

From 'Underclass' to 'Undercaste':
Some Observations About the
Future of the Post-Industrial
Economy and its Major Victims

*Herbert J. Gans, Columbia University,
New York*

When in 1963 Gunnar Myrdal took an old-fashioned Swedish word for 'lower class' to describe a new American 'underclass', little did he know what immense effects his brief, seemingly offhand, new conceptualization would have on America's view and treatment of the poor. Indeed, had he known, I am sure he would have chosen another term, if only because some subsequent distortions of his idea ignored his crucial insight into the future of the US economy and those whom he saw as its newest victims.

My chapter is devoted to some observations about that insight 30 years after the publication of his new concept, and about two other topics: variations in how the victims of the post-industrial economy are chosen in different countries; and cross-national variations in the definitions and uses of the term 'underclass'. But before discussing these topics, a brief history of what happened to Myrdal's concept in America is in order.

CHANGES IN MYRDAL'S UNDERCLASS

Myrdal used a new term because he wanted to show that challenges to the then affluent American economy were creating 'an unprivileged

class of unemployed, unemployables and underemployed who are more and more hopelessly set apart from the nation at large and do not share in its life, its ambitions and its achievements' (Myrdal, 1963: 10). Myrdal had already glimpsed what we now call the post-industrial economy, and had noticed that because it would require fewer workers, others would in effect be forced to the margins of the labour force in a new and permanent way.

Myrdal supplied enough detail about his concept to indicate that for him it was *structural*: the people he was describing were economic victims. However, one year later, the term has already developed a racial association (Kahn, 1964), albeit from a liberal activist who was concerned, like Myrdal, with joblessness. Leggett (1968), writing at the end of the 1960s ghetto disorders, continued both the leftist and the racial connotations of the term, and in fact saw the black underclass as having a revolutionary potential.

Four years later, however, a Chicago social worker specializing in youth and gangs and his co-authors warned in the conservative journal *The Public Interest* about the arrival of a 'dangerous' black underclass (Moore, Livermore and Galland, 1973). They began the intellectual and ideological transformation of Myrdal's term, and by the end of the 1970s, thanks in part to Oscar Lewis's writings about the culture of poverty and Edward Banfield's about the 'lower class', American journalists had turned 'underclass' into a *behavioural* term. In this new version, it referred to poor people, again mostly black, who behaved in criminal, deviant or just non-middle-class ways (*Time Magazine*, 1977; Auletta, 1982).

Although sociologists such as William J. Wilson (1978, 1987) and social workers, for example, Douglas Glasgow (1980), continued to define the black underclass in a basically Myrdalian fashion, the journalistic tide flowed strongly toward the behavioural definition, helping thereby to turn it into the popular American term it is today. In its behavioural form, 'underclass' is also the successor to such earlier terms as 'pauper', 'tramp', 'feble-minded' and 'shiftless', becoming the latest idiom in a venerable general category: the undeserving poor.

Soon after journalists initiated the change in Myrdal's term, some American social scientists and intellectuals, black and white, began to criticize and then to reject the term altogether. The first to reject it was Robert Hill (1978), then research director of the Urban League, but the major wave of rejections came only a decade later, among others by Katz (1989), Gans (1990a) and Wilson (1991). Still, many social scientists have continued to use the word 'underclass', but mainly as a structural term, while the behavioural definition seems to be used

more frequently by psychologists and economists, particularly conservative ones.

GROSS-NATIONAL VARIATIONS IN ECONOMIC VICTIMS

Several chapters in this book, notably the one by Hilary Silver, stress the importance of looking at the victims of the post-industrial economy in countries which vary economically, politically and socially. One analysis must examine who is chosen for victimization, how and why and by whom, dealing also with diverse ways in which people are victimized. Since race, religion and ethnicity, together with age, gender and arrival in the country, seem to play major roles nearly everywhere in the selection of economic victims, one question is: which of these social constructs is/are chosen and why.² Race, however defined, often seems primary, as Norman Fainstein reminds us in his chapter in this volume, and it may be no accident that just one year after Myrdal invented a colour-blind concept for America's newest economic victims, it was already applied mainly to blacks.

Given the centrality of the behavioural definition of 'underclass' in American life, a parallel cross-national study must look at which economic victims are stigmatized with this label, and by whom; and which economic victims escape the stigma and the punishments that accompany it. This is part of a larger subject: how do societies and their economic, political and other decision makers and institutions 'choose' victims, as well as targets of blame, for various harmful activities, such as coal-mining and other dangerous work, wartime combat, mental illness, addictions and the like. Since all of these are often correlated with poverty, an analysis of the larger subject may also shed light on non-economic factors in how all economic victims are chosen. And, needless to say, such studies are not complete without looking at the ways in which economic and other victims are protected from material deprivation as well as stigmatization by various welfare state institutions developed in different countries.

NATIONAL DEFINITIONS OF THE UNDERCLASS

My second topic is the terminological one with which I introduced the chapter. Several authors in this book call attention to national variations in definitions of underclass (see Morris, Silver and Wacquant in this volume; see also Fainstein, Gordon and Harloe,

1992: chapter (and pp. 259–61). What I find worth studying as well are the patterns by which countries take concepts from other countries, in order to understand in which countries new, and particularly stigmatizing, terms for the poor may depend on foreign exports. As far as I can tell, Anthony Giddens (1973: 112) was the first European sociologist to import the concept of underclass from the USA, citing John Leggett's definition for this purpose, although one must not forget that the American term was invented not by an American, but by a Swedish – really a multinational – scholar.³ Later, other American social scientists brought their structural conceptions of the underclass to Europe; and why and how these were accepted, rejected or altered is worth looking at in the context of various differences between the USA and European societies. Although this set of events could also be analysed as another instance in the Americanization of European social science, one would need to ask first whether any American input was necessary, given the lively British debate over the concept since the 1970s. (And this in turn would suggest the question of why the British were the first in Europe to use 'underclass' widely.)

The same kind of analysis deserves to be carried out for behavioural definitions of the underclass; which countries have adopted them, and which ones have not – and why. For example, Charles Murray (1989) exported the behavioural underclass to England, and its impact, or lack of it, could be studied. More important, one needs to ask which countries have avoided stigmatization of their long-term jobless and why, which ones have resorted to racial and ethnic terminology, or to the general stigmatization of all poor immigrants rather than to old or new labels for the undeserving poor. But then one must also ask how such countries labelled their indigenous economic victims.

Moreover, any proper study of stigmatization labels might begin historically, comparing the usage of the term 'underclass' with the usage of earlier terms with much the same intent. Such a study would have to cover many centuries and even several millenniums, for while the term 'undeserving' dates only from Victorian England, England stigmatized a variety of economic victims with other terms in prior centuries. Most European countries – as well as nations on other continents – had blaming terms of their own over the centuries; and before then so, surely, did ancient societies. However, archaeologists have not yet begun to unearth clay tablets, papyri, scrolls, etc. including such terms.

As far as the import of the American term 'underclass' is concerned, the research would have to deal with how Europeans handle the

distinctive American tradition of racial discrimination and oppression that is part of the American concept. The behavioural American term is distinctive in another way; it is, in some respects, a product of the extensive role that American journalists play in the creation of new terminology and of popular sociology, which reflects at the same time the limited influence of professional American social scientists on journalists. It is hard, at least for an American, to imagine that European journalists would feel free to drastically alter the meaning of a social science term developed by a world-famous scholar like Myrdal.

THE UNDERCLASS AS AN EXCLUDED STRATUM

My final, and most important, theme returns to – and extrapolates into the future – the critical element of Myrdal's original definition: that a set of workers are being forced to the economic margins of the economy. By now, the post-industrial economy has developed considerably beyond what it was in Myrdal's time. As many writers have pointed out, more jobs have been lost to the computer and to other kinds of machinery – as well as to cost-cutting conglomerates and multinationals – and more jobs in developed countries have moved to lower-wage nations that are now part of the new global economy. In addition, manufacturing and service industries that rely largely on a small number of highly trained workers have replaced manufacturing ones using very large numbers of semiskilled or unskilled workers. While some of the latter have found new jobs in the service sector, these tend *to* be low-wage. Finally, the end of the cold war also presages the reduction of another major manufacturing activity in a number of national economies.

As a result, every developed country has seen changes in the amount and types of employment: notably the increase in badly paid work, in part-time and flexible employment (voluntary and involuntary), and in the growth of the informal economy with its legal and illegal parts – although what is legal and illegal is, like part-time employment, to some extent a function of national policies and politics.⁴ Finally, every country is facing increases in the length of joblessness, in the number of young people and others who have never worked, and in the number also of middle-aged people who, having lost their jobs, will probably never work full-time again for the rest of their lives.

In fact, advanced capitalism may now be advancing to the stage

where ever fewer workers will be needed to achieve ever higher productivity, at least as economists usually define it. Consequently, the worker marginalization Myrdal observed 30 years ago seems rapidly to be turning into worker *exclusion*. Indeed, if current trends continue, someday unknown numbers of people will never be included in the formal labour force to begin with, and may spend all or part of their work lives in the informal labour market, and in keeping themselves busy in other ways the rest of the time.

Presumably the informal labour market is not independent of the formal one, however, and will eventually also suffer from the shrinkage of the latter. When people have fewer jobs or less steady work, they also have less spending power, thus further shrinking both the formal and informal economies. Despairing poor people may spend more on alcohol and drugs, but either they, or the victims of crime from whom they get the needed money, will be spending less overall. In the end, then, workers could be excluded also from the informal labour force (for example, Pahl, 1984: part 2).

If these trends come to pass, and no one can predict whether they will or not, they may also bring into existence a stratum of people which is literally and quite visibly a structural underclass. Not only will it be located at the very bottom of the class structure, but it will also be excluded to a significant degree from significant contact (however defined), other than that involving kin, with the rest of that structure.

Although most formulations of the behavioural underclass concept, as of its predecessors through the ages, have treated the people assigned to it as *declassé*, literally this is obviously impossible. By definition, a class structure includes everyone in the society, even those whom many would prefer not to include. Moreover, as long as those at the bottom of that structure have some economic, social or cultural functions (Gans, 1995: 91–102) to perform in the rest of the society, they cannot be totally excluded. Even the people who make up the reserve army of labour and work just enough to depress wages for regular workers are a part of the economy. Once they stop working, however, they are excluded from the economy, and at that point it is doubtful whether they can still perform the wage-depressing and other functions of the reserve army. Even so, some will always have non-economic relations – and probably even off-the-books economic ones – with others in the society, for no exclusionary measure is completely enforceable.

Economic exclusion of the kind I have been hypothesizing is something new in modern economies. For example, it goes far beyond Wilson's conception (1987: chapter 6) that the underclass is *socially*

isolated – that others of higher status move away from it and give up contact with it. American poor people also suffer from what I think of as *institutional* isolation: the practice of stores, banks, churches and other commercial and public facilities moving away, even if their intent is to escape low profitability or slum conditions rather than, or more than, the people. But economic exclusion is worse than social or institutional isolation.

Whether Wilson's concept of social isolation is empirically valid is still being studied, and most likely the data will show varieties and degrees of social – and institutional – isolation. Even if working-class and middle-class blacks can *move away* from poor areas, some may still retain ties to relatives and friends who are among the persistently jobless and poor. These social ties may be strained by differences of income and class, and by the inability or unwillingness of the more fortunate to help the less fortunate. Only as at last resort do the former cut social ties with the latter, just as only as at last resort do the families of drug addicts reject their addicted kin. But once people are totally out of the economy, it is possible that friends and even relatives may desert them.

So too may the American 'safety net' and the European welfare state desert them, especially when labour force exclusion increases significantly in number and duration. Two questions suggest themselves: will societies have enough money to support the excluded, and will they want to? How long will taxpayers, other voters and politicians from the various classes pay for financial support in lieu of work income – and when will they cut back or even stop?

If past US history is any guide, the greater the level of poverty and joblessness, the more the poor and the jobless are labelled as undeserving. Presumably this happens in part because as poverty worsens, a larger number of poor people resort to crime and departures from various kinds of non-mainstream behaviour patterns. The poor may in fact be perceived as becoming more criminal and deviant even when the actual rates of crime and deviance do not change.⁵ However, taxpayers deal with the rising economic pressure on them by deciding – probably not even deliberately – that the poor are increasingly undeserving. For example, the stigmatization of American welfare recipients has continued and worsened even though their family sizes have declined, and their benefits as well as absolute numbers have been reduced.⁶ And once people are labelled as undeserving, the voters are less willing to help them, at least in the USA.⁷

However, much of what is known and even more of what is speculated about is based on a short period of economic exclusion.

While dropping out or being pushed out of the labour force is on the increase, the sharply rising levels, for instance for young US blacks, date back only to the 1970s (Wilson, 1987: 43), and we do not know yet what happens over a longer period and when it involves several other population groups. For example, many of the young men who are no longer, or were never, in the labour force have children, but the data on what fate awaits these children remain inconclusive. Warnings from conservative and other quarters that many of the children growing up in single-parent families are psychologically or socially doomed need to be taken with a grain of salt. However, even if these children grow up properly and with only minimal hurt from welfare and stigmatization, it does not mean that there will be jobs for them in a shrinking labour market, and so they may be excluded anyway.

Moreover, what if rates of labour force non-participation spread beyond the 'displaced' former workers of the mainstream economy and the minority populations, where they are still heavily concentrated today, in the USA at least: will the polity, in a majoritarian and racist society like the USA, react when whites become victims in large numbers? So far, young whites in America have not yet been barred as extensively from the work-force as in several European countries. If the US economy begins to follow the European pattern, will their distress result in increases in unemployment insurance and welfare benefits, and to the higher levels which many western European countries have been paying? And when will the economy run out of money, even if the political will is there to tax the rich, big corporations and even affluent jobholders?

At the present time, it is too early to tell how both the excluders and the excluded will react to lifetime or multigeneration economic exclusion. Since we still know so little about the people who have become an excluded population over the last 20 years, we cannot know whether they will be angrier, or more depressed and passive, or more energetic about creating legal or illegal work for themselves in the informal economy as their exclusion from the formal economy lengthens. Nevertheless, it is difficult to see how long an economy, society and polity can function, even at minimal levels, if they include one or more generations of people who are kept out of the labour force because there is no work for them.

JOB CREATION AND WORKSHARING

There is no point in developing this kind of worst-case analysis further, since both the future of economic exclusion and its possible con-

sequences are now not only unknown but unknowable. Instead, I will end with a brief analysis of *some* basic policy themes.

Only a century ago, American writers suddenly began to publish Utopian novels, several of which, including the most famous (Bellamy, 1888), argued that machines would replace people for much of the dirty, strenuous and other unpleasant kinds of work. Now that we are in some respects moving toward this state of affairs and see that it also leads to mass unemployment and poverty, it looks far less desirable, but discussion of possible solutions is only just beginning.

In America, at least, deliberate job creation has not had much political support since the Great Depression, although the cold war was at times used for this purpose. Specialized job creation and other policies to make the overall economy more labour intensive would seem relevant in an economy shifting to so-called service jobs, but it too has not been much discussed as a strategy against joblessness. Indeed, even a modern version of the New Deal's massive resort to job creation through public works was almost never talked about by the Clinton administration despite its election campaign promises to create new jobs; and any possibility of action ended, at least for the moment, with the right-wing Republican Congressional victory of 1994.

The idea of *worksharing*, of reducing the workweek or workyear or worklife so that the available work can be shared among more workers, was proposed in America in the late nineteenth century, and again briefly during the Great Depression, but not since then (Cans, 1990b). In the 1990s, worksharing is slowly but surely being mentioned as a desirable policy by academic and other writers on the Left, and even a few union officials – and this despite the fact that American labour unions have generally opposed worksharing in the twentieth century. Many European countries have actually begun to implement a very modest worksharing policy, however, and slowly but surely, western European employers are moving towards the 35- or 36-hour week. Conversely, American firms have found it more profitable to fire some workers and put others on overtime. As a result, worktime is rising in some parts of the American economy even as it declines in other parts – and in other countries.

In theory, worksharing might one day be a major solution, but any significant reduction in worktime would also mean a decline in worker income, with obvious political discontent to follow. The only viable solution is some form of income redistribution and even a universal minimum income grant, so that work need no longer bear the burden of being the sole source of income for most people. However, a politically painless or even feasible method has not yet been designed

anywhere.⁸ Even so, in some long-distant future, worksharing accompanied by a basic income grant for everyone seems the only viable solution, not only for the USA and western Europe but for the entire global economy.

Nevertheless, a more realistic projection of today's politics in the USA – and in some European countries with conservative governments – would suggest a very different long-term scenario: economic exclusion with minimal welfare, accompanied by formal as well as informal methods of isolating the excluded from the rest of society as much as possible. To the extent that those sentenced to such a fate are racially, ethnically or otherwise different from an actual or constructed majority, that majority is apt to support its government in driving the excluded into greater hardship.

Thus, if present trends were to be extrapolated toward a worst-case analysis, it would be for a society in which a majority or plurality hold decent, satisfying or at least reasonably secure jobs, and the rest are condemned to varieties of low-wage, insecure involuntary part-time and sporadic work – with an ever rising number sentenced to virtual or total labour force exclusion. By that time, perhaps the excluded will have figured out whether and how to construct their own economies.

Societies in which large numbers are excluded from the economy now exist in parts of the third world, although usually the excluded have some access to an agrarian alternative which keeps them alive except during famines and wars or civil wars engaged in by the militaristic dictatorships often found in such societies.

Whether 'developed' countries could slide 'backward' to a version of so-called third world status is a question that needs to be debated so it can be prevented. In theory it does not seem empirically impossible, even though the outcome would be different in many respects from today's third world models. Indeed, the third world metaphor is as out of place in this discussion as is 'underclass', for workers driven out of the post-industrial economy are in a very different economic, political and social position from the underemployed peasants and labourers of the third world.

The chapter by Enrica Morlicchio in this book presents a seemingly more tolerable form of occupational exclusion, but whether Naples, which has long suffered from what she calls an 'under-equilibrium' and which is distinctive in many other ways, could be a model for American or other European cities, is hard to say. In fact, one of America's great virtues has been to encourage poor people to maintain high aspirations, and even expectations, for the future, but this virtue, which is less often found in societies in which poverty has existed unabated for centuries, also has its drawbacks. As a result, poor

Americans who cannot or do not want to reduce their aspirations run the danger of high rates of depression and other mental illnesses, and may be unable or unwilling to cope with under-equilibrium.

FROM UNDERCLASS TO UNDERCASTE

If the third world metaphor does apply to first world nations, those excluded from the post-industrial economy who are now described as a structural underclass might turn into an *undercaste*, a population of such low status as to be shunned by the rest of the society, with opportunities for contact with others of higher status and upward mobility even more limited than those of the people today described as an underclass.

In the USA, as elsewhere, caste has a racial connotation, and until the civil rights movement and legislation of the 1960s, blacks were for all practical purposes a caste. They still are so in some respects today, but there is nothing inherently racial about caste position. While it is likely that, judging by past evidence, anyone economically or socially condemned to caste status will be viewed as different in skin colour or religion, 'culture', 'moral worth' or some other newly constructed characteristic can also be used to exclude people and place them in an undercaste. For example, most poor young black men in America, and in some communities even poor white men, will enter adulthood with a police arrest record in their files. This can easily function as a permanent stigma that can be used to assign them to a 'criminal' undercaste. One should not underestimate the ability of societies in severe economic difficulties to find ways to sentence some people to caste status in one or another fashion.

A CONCLUDING CAVEAT

I write about an 'undercaste' with some hesitation, for the term has the same defects as 'underclass'. The latter may have had some useful political shock value when it was a newly minted liberal or radical term. However, underclass and undercaste are umbrella terms, and the umbrella is open to anyone who wishes to place new meanings, or a variety of stereotypes, accusations and stigmas under it. Consequently, once the shock value wears off liberal or radical terminology and stigmatization processes gather steam, the basic defect of any form of alarmist terminology will again become apparent. For this reason alone, the best terminological 'policy' for social scientists is not to

invent any new terms unless absolutely necessary, and to stay with very specific old ones whenever possible. In the economy of the future, no one can predict either the full range of its economic victims, or their stigmatization and the labels with which that stigmatization will be expressed.

NOTES

- 1 For a more detailed history of the term and its usage, see Aponte (1990) and Gans (1995: chapter 2).
- 2 A prior question is how these categories are defined, or constructed, and whether and how they are stigmatized, since stigmatized populations seem to be chosen for economic victimhood more readily than others.
- 3 Actually, the *Oxford English Dictionary* credits the first use of the word 'underclass' to a Scottish socialist, John Maclean, but he wrote about a revolutionary class overcoming domination.
- 4 The US picture is complicated further by the reliance on new immigrants in place of or to replace higher-wage workers, as well as blacks. This is, however, not a new phenomenon; it can be traced back at least to the Nova Scotians who came to the northeastern US early in the nineteenth century.
- 5 In that case they may even be arrested for crimes, or stigmatized for deviant behaviours, of which they are innocent.
- 6 The seemingly never-ending pressures for further reductions in welfare payments will worsen all these conditions. Changing the legal status of welfare from a federal entitlement to a block-grant funded programme would result in catastrophic consequences.
- 7 American public opinion polls have long found that people are eager to do something about poverty and to help the poor, but that eagerness disappears when the word 'welfare' is used in the questioning.
- 8 In the USA, it has not yet even been discussed in academic or policy circles since the fears of the 1960s about 'automation', but a number of European institutions and scholars raised the issue with the beginning of rising joblessness in the mid-1980s. For a review see Van Parijs (1992).