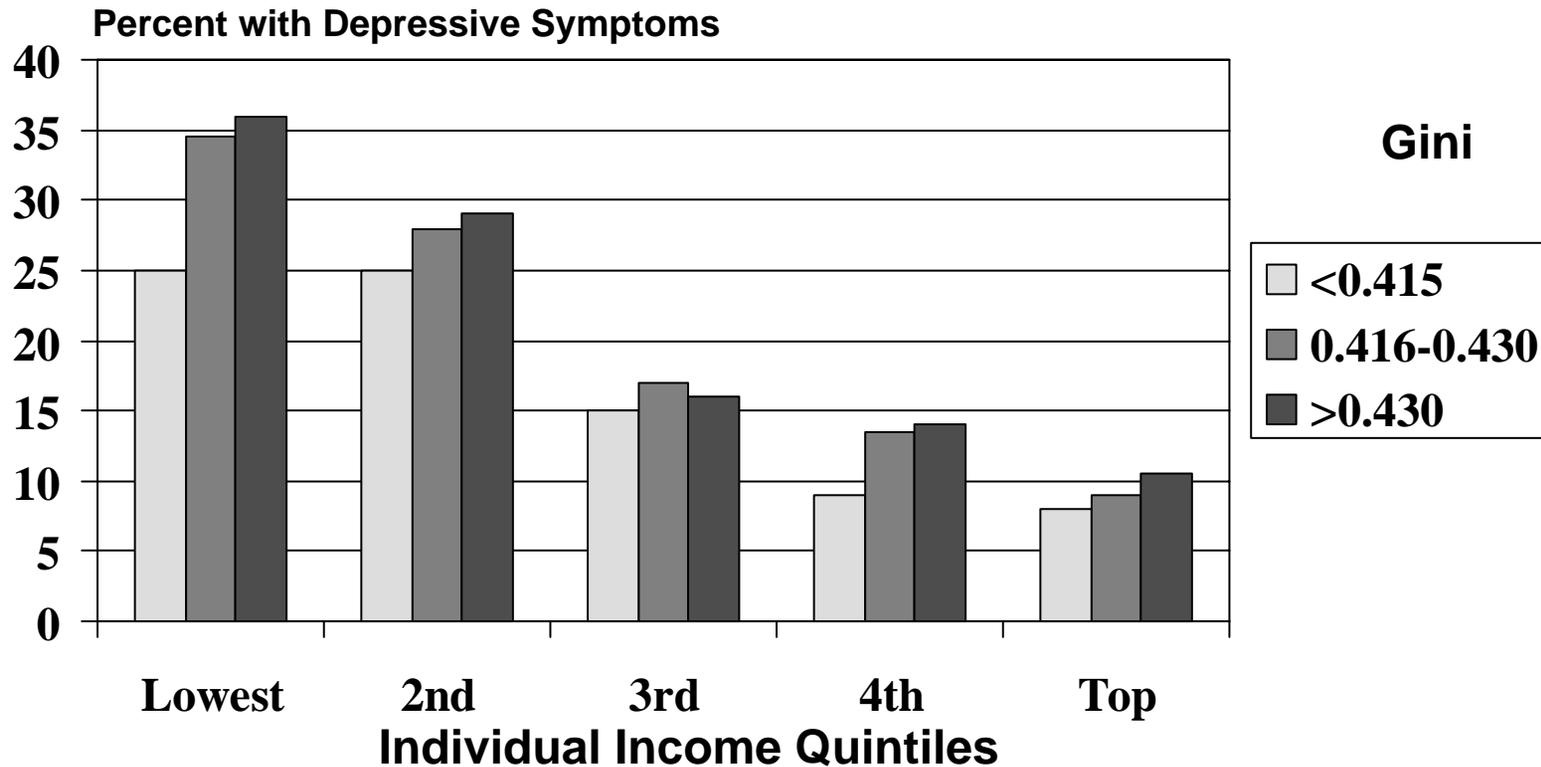
# International Comparisons

<b>Country</b>	<b>Gini</b>	<b>Country</b>	<b>Gini</b>
Mexico	0.526	Canada	0.285
Italy	0.345	Germany	0.282
USA	0.344	France	0.278
Greece	0.336	Netherlands	0.255
Ireland	0.324	Sweden	0.230
UK	0.324	Finland	0.228
Australia	0.305	Denmark	0.217

# State-Level Income Inequality and Mortality (Kennedy, Kawachi 1996)



# State Income Inequality, Individual Income, and Maternal Depressive Symptoms



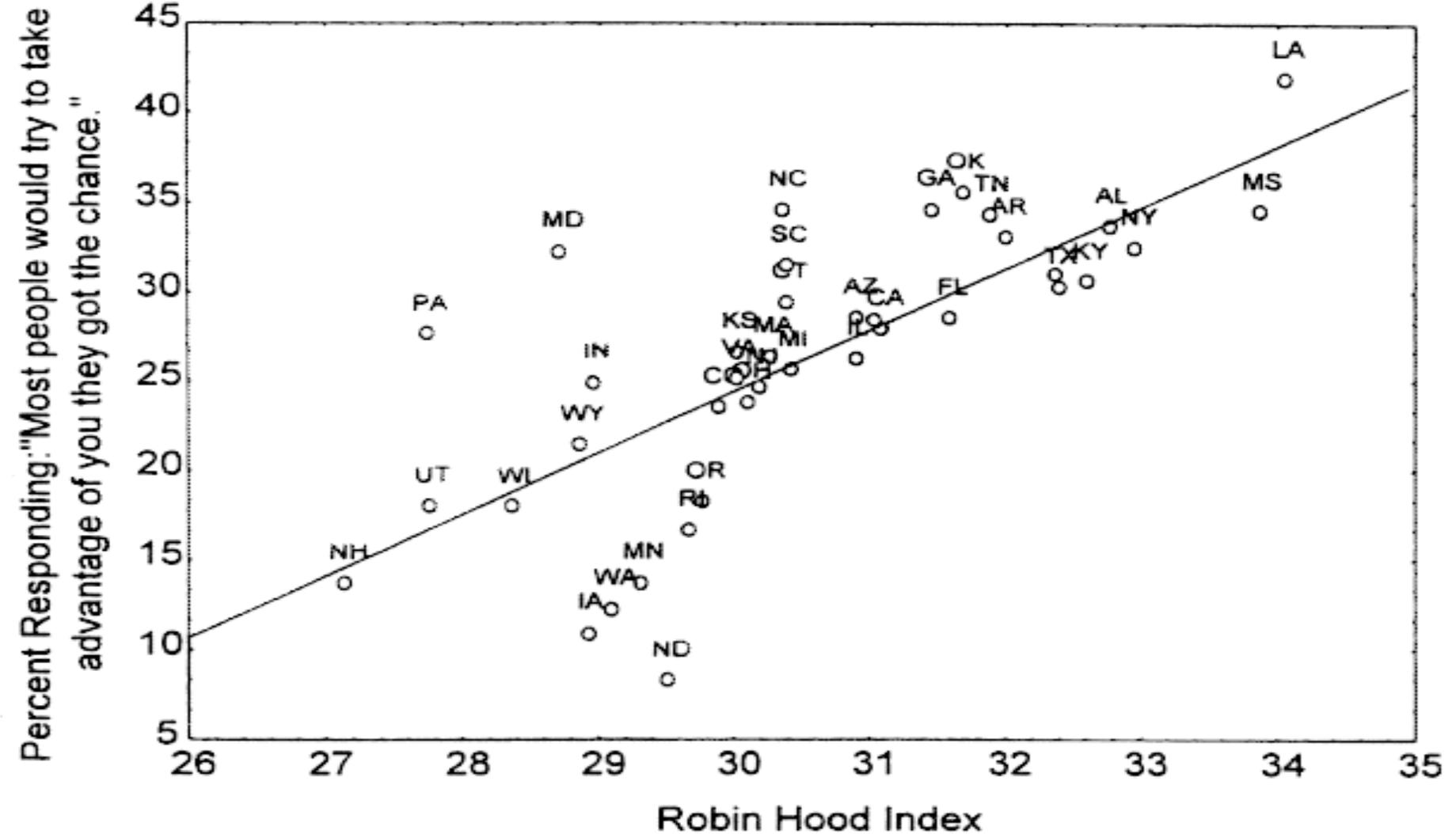
What factors (mechanisms) help explain these correlations?

- **Psychosocial factors**
- **Social spending**

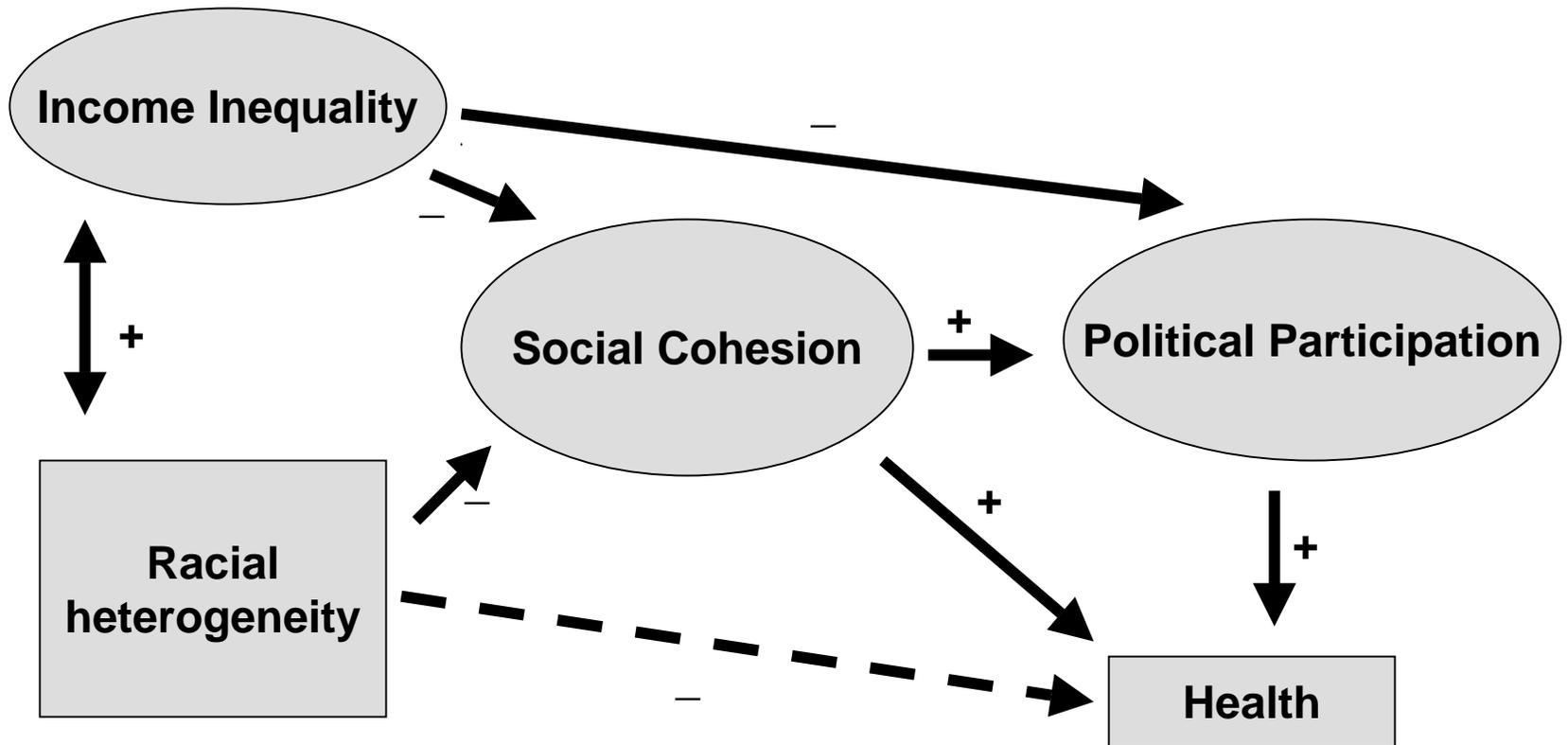
Social cohesion:

- **Civic engagement**
- **Voluntarism**
- **Norms of reciprocity**
- **Trust**

# Mistrust is higher in more unequal states



# Pathways to Health at the State Level



# Part IV: The Problem of Values and Possible Solutions

- As an individual, family member, community member and national, all humans hold somewhat different values and expectations.
- Darwinians highlight the struggle between individuals, and Marx highlighted the struggle between groups.

# The Basic Problem

- Because all people want the same scarce resources they cannot all be happy. They all want food, love, respect, social interaction, status and power.
- Status is the largest problem. Can all people have the SAME status? No—for one person to be “higher-ranked,” someone else has to be the “lower-ranked”.

# Is Economic Growth Good?

- Very rarely will a politician ask if economic growth is always a good outcome (exception, Jimmy Carter).
- Most countries seek to expand their economies, and shape policies for this goal.
- Such behavior is analogous to drug addictions; we are happy at first by our new car, but when economic growth brings faster cars, we have to trade in our “old” car to keep up with the Jones family across the street. Thus, we demand other “fix”.

# Competition and Groups

- Party because of our sense to “want more”, humans cooperate with others to achieve their goals.
- As a result, we get numerous interest groups competing to satisfy their goals.
- Conflict emerges as groups find different ways beat their competitors. It is no surprise that many some aspects of business or corporate culture uses WAR rhetoric. “We will “wipe out” their market share.”

# Group Preferences Vary

Preferences	Fishermen and River-runners	Wild river enthusiasts	Farmers
A. Small dam	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>
B. No Dams	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>
C. Big Dam	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>

# Solution 1: Market Rationality

Markets are organized around an institutional set of rules that govern interactions between individual and rational actors, allowing them to collaborate in exchange transactions for their mutual benefit.

Financial markets lead to exchanges of products.

However, democracies function through voting markets. The “product” who wins is the person who receives the most votes. The car that “wins” is the one that the most people prefer to buy.

# Solution 1: Market Rationality

- **Advantage:** individuals get to express their own preferences “I want Hillary as President; I want to a BMW”.
- **Disadvantage:** it is difficult to decide about fair rules to govern the market.
  - 1.) If people want sex, drugs, and rock n’ roll, should the markets be allowed to provide these.
  - 2.) What happens when people fail to provide public goods? For example, will people all prefer to protect the environment, and to provision group-defense?

# Solution 2: Planned Rationality

- Non-market economies attempt to organize a collective, rational attack on problems, rather than depend on the individual anarchy of markets.
- Government bureaucracies are organized to make collective decisions.

# Solution 2: Planned Rationality

- Advantages: Can escape the kinds of selfish rationality that can produce group disasters (China and the one-child policy?)
- **Disadvantages:** It is very hard to aggregate value preferences (i.e., what people want) in order to arrive at general goals. Is it fair to compare people's values?
- Example of the dams: Do 10,000 kayakers enjoy their sport more than 1,000 farmers enjoy the water for irrigation?

# Solution 2: Planned Rationality

- Who makes the decisions in the planned economy? Are they altruistic? Do they care about all of the interest groups equally?
- If you were a dictator of the U.S., would you help EVERYBODY?

# Question

- Do you prefer the market economy or more guidance by planners?
- This is a fundamental question that often influences which political party one is affiliated with.