‘A class-ridden society’: that is the common judgment on Britain by social observers, whether delivered as praise or condemnation. I heard this exact phrase from two foreign acquaintances revisiting the islands after an interval of ten years, both sociologists, the one a Russian communist and the other an American liberal. The Russian spoke of the continuing hegemony of a capitalist class, with its power legally based on concentrated ownership of property and its control operating through budgetary manipulation of the level of employment, definition of welfare spending, domination of the mass media and, in the last resort, disposition of the means of violence through the armed forces and the police. He gave me, in short, a brief recital of Marxist orthodoxy in which every significant feature of social structure and the distribution of life-chances rest fundamentally on the present sovereignty and the approaching overthrow of a capitalist class.

The American used the phrase with a tone and in a context which changed its meaning. There had been economic growth, he thought, slower perhaps, but essentially similar to that of the Continent. Nevertheless, class was still the outstanding feature of our society: neither the elite establishment nor the attitudes of lower-class people had really changed. That, he added, is the reason why you still have the highest quality television in the world: a series like last year’s adaptation of Robert Graves’s *I, Claudius* would be impossible in mainstream America. Nowhere else in the Western world does the elite retain the confidence both to indulge its own cultural tastes and also to believe that these should be offered to, or imposed didactically upon, the mass of the population. The American upper class just does not have that status any more. He gave me, in short, a nostalgic, anglophile expression of the liberalism which regrets what it sees as the inevitable sacrifice of quality when democracy is triumphant. Here, then, is the large theme for this, my second talk. Why is it that, though we have become a rich country, social inequality is a continuing fact of British life.

In looking for an answer to this question, and noting the different words used by my American and Russian colleagues, we shall be carried to the centre of the debate about Britain among sociologists. Quite apart from the contrasting explanations of my visitors, their terminology is confusing. It includes references to upper, lower, capitalist and working classes, to elites, the establishment, status, mass and power. My first task, therefore, is to assemble a clear vocabulary. Fortunately, this has been emerging in post-war sociological writing.

When sociologists speak of a structure of inequality, they refer to the ways in which power and advantage form a stratified system of relations. By power, they mean the resources which individuals or groups use to have their will, irrespective of the will of others. A board of directors can close a plant: a union can strike. By advantage, they
mean access to things which are valuable and scarce, such as the wealth of a
millionaire or the skill of a surgeon. Power and advantage are convertible. Together,
you define the character of strata and the relations between them in a stratification
system. This system has three dimensions, or forms of organisation, through which
power and advantage are distributed.

The three dimensions are class, status and party. Classes—for example, professional
people or factory workers—are formed socially out of the division of labour; they
make up more or less cohesive and socially-conscious groups from those occupational
groups and their families which share similar work and market conditions.

Status is formed out of the no less fundamental tendency of human beings to attach
positive and negative value to human attributes and to distribute respect or honour,
and contempt or derogation, accordingly: status groups—for example, peers of the
realm or vagrants—are social networks of those who share similar social prestige or
lifestyle. Parties form out of the, organised pursuits of social objectives; they are
political parties, pressure groups, associations and unions of those who consciously
share a planned movement for the acquisition of power. In short, classes belong to the
economic, status groups to the social, and parties to the political structure of society.

Status and party will concern us in my third and fourth talks. Here and now, my task
is to see how far inequality can be explained by class. One thing is broadly agreed.
Britain held a special historical place as the first industrial nation, which made it, in
the 19th century, the classic home of an urbanised industrial working-class, or
proletariat. But there agreement ends, and there is sharp debate about our older and
our more recent history of a shifting balance of power and advantage.

The cardinal point is that, in industrial society, the anatomy of class is displayed in the
occupational structure. Groups and individuals differ according to the terms on which
they can sell their skills and their labour on the market, and according to the actual
conditions of their work—its autonomy or lack of it, its intrinsic satisfactions, and its
attendant amenities.

At the beginning of the century, the occupational division of labour in Britain was
such that over three-quarters of the economically active population were engaged in
manual work. Above these stood a white-collar and professional class, more
confidently divided then than now into the upper-middle class and lower-middle class.
And above these stood the tiny group of a few thousand—the group which Lord
David Cecil, whom I quoted last week, termed ‘the governing class’ of his
grandfather’s day. By mid-century, the proportion of manual workers had fallen
below two-thirds, and since then it has fallen still further to roughly a half. So the
first impression is of a gradual movement away from a proletarian society: and this
transformation has been gathering pace in recent decades.

By 1971, the occupational structure was more differentiated and more balanced. In the
middle, there were now three main blocks of comparable size, each accounting for
one-fifth to one-quarter of the total. These were the semi-skilled manual workers, the
skilled manual workers, and the clerical and sales workers. Flanking these three
groups were three other small groups, each between seven and 15 per cent of the total:
on the one side the unskilled workers, and on the other the professional and technical workers, and the administrative, managerial and supervisory staff.

These 20th-century shifts of occupational structure, from the shape of a pyramid to that of an electric light bulb, are characteristic of advanced industrial societies in general. Behind them lies a transformation of the economy; from small- to large-scale; from manufacturing to so-called tertiary, or service sector activity; from personal dealing to bureaucracy; from handling things to manipulating words and numbers; and from private to public organizations.

Some sociologists interpret these trends as involving the development of a middle mass of technical and clerical employees with a consequent decline of class antagonism and the spectre of polarised capitalist society in retreat. But before drawing such inferences about Britain, it is prudent to notice what is perhaps the outstanding feature of occupational change: namely, the growth of women’s employment outside the home.

Male and female involvements in the economy have run different courses over the period we are considering. In 1911, both sexes were divided between manual and non-manual jobs three-quarters to one-quarter. Subsequently, the female labour force has both grown and shifted substantially into non-manual work, so that, by the 1970s, three-fifths of the employed women were non-manual, while three-fifths of the men were still manual workers. And even the small shift to non-manual jobs among men has mostly taken place since the Second World War. What is still more important about it is that the increasing numbers of higher level professional and managerial positions have largely gone to men, while women have filled the even faster expanding array of lower white-collar jobs.

The pattern of male employment is what matters most for class structure. This is because the class, status, party and other group affiliations of families have been principally determined by the occupational position of husbands and fathers. On this view, the class structure has had no dramatic shift; its manual proportion has moved from three-quarters to three-fifths. The one significant change is the expansion of the professional and managerial stratum. Ralf Dahrendorf calls this the ‘service class’: those who provide a bridge between the rulers and the mass of the people by acting as the agents of public and private authorities. On the same view, the burgeoning middle mass is largely female. We know little about its impact, if any, on the degree of class polarization in Britain.

So much for a glimpse of stratification, using a simple conception of class. Now let us look at our collective prosperity.

But let me say at the outset that I would not want you to take official estimates of the national income or the gross national product, those modern talismans of national virility, as ultimate measures of the wealth of a nation. They are the gifts of bureaucracy rather than social science. These economists’ sums tell us roughly what are the products of the occupational division of labour: but there is a larger social division of labour which includes the exchanges in families, the services of the Samaritans, and the fiddles unrecorded by the Inland Revenue. There is, in short, another economy of vast dimension. It was, for example, only by the fiat of Alfred
Marshall, the economist, that the paid labour of charwomen is counted as part of the national product, while the work of housewives is not.

If we were to reckon the whole output of the social division of labour, it is most likely that our sterling numbers would be more than doubled. Nevertheless, if we assume that outputs from the two economies are in less than completely inverse relation, the official figures can be used to indicate trends. They tell us that, since 1900, the United Kingdom has at least tripled its gross national product in real terms.

In any case, there is general agreement that our levels of living have risen throughout the century. Indeed, if that phrase is taken quite literally, it may be noted that, compared with 100 years ago, the average Briton lives 30 years longer, mainly because of a reduction in infant mortality. In the childhood of the eldest listeners, the death of a baby in the house was a grim commonplace: now, less than two in 100 die in infancy. But a more conventional measure of living standards, by income, yields a similar ameliorative story.

The median earnings of male manual workers rose from just over £1.00 a week in 1905 to just over £60 a week in 1976. While it is difficult, if not impossible, to translate these money figures into real purchasing power by discounting for inflation, we can safely say that they represent also at least a tripling of real income.

Nor can there be any doubt that the ordinary manual worker and his wife are very much less the slaves of toil than they were in Edwardian England. Their market freedoms, whether as earners or spenders, have been transformed. The risk of unemployment, despite the rising rates of recent years, is much less than it was either in the interwar years or the Edwardian period; and employment, once obtained, is more protected. The hours of work have been steadily reduced (from 54 to 44 during the last 70 years). After the Second World War, paid holidays became common, and three weeks is now the norm. The official statistics for last year record 45 million holidays by residents of Great Britain. This is a far cry from what some older listeners will remember as the annual charabanc day-trip to Blackpool or Skegness.

Yet inequality persists after a long period of economic growth. From one point of view, the picture of prosperity looks very different. The assumption of growing affluence is not beyond question. The old poverties of lack of property, low pay, poor health, inadequate education and bad housing still disfigure, and many would say disgrace, the powerful engine of production which we call industrial society. The rate of registered unemployment is over six per cent of all employees. It is heavily concentrated in the working class and, within that class, among the young, the old, the sick and the disabled. Four and three-quarter million of us receive money from the Supplementary Benefits Commission. In other words, 4.75 million are living on the government’s own estimate of the poverty line. And there are more below it who do not claim their due.

How, then, are income and wealth shared among us? Let us begin with two relatively simple statistics. In Britain now, the richest one per cent still own one-fifth and perhaps as much as one-quarter of all personal wealth. Income is less unequally distributed, but, here again, the most recent official estimates show that, in 1974-75, the richest one per cent received about the same amount as the poorest 20 per cent. In
other words, they took 20 times as much per head. These are quite spectacular inequalities.

But we have yet to consider the redistributive activity of the state. The impact of taxes and transfers is a complicated one; and much debated. It operates through three loosely related systems of state intervention: fiscal policy, the social services and occupational welfare. Essentially, these political interventions can only be understood as collective action to change the unacceptable outcome of market exchanges: and that means the outcome of class. Historically, the development of these elements of social policy starts from the liberal governments before the First World War. Their complexity mirrors the increasing complexity of the division of labour. They give us now a social division of welfare which is not by any means simply a political antidote to class distribution of what we produce by our collective labour. On the contrary, social policy itself has been powerfully shaped by class. For example, the fiscal system has been no simple extension of progressive taxation from its introduction in 1907. By 1974-75, before tax, the richest ten per cent took 26.6 per cent of income, and this was reduced to 23.2 per cent by taxation.

At the lower end, the poorest ten per cent took 2.8 per cent before tax, and this was increased to 3.1 per cent after tax. These figures can scarcely be interpreted as evidence of a hugely redistributive ‘welfare’ state. Welfare, it would appear, is largely self-financed for the bulk of the population. The activity of the state makes for no dramatic reduction of market inequalities.

Similarly, the social services are not to be thought of as a steady development of ‘class abatement’ through politics. In education, for example, throughout the 20th-century, a policy of expansion has been frequently justified as a means to equality of opportunity. But, in spite of a slight tendency to more equal investment in the school education of children from different classes, the development of further education more than counterbalanced this equalising effect because it was concentrated on middle-class children. If we compare boys born between 1913 and 1922 with those born between, 1943 and 1952, it turns out that the average son of a professional or managerial family had seven times as much spent on him as the son of an agricultural labourer in the earlier period, and six times as much in the later period. Comparing these First World War and Second World War children in absolute terms, and standardising the amounts by putting them into 1958 prices, the average professional son got an extra £566 a year for education after school, and the agricultural labourer’s son an extra £103 a year, as a result of the intervening expansion of educational opportunities.

And again, the third system of occupational welfare is more of a complement than a counter to class inequality. Occupational pensions are earnings-related. Sick pay and pension arrangements are better for non-manual than for manual workers. And there has been a considerable growth of tax-deductible fringe benefits since the war, with the effect of increasing inequality between highly-paid executives and the rest.

As it is, so far, we have documented continuing if slowly decreasing income differences: and we have shown that they are related to class. But how can we explain them? For orthodox Marxists, the distribution of capital is crucial: it fundamentally defines the class structure.
Professor Westergaard and Miss Resler, who have produced a soberly argued empirical account from the Marxist standpoint, conclude that it was the exceptional circumstances of war which produced lasting effects on the contrasts in income and wealth. They insist, however, that the two wars ‘formed no part of a continuous trend towards equalisation, and that they entailed only modest redistribution’. And these authors find the root cause of continuing inequality in the dependence of the mass of the population on the terms on which they have to sell their labour. And this, in turn, they attribute primarily to the concentration of property ownership. ‘Private property,’ they argue, ‘individual and corporate, is the pivot of a capitalist economy. It is for that reason above all that, despite its expansion of production, capitalism can make no claim to a steadily more equal spread of wealth. Inequality is entrenched in its institutional structure.’ That is the Marxist view.

Liberal theorists, for their part, do not deny the inequality of distribution of personal wealth. But they do not accept the importance that Marxists attach to it, and would contest the further Marxist theory that status and power in society are derived from it. Instead, they begin by arguing the significance of trends towards a more equal spread of both wealth and income.

Argument about the exact measure of the distributions themselves is relatively unimportant. The various authorities would agree that the proportion of personal wealth held by the richest one per cent of the population before the First World War was about 70 per cent. By the mid-1930s, it was reduced to 56 per cent, and by 1960 to 42 per cent. Subsequent official figures are on a slightly different basis. They show the percentage held by the top one per cent of people as moving down from 37 per cent in 1962 to 26 per cent in 1974. At first glance, then, these figures would appear to contradict Westergaard and Resler, and to show a strong and steady trend towards equality. But, essentially, Westergaard is right because the redistribution has very largely been within the richest five per cent, and much of it reflects arrangements for gifts *inter vivos*—gifts between the living as distinct from those bequeathed at death. In this way, rich families have passed on their wealth and legally avoided tax. The technicalities leave room for argument about the exact degree of concentration of private wealth and its long-run trends. But if we distinguish -between property for power, by which I mean property that carries with it control over the lives of other people, and property for use—possessions that free a man from other people’s control—then we can reasonably say that, throughout the period we can collectively remember, three-quarters of us have been virtually property-less in that area which covers the central part of our lives and our occupations—how we earn a living and how we relate ourselves to our fellow men. A tiny minority has monopolised wealth, and an even tinier minority of that minority has monopolised property for power.

At the same time, of course, harking back to the fact of rising affluence, we should not ignore the social significance of the spread of property for use. Most of the under-40s take a wide range of amenities and consumer durables for granted. Only the over40s will remember the poss-stick and the dolly-tub: and more than half of us now live in our own houses.

To sum up a formidable ledger of evidence, we can say that distributions through the capital and labour markets were dramatically unequal at the opening of the century.
Wealth, part of which is property for power, was always more unequally spread than income. And both distributions have remained unequal around a rising average level. Over and above such wealth for use as housing and personal possessions, property for power still has a most impressive unequal distribution.

But the trend to a relatively more equal sharing of income has increasingly dominated the structure of inequality as a whole, because the labour market distributes much more income than the capital market. In 1976, income from employment accounted for well over two-thirds of all income. The self-employed accounted for less than one-tenth, and so did unearned income from rents, dividends and interest payments. On the evidence so far, then, the problem is to decide whether to attach more importance to the remaining inequality, or to the expanded material freedom which has attended the rising norm. The judgment will turn on whether you are impressed by absolute or by relative riches.

But, in either case, we have still not explained the inequality of a rich society. How has it survived? Let me put that question again in class terms by quoting what J. B. Priestley had to say on his journey through England in 1933, when he came to Jarrow—a wholly working-class town.

Wherever we went, there were men hanging about, not scores of them but hundreds and thousands of them. The whole town looked as if it had entered a perpetual penniless bleak Sabbath. The men wore the drawn masks of prisoners-of-war. A stranger from a distant civilisation, observing the condition of the place and its people, would have arrived at once at the conclusion that Jarrow had deeply offended some celestial emperor of the island and was now being punished. He would never believe us if we told him that, in theory, this town was as good as any other and that its inhabitants were not criminals, but citizens with votes.

Jarrow provides one example of the remarkable absence of resentment against class inequality. In an attempt to explain this feature of British society, W. G. Runciman has put forward the theory of relative deprivation. On this theory, satisfaction or resentment is a function not of inequality as documented by economists, but of a man's assessment of his position relative to other people with whom he compares himself. In Runciman’s view, the period from the end of the First World War up to 1962 saw growing working-class status resentment, lessening power resentment, and fluctuating class resentment, but at a remarkably low level.

Both world wars raised expectations and lifted the horizons of working-class people. But the egalitarian hopes thus engendered receded in both post-war periods. The economic depression of the 1930s inhibited comparisons between manual wages and white-collar salaries. After the Second World War, there was widespread belief that class redistribution was taking place when in fact it was not. Runciman’s 1962 survey showed that resentment was still low among working men and their wives, because they compared themselves, in the traditional way, with those near to them in the factory and the neighbourhood. They did not compare themselves with barristers or the residents of Mayfair. Relative deprivation was more likely to be felt by middle-class than by working-class people.
Repeating the survey 13 years later, in 1975, Mr W. W. Daniel found that the same restricted comparisons were still there. Several years of serious inflation and still more years of highly publicised pay claims and incomes policy had not significantly altered them. Most important, the more recent survey showed that people cared not so much about how other people were getting on as about their own financial position this year compared with last year. It seems that government policy for ‘gentling the masses’ is more likely to be successful if it looks to economic growth for all, rather than to redistribution between unequally placed groups.

The evidence of stability in the sense of relative deprivation is remarkable. It seems to run counter to the increasingly hard bargaining of the 1970s, and the tendency for unionised workers to maximise their market power. What has been happening recently is that the representatives of groups of workers have been more ready to use wider comparative reference groups in pressing their claims than those which are common among the workers they represent.

So far, then, we have explained the continuing inequality of a rich society mainly in terms of the slow growth of prosperity and the limited social horizons of the relatively poor. And there, for the moment, we must leave it. We have not decided whether we can properly call the inequalities we have found ‘class inequalities’. If we follow post-Marxists and liberal theorists and define class in terms of occupational structure rather than capital ownership, and if, further, we treat the family rather than the individual as the unit of the class system, we shall have to recognise that many inequalities are of status rather than class—those between men and women, or between older and younger people, or between ethnic groups.

Class, we may conclude, remains fundamental to stratification in Britain, but it does not tell us the whole story. I will try to elaborate that story next week.