
Social Justice and Social Divisions

The class structure and class divisions associated with the knowledge/service economy are quite different from those of the industrial age. The blue-collar working class was the largest class grouping in the old social order. Marx labelled the working class the 'universal class', and of course expected it to be the agent of revolutionary change. Today, the manual working class is very much a minority, and its numbers are set to reduce further as the proportion working in manufacture continues to diminish. The old working-class communities, that used to be the source of much local solidarity, have largely broken up. What used to be the 'middle class' has become much more differentiated, while the land-owning upper class has largely disappeared. Separate agrarian classes have more or less completely evaporated too.

New occupational divisions have come into existence, based upon the social and technological changes associated with the knowledge/service economy. About two-thirds of the jobs generated by the new economy are skilled—they demand a technical knowledge of information technology (IT) and other skills too. Such jobs are becoming more plentiful in relative terms. Over the period 1995–2004, the proportion of jobs in the EU15¹ demanding advanced qualifications in IT—'Apple Mac' jobs—went up from 20 percent to 24 percent. But many people have to work in much more routine 'Big Mac' jobs—serving in cafés, shops, supermarkets or petrol stations. The propor-

tion of such jobs may be declining compared to more skilled occupations, but it remains substantial.

The class structure of a post-industrial society looks as portrayed in figure 1. This picture is a generalized one, since different societies vary between themselves to some considerable degree. The percentages given are only rough guides, and refer to individuals, not households. The group at the top is an amorphous one of elites whose power and outlook are as much transnational as national, especially in Europe's 'global cities'. They may include substantial proportions of immigrants. The French banker working in the City of London leaves his office in the early evening. As he departs, a cleaner from the Philippines, who is regularly sending money to her family there, comes in to tidy up after him.

At least 50 percent of jobs in the knowledge/service economy demand a high level of cognitive and/or personal skills, stretching down into work performed by 'wired workers'—those who use computers much of the day, but are not themselves IT specialists. All class categories can involve those who work for the state or in state-controlled enterprises. The distinction between those who work for the state and those who don't tends to coincide with divisions in labour markets; but job security is normally highest for those in classes 1, 2 and 3.

One of the distinguishing features of the knowledge/service economy is the high pro-

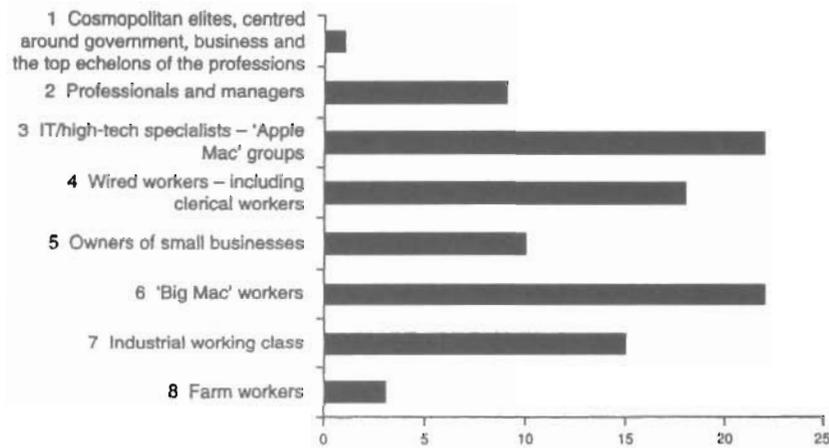


Figure 1. Classes in Post-Industrial Society (% of Population)

portion of women in the labour force—although few work in manual occupations. Women are heavily represented in 'Big Mac' jobs and among wired workers. They are also more likely to work part time than men are. Only 7 percent of men in the EU15 countries work part time, while 30 percent of women do. Women's wages are on average about 15 percent lower than those of men doing the same or a comparable job.

These gross figures mask some important trends. The gender gap in pay is tending to become reduced almost everywhere. Moreover, at the bottom end women are actively doing better than men—declining wage levels and job security are much more marked among low-skilled working-class men than among women of comparable skill levels. Crucially, the role of women in providing household income is increasing dramatically. In Denmark, it is reaching parity with men, at 42 percent, although at the other end of the scale, in Spain and Italy, it is as low as 27 percent.²

Low pay does not necessarily mean that a person lives in hardship if he or she is a supplementary earner in the household. Household inequality is substantially lower than individual inequalities in most EU15 countries. Households most likely to be in poverty are single-earner households and es-

pecially households where no one is in work. The proportion of households in the EU15 with no one working ranges from 15 percent in the UK to 6 percent in Denmark.

The changing class structure has altered the nature of politics—and much else besides. In the old society, politics was largely shaped around the dividing lines between the manual working class and the rest. There were always 'working-class Tories', and social democratic parties needed to appeal to other groups besides the working class. But political activity correlated strongly with class, and voting preferences tended to be quite stable from election to election. Now the major political parties have to appeal to diverse constituencies, while many more voters are 'dealigned'—they do not automatically stick to the same party.

The working class was (and is) very much divided along skill lines. Skilled workers, either craftsmen or those who worked in various areas of industrial technology, normally had quite stable jobs, and often were more affluent than clerical workers and others in the lower reaches of the middle class. Skilled workers in established trades that continue to thrive can still be in much demand—consider the fabled Polish plumber. However, the position of the unskilled has worsened. Unskilled workers—especially men—have

poor work opportunities, above all in areas where manufacturing industries have closed down. Even 'Big Mac' jobs involve face-to-face social skills that those from traditional working-class backgrounds may find it hard to master. Many men from such backgrounds are in any case unwilling to do what they see as 'women's work'. Unskilled men are thus highly vulnerable to spells of poverty or unemployment. This situation often applies with particular force to migrants or those from minority groups.

To refer to the situation of groups at the bottom of the socioeconomic scale, the term *social exclusion* has been widely popularized. The point of the concept is to recognize that factors other than poverty alone might prevent individuals or groups from playing a full part in society. The notion is usually traced to the work of the French author René Lenoir. The 'excluded' in his analysis included a variety of groups, making up about 10 percent of the population—not only the poor, but also the disabled, mentally ill, older people, drug users and so forth. The introduction of the concept was important, because it drew attention to the fact that the existing welfare provisions often did not reach the people in these categories; and because it stressed that it is not only sheer economic deprivation that prevents individuals from realizing their potential.³

At one time it became common to speak of the '50/40/10' society in Europe: 50 percent of the working population are in stable jobs, 40 percent are in more insecure work, while the remaining 10 percent consists of the socially excluded, either unemployed or shifting in and out of the labour market (although the percentages varied in different versions). An underclass, in other words, has replaced the traditional working class, or the lower levels of it. A certain percentage of the population is cut adrift from the wider society.

However, this notion has proved to be incorrect.⁴ Sociologists are agreed that there is

no distinct underclass in this sense in the EU countries—although the notion may have more applicability in the US. Thus the government Strategy Unit in the UK studied four measures of social exclusion—those who are not in employment, education or training; those with a low income (below 60 percent of median income); those who have few established social ties with others; and those who perceive themselves as living in an area marked by high levels of crime, vandalism or material dilapidation. Only 1 percent of the UK population is excluded on all four of these measures. Multiple deprivation does exist, but it tends to be concentrated in specific neighbourhoods rather than affecting a 'class' of people.⁵ Social exclusion is a concept with some value, but it must not be used loosely and generically. It has essentially the same meaning as 'multiple deprivation', which tends to affect pockets of neighbourhoods and certain groups of individuals in particular (such as the homeless).

Class divisions in post-industrial society by and large are no longer behavioural, but are determined by differential life-chances. This change is a very significant one. At one time in most countries people in different class groups could be distinguished from one another quite visibly. Lifestyle variations still exist between those in different class groups, but they are often more influenced by taste and custom than by sheer financial constraints. Physical mobility, including foreign travel, is available to virtually everyone. The substantive freedoms most people have, centred around freedom of lifestyle choice, today are greater than for past generations. I shall call this phenomenon *everyday democratization*. Everyday democratization tends to stretch both 'downwards' and 'upwards' in the life-course. In the age of the Internet, childhood can no longer be as sheltered as it once was; and older people feel free to experiment with lifestyles just as much as younger ones do.

Everyday democratization does not necessarily bring greater security, or feelings of security. In fact a series of new insecurities come into being alongside it. Some are directly economic, others more social in nature. Most people want, and expect, more from their lives than previous generations did, leading to aspirations that cannot always be realized.

The degree of experienced security of different class groups tends to produce new ideological rifts in post-industrial societies. Such cleavages are partly based on rational anxieties (for example, fears of job loss) and partly on more free-floating worries. Those who flourish in the new economy tend to be happy with diversity, and embrace cosmopolitan lifestyles. Some may actively court what is seen negatively as insecurity. For instance, they may relish the prospect of moving on from job to job, and neither expect nor want to have a hierarchical career of the traditional sort. The creative industries, high-tech jobs, finance and banking and professional occupations are where such groups tend to be found in highest density.

What Richard Florida calls the 'creative class' now comprises well over 20 percent of the labour force, with a high concentration in certain metropolitan areas. It is mainly made up of people in classes 2 and 3 in my categories (see figure 1). The members of the creative class are diverse in terms of background—it includes people of all ages, from different ethnic groups and of differing sexual orientations.⁶

To measure the distribution of the creative class in the US, Florida developed a 'creativity index', based on four factors: the percentage of the creative class in the workforce; the percentage working in high-tech industry; innovation, as measured by patents per capita; and diversity, as assessed by the 'Gay Index', the proportion of gays being taken as a proxy of openness. Some cities, such as San Francisco, Austin or San Diego, rank high on all measures. Others are cities

bypassed by the creative class, such as Memphis or Pittsburgh.

Those cities near the top of the Florida list head the country in terms of economic prosperity and job creation. The liveliest local economies are characterized by the 'three Ts'—talent, technology and tolerance. They are above all *cosmopolitan*. The members of the creative class are very mobile, and will gravitate towards those cities in areas that offer what they want in terms of lifestyle. They prefer active, participatory recreation and street-level culture—a blend of cafés, restaurants, galleries and theatres. They are into a variety of active sports. They involve a high proportion of qualified migrants. According to one study, almost a third of all businesses set up in Silicon Valley in the 1990s were started by Indian and Chinese-born entrepreneurs.

Some cosmopolitans in Florida's sense may be found in other class groups too, given the available range of possible lifestyles. However, many who feel vulnerable to unwanted change are better characterized as *locals*, who rather want to stick to the existing order of things, or who look back nostalgically to the past—real or imagined. They might look for scapegoats, for example immigrants, upon whom to blame their troubles; and they might be attracted by political populism and economic protectionism. Immigrants themselves are not necessarily cosmopolitans. In their attitudes they may become locals, just as hostile to further immigration as groups in the native population.

Coupled to the other changes, especially in the sphere of the family, the changing class structure alters the distribution of 'at risk' groups, as well as the nature and form of inequalities. The conditions generating 'at risk' groups are structural, but how far they translate into real vulnerabilities depends upon the policy mix of a particular society, as well as specific blockages it might have. The other side of risk is *opportunity*. We must not make the mistake of supposing that risk is always a

negative factor. Some of the most important changes are the following:

1. There are on average fewer jobs with secure tenure for people in most work situations, although there are variations, depending upon the strength of insider/outsider divisions in labour markets.
2. Risk (and opportunity) are distributed differently across the life-span from how they were in the past. Risk and opportunity do not just 'happen' to people. More and more people think strategically about their lives in terms of future possibilities—including the decision to have a child/children. Transitions at different phases of life are both less predictable and less mechanical than they used to be. Heightened rates of divorce and separation mean that transition can happen at diverse times.
3. The intensity of technological change, conjoined to a more globalized division of labour, creates new vulnerabilities for some groups. Young men with no qualifications, as mentioned, are likely to fare especially poorly. Older workers in manufacture, whose jobs disappear, risk long spells of unemployment, or the prospect of never working again, unless appropriate policy interventions are made.
4. On average, older people hold a greater share of overall wealth and income than they did in the past, compared to the young. Many, however, are still at risk of poverty on retirement. Older women living on their own are the most vulnerable. However, risks have cascaded down more towards the young rather than the old.⁷ Child poverty has become commonplace where child care facilities and opportunities for work for women are underdeveloped.
5. 'Big Mac' jobs tend to offer little chance of a career. This situation may not matter where they are carried out by groups who have the capability to move into other sectors—such as students who work in coffee-shops during vacations or in gap years. It can matter a great deal for those who have few qualifications to allow them to move on.
6. In the knowledge/service society, credentials—certificates, diplomas, degrees—become of the first importance for career mobility. It is harder for affluent parents to pass on their advantages in a 'direct' way to their children. Hence they concentrate heavily on education. For example, university graduates on average earn significantly more over the course of their careers than those who do not go to university.
7. Ethnic minorities may be significantly at risk where they lack qualifications. Prejudices can be reinforced, and to some extent taken over by the members of the minority themselves. There can be additional problems for women where traditional beliefs confine their role to a domestic one.
8. Not only do many (most) women work, and for much of their lives, but their incomes are quite often crucial for sustaining the standard of living of a family. In an increasing proportion of cases they are the prime earners. This situation is not the cause of Europe's low birth rates. On the contrary, those families with the highest proportion of women in work are also ones with the most elevated birth rates. However, work/life issues become of great importance. Women are still the main carers and their careers are interrupted by having children much more than men's are.
9. There is a great deal of fluidity in contemporary society, but structural sources of mobility are different from a generation ago. There will not be as

clear a 'direction' to mobility between the generations as there used to be when many people from working-class backgrounds moved into white-collar and professional jobs. Structural mobility will depend upon a continuing overall upgrading of knowledge-based jobs at the expense of less-skilled service occupations. There are likely to be many more voluntary and involuntary career transitions, often involving a move sideways to a different job area, or taking time out from work for education or retraining.

10. Ageing is changing its nature, not just because more people will work longer, but also because there will not be the same discontinuities as before between working and non-working life. The old-age 'retirement ghetto'—a form of social exclusion if ever there was one—is being broken down. The very notions of retirement, and even pensions, might disappear in the future. In their place will come more flexible attitudes towards work and more orthodox sources of social support for those considered to be significant at-risk groups among older people, including especially many older women.

'Social justice' is a notoriously controversial notion. How far does it imply the redistribution of wealth and income, as compared to enhancing equality of opportunity? What can it actually mean in the context of a post-industrial society? The first of these questions can actually be quite easily answered on the level of principle. In a society that depends upon a highly dynamic marketplace for its prosperity, aspiration, ambition and opportunity have to be central. Equalizing opportunities is important because it makes the best use of available talents. However, reducing inequalities of opportunity necessarily involves redistribution, since otherwise those who are successful in one generation could

simply hold on to the fruits of their success. In the EU countries, post-tax inequality is significantly lower than pre-tax inequality, a desirable and necessary outcome since it sets a framework for other measures. Further redistribution occurs through the welfare system and through the direct effects of policy measures, depending on the welfare mix a society has.

How social justice should be defined is a difficult issue, about which large philosophical tomes have been written. However, a very useful working definition has been provided by the German political scientist, Wolfgang Merkel. He lists five priorities of social justice in post-industrial social conditions:⁸

1. The fight against poverty—not just because of economic inequality itself, but on the grounds that poverty (above all, enduring poverty) limits the individual's capacity for autonomy and self-esteem.
2. Creating the highest possible standards of education and training, rooted in equal and fair access for all.
3. Ensuring employment for those who are willing and able to work.
4. A welfare system that provides protection and dignity.
5. The limiting of inequalities of income and wealth if they hinder the realization of the first four goals or endanger the cohesion of society.

Obviously, the devil is in the detail, especially in respect of point 5. But the formula provides a down-to-earth scheme that is both simple and clear. It recognizes the role of equality of opportunity in a differentiated society, against the backdrop of current economic imperatives. It quite rightly gives pre-eminence to the struggle to reduce levels of poverty, since poverty limits life-chances and the capacity for self-realization. It follows from the formula that targeting child poverty is of especial significance. The higher the

proportion of those who suffer poverty as children, the more likely it is that all five goals will be compromised.

NOTES

1. EU15 comprises the following 15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom. They are member countries of the European Union prior to the accession of 10 candidate countries on May 1, 2004.

2. Gösta Esping-Andersen, 'Inequality of incomes and opportunities', in Anthony Giddens and Patrick Diamond (eds.), *The New Egalitarianism*. Cambridge: Polity, 2005, pp. 22–4.

3. René Lenoir, *Les exclus: un français sur dix*. Paris: Seuil, 1974.

4. See John Goldthorpe and Abigail McKnight, *The Economic Basis of Social Class*. London: Centre

for Analysis of Social Exclusion, London School of Economics, 2004.

5. Prime Minister's Strategy Unit, *Strategic Audit of the UK*. London, 2003.

6. Richard Florida, *The Rise of the Creative Class*. New York: Perseus, 2002. For the author's subsequent reflections, see Richard Florida, *The Flight of the Creative Class*. New York: HarperBusiness, 2005.

7. Esping-Andersen, 'Inequality of incomes and opportunities'.

8. Wolfgang Merkel, 'How the welfare state can tackle new inequalities', in Patrick Diamond and Matt Browne (eds.), *Rethinking Social Democracy*. London: Policy Network, 2004. Merkel's standpoint draws upon that of Amartya Sen. Sen argues that policies concerned with furthering equality should centre upon the 'capability set' of an individual—the overall freedom a person has to pursue his or her well-being. Amartya Sen, *Inequality Re-examined*. Oxford: Clarendon Press, 1992.