

# Chapter 8

## Social Stratification: Inequality



Photo by Gary Payne 2003

The midnight beggar of La Paz, Bolivia. Homeless, frostbitten, he slept on the sidewalk, popcorn in his hat.

**T**he yawning gap between the rich and the poor has reached extreme levels within our nation and around our planet. Surveys show that most of us in the USA *really are* concerned about growing inequality but we are bewildered at the size of the problem. We are not certain how to change it or even if it can be changed. Our religious institutions have offered very little – besides charity – to solve this problem. And charity is not enough; it only treats *the symptoms* of inequality, not the causes. It is tempting to turn off the news and just ignore inequality. After all, we have our own problems, don't we? Yes we do.

But it will not be ignored any longer in the USA, or around the globe. Inequality has consequences, and extreme inequality has extreme consequences. The misery and violence inequality generates in poor countries and communities isn't staying neatly in poor communities. Here is why it's everyone's problem now:

1. Poor countries become incubation centers for pandemics and new diseases that are resistant to treatment. Ebola, gonorrhea, tuberculosis, bird flu and AIDS have a proven ability to spread rapidly from areas of poverty, threatening rich and poor alike.
2. Each year a larger mass migration of desperately poor and exploited people crosses the borders into wealthier nations, with or without permission, destabilizing communities and fanning the fires of racism. More people have fled their homelands in the last twenty years than in the entire rest of human history combined.
3. Terrorism is driven in part by the grievances of poor countries and particular groups who feel they have been exploited. Their grievances can be quite real and must be addressed if there is to be peace. Perpetual war is quickly reducing humanity's options.
4. Worldwide, child slavery is on the rise. Millions of poor children on the planet survive by living in landfills, running drugs, prostituting themselves, entering into guerrilla armies or child labor camps that match the cruelty of centuries long passed.
5. The human population of Earth has doubled in just a quarter century. *The only contributors to this growth are the poorest nations or poor people in rich nations* whose children lack the necessary nutrition for proper physical and mental development. What kind of future does this suggest for humanity?

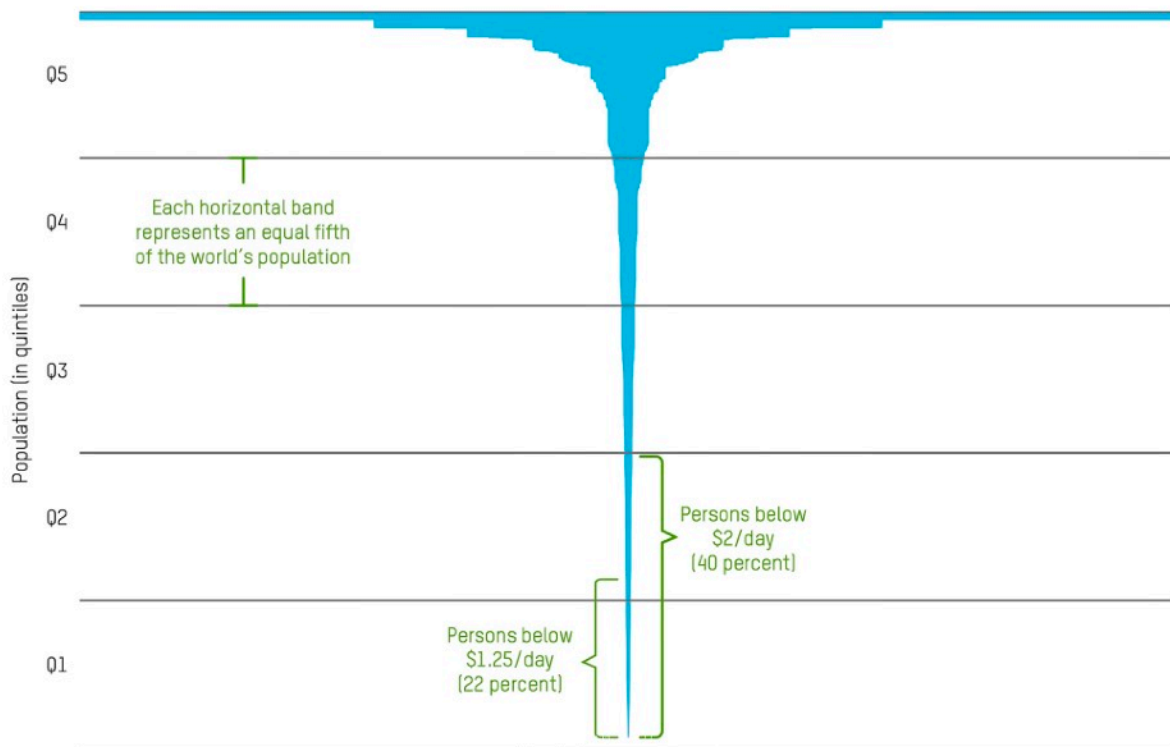
Yet, in an amazing contrast, a tiny segment of the world's population continues to make fortunes from the present cultural designs that create this suffering and chaos. Economic inequality may be the most important story of our time, but it receives very little coverage in our media, in our schools, in our churches, or from our political parties.

## MEASURING INEQUALITY

Inequality can be measured in two ways: one is *income* (how much money is coming in) and the other is *wealth* (the assets already owned). **Sociologists measure wealth and income inequality by splitting a given human population into richest to poorest fifths, which are called "quintiles."** Each quintile therefore represents 20% of the population. So...how extreme is inequality in the world today?

Using data from United Nations Development Reports in Figure 8.1, the five quintile segments are displayed in a graph which reveals the *flow* of income (represented by the size of the blue area) to each quintile of the global population. The richest quintile (Q5) is at the top and the poorest quintile (Q1) at the bottom. It is a disturbing comparison that is rarely seen by average citizens.

**Figure 8.1: Global Income Inequality Shown in Quintiles**



Note too the profound difference *within* the richest quintile. Source: Credit Suisse 2020

Few of my students are prepared for the realization that three fifths of the world's people are quite poor. Only the richest quintile gets its 20% share of the global income and so much more. *None* of the other four quintiles gets its 20% fair share, for the richest quintile has captured nearly all of the world's income. The middle quintile of humanity is experiencing perpetual neglect and the poorest two fifths of humanity are living out a tragic existence; it's difficult to even see their tiny portions on this graph.

This wildly unbalanced global *income* distribution has created, over time, a similarly unbalanced global *wealth accumulation* on Earth. And, over recent decades, a similar trend of income and wealth inequality has taken root in the USA as well. If this income disparity continues, the wealth inequality will increase, globally and in the USA.

The existence of extreme inequality is an embarrassment to wealthier nations and people who would rather not think about how selfish they appear in these comparisons. The rich have tried to blame the poor for their own poverty throughout recorded history. Typical explanations have ranged from “laziness” to “low intelligence.” But how could we logically use either explanation for the stark distributions of income in Figure 8.1? It is extremely unlikely that evolution's processes would have led *four-fifths* of humanity to be lazy or feeble-minded. The answer must lie elsewhere.

There are examples of enlightened populations successfully reversing inequality through peaceful means. Before we look into those successes, let's look at competing theories on the rise of inequality over centuries passed.

# Explaining Wealth & Poverty Among Nations: Three Theories

**Geographic Determinism** - Geographer Jared Diamond[1] suggested that the **original** reason for variations in wealth among different regions and nations had to do with **geography and disease**. Certain areas of the planet were fortunate to have native vegetation containing high protein grains like wheat and large animals that could be domesticated (like horses and oxen) to help with agriculture. These areas, especially Europe, prospered. The large animals of Europe transferred diseases to humans like smallpox, which killed many Europeans in the Middle Ages. But the survivors were genetically resistant to these diseases. Later, when the Europeans began to circle the globe on ships, they brought the diseases with them. The populations they discovered in the Americas had no resistance, and were therefore more easily conquered. Thus, the descendants of Europe have had great wealth ever since. ***Critique:*** *Diamond's theory partly explains colonization by Columbus and others. But it cannot explain the profound spike in inequality during the last three centuries. As the world economy became globalized, some areas with very few natural resources became wealthy and vice versa. Neither geography nor disease can explain why rich countries still control the resources of poor countries nor the inequality within wealthy countries. Something much more culture-focused is driving inequality at this point. Below are two possibilities.*

**Culture of Poverty Theory** - Economist John Kenneth Galbraith[2] claimed that **certain cultural beliefs or ideas of poor nations held them back**. For example, "fatalistic" religious ideas in some cultures suggest that fate is in the hands of some sort of superior being or spirit, and humans can do nothing to change it. Therefore, Galbraith wrote that some cultures *accepted* subsistence living, avoided experimentation and attempts at beneficial change. Galbraith suggests these inferior cultural ideas left some cultures around the globe unable to compete with Western Europeans. ***Critique:*** *Unique cultural ideas are powerful influences in history. But European cultures also contained "fatalistic" forms of Christianity (Calvanism, for example), and other self-destructive ideas including a lust for material wealth and warfare. The greed of the richest nations, for example, led them to nearly destroy each other in two debilitating World Wars. Most sociologists feel Galbraith was far too eager to blame the victims of poverty by criticizing the cultures of poor nations.*

**Colonialism & Neocolonialism** - Sociologists and anthropologists tend to accept an historical analysis that suggests that the rich nations **simply robbed poor nations of their resources**. [3] This theory/analysis reverses the "Culture of Poverty" theory, and instead focuses on the rich nations for their "Culture of Greed and Brutality." The nations of Europe used religious passages (cultural doctrines) to justify their military conquest of territory and mass enslavement. Kings, Queens, Popes and Puritans authorized shiploads of "explorers" (like Columbus) and "cavaliers" (viewed today as opportunistic thieves) to take over territories around the globe. An example of using religious ideas to excuse slavery and resource theft is dramatically demonstrated in the doctrine called *The Requirement*, which I have placed here below.



## The Requirement of 1513

On the part of the King, and his daughter, subducers of the barbarous nations, we notify you that the Lord our God created the Heaven and the Earth....We require you that you acknowledge the Church as the ruler and superior of the whole world.

But if you do not do this, or make delay, with the help of God we shall powerfully enter into your country, and shall make war against you in all ways and manners that we can, and shall subject you to the yoke and obedience of the Church and of their highnesses.

We shall take you, and your wives and children, and shall make slaves of them, and as such shall sell and dispose of them as their highnesses may command. And we shall take away your goods, and shall do you all the mischief and damage that we can.

The deaths and losses from this are your fault, and not that of their highnesses, or ours, nor of these cavaliers who come with us.

After landing on their beaches, the famous document above was read out to the “New World” inhabitants of the territories Kings and Popes were interested in exploiting. Few of the inhabitants understood the language and even if they did it is not likely that they were willing to convert to Christianity just because some invaders demanded it. Thus, the inhabitants were blamed for their own deaths or enslavement. The nations that engaged in colonialism are still among the richest nations on Earth, having confiscated so much of it.

The famous painting below was symbolic of colonial justifications for the theft of American Indian territories. Here, a Bible-toting angel is depicted as leading the way westward for Christian settlers during their violent takeover of lands inhabited by Indians over many centuries. The slogan that justified this massive land grab and genocide was known as “Manifest Destiny.” This was the notion that God saw what was happening and – being all powerful – could have stopped this violence if He had so chosen. Since God did *not* stop it, it must have been His plan for it to take place, according to this convenient explanation. The angel is holding the Bible in one hand and stringing telegraph wire with the other.



**Colonialism is the *political* exploitation of the resources of other nations.**

Territory, minerals, gems, timber, petroleum, crops, and millions of Africa's healthiest young people were stolen from African regions that could not defend themselves. Spain, Britain, France and Holland were the primary colonizers, but even tiny Portugal snatched up the enormous land mass now called Brazil. The even more tiny European nation of Belgium seized the gigantic Congo region in Africa, over 70 times Belgium's own size. ***Critique:*** *Although this theory is rooted in historical fact, it explains the most recent five centuries better than the centuries before Columbus.*

Eventually, the European nations acquired more land than their armies could control and had to grant independence to some rebellious colonies. By 1950, Europe recognized the futility of colonialism which had led them to fight two devastating World Wars amongst themselves. These wealthy nations ended their outright *seizure* of territory but then began to work *covertly* (under cover), to control poorer nations resources by turning to predatory lending, bribery, rigging elections and even assassination of uncooperative foreign leaders. The USA became a major colonial power in Central and South America, using these new tactics. We are widely viewed as the primary colonial player on the world stage today.[4a]

**This recent shift to *economic* exploitation of the resources of other nations is known as neo-colonialism.** The bold self-interest of aggressive nations over the last five centuries lives on in the wealth distribution we noted above in Figure 8.1

## **Defining Capitalism, Socialism and Communism**

**Capitalism - The *private* ownership of the means of production.** Various *individuals* in the society own most of the wealth, primarily through stock & bond ownership. Examples: Exxon-Mobil, Target, Walmart, Amazon, McDonald's, Bank of America, CNN, Fox, CBS.

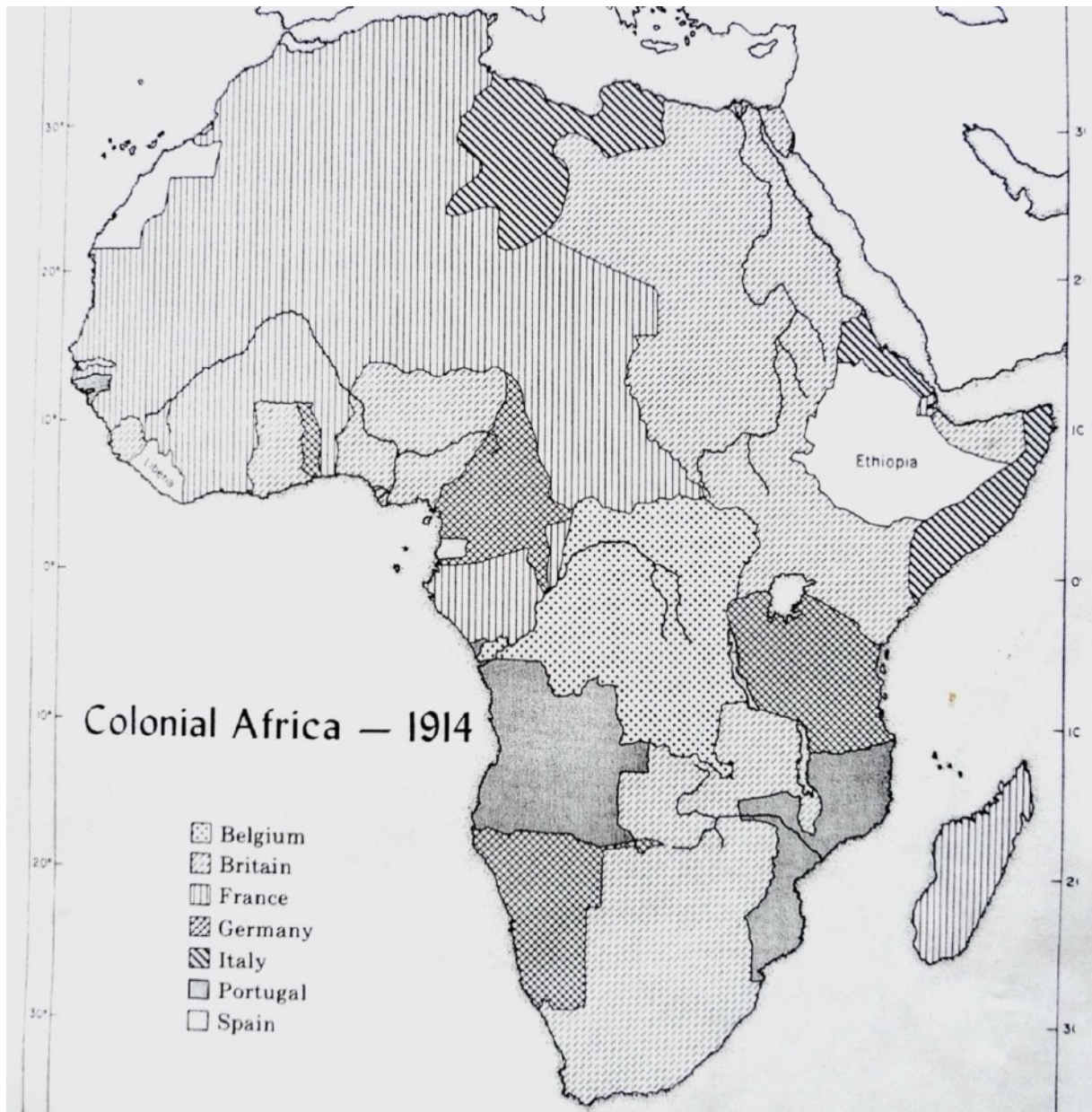
**Socialism - The *public* ownership of the means of production.** The *public* owns and operates the means of production jointly, by government management. Examples: National Parks, Social Security, Head Start, Federal/State/ County Highways, Medicare, Veteran's Hospitals, Environmental Protection Agency, Prisons, National Weather Service, fire and police departments, public education.

**Communism – Karl Marx defined *communism* as a state in which all material wealth is shared.** Marx felt government would no longer be needed without private property to fight over and so it would gradually “wither away” as everyone worked and shared everything together in harmonious communities. But this “true” communism, as Marx defined it, has never been achieved (and may never be) because no government has ever eliminated itself. Most of today's so-called “communist” nations like China and Russia have transformed into capitalist economies with rigid dictatorial control.

The poorest nations on our planet have often attempted to adopt a shared economy (socialism) as their best hope to feed, clothe and educate their citizens. But the

wealthy capitalist nations have been reluctant to allow that to happen because *public* ownership of resources means wealthy foreign outsiders or corporations cannot *privately* own or control resources in those poor nations. Capitalists feared socialism would become popular.

**FIGURE 8.2: THE DISMEMBERMENT OF AFRICA BY EUROPEAN COLONIALISM**



Source: Africa, 3<sup>rd</sup> Edition, Patrick O'Meara and Phyllis Martin, editors.

How did Africa, with its incredibly rich resources, become so poor and disorganized? The cause was not merely centuries of the slave trade. This map tells the story. It was drawn a century ago by the European nations themselves in an attempt to head off World War 1 over how Africa's resource-rich territories would be divided among Europe's military powers. But there was no honor among thieves; World War 1 began anyway. Ten million soldiers died on the battlefield. Today European nations are still exploiting Africa through resource theft and unnecessarily high-interest loans to which poor African nations are now obligated.





Gary Payne, 1994

These children in Mexico compete daily with the vultures in the background of this photo as they dig through garbage to support their families with food scraps and discarded clothing. They live in houses made of trash inside the dump area. Pushed off the lands of their Indigenous ancestors by foreign mining and timber operations, their families fled to this landfill to survive. The parents threatened us with machetes, fearing we were there to kidnap their children to sell into the adoption market, as previous visitors had. We convinced them otherwise.

Since World War II, the USA and other wealthy nations have made dozens of veiled threats and military incursions into Central and South America, Africa the Middle East and tiny Caribbean nations to disrupt governments that would not cooperate with their wishes.[4b] The Vietnam War was fought over Vietnam's choice of socialism rather than the usual religious disputes or stealing territory. The struggle between capitalism and socialism continues among and within nations, including the USA.

## STRATIFICATION SYSTEMS *WITHIN* NATIONS

Every nation has some form of inequality, but some nations are locked into it more rigidly than others. **“Social mobility” describes movement up or down the ladder of wealth.** Historically, there have been two basic stratification systems, "caste" and "class," and they differ mostly on the level of social mobility allowed.

### Caste Systems

**In a "caste" system, social mobility is severely restricted, for the benefit of the wealthy castes.** Caste systems are gradually falling apart in much of the world, although their traces remain in many societies, including our own. **The best example of a remaining caste system is India, which has used the caste system for 2500 years.**





Education, police and fire protection are examples of services that are usually provided by government *for everyone* because the need is *universal*. A question that sociologists ask is why not extend health care benefits in the same way and for the same reason as most modern democracies have done?



Gary Payne 2009

Before public schools were established in Guyana, these poor and middle-class kids received no education at all. Public education has not been a high priority in some poor capitalist nations. Guyana ranked above average in the years I visited there.

India's wealthy castes use their influence promote the ancient traditions set forth in Hindu religious doctrines. The lower castes are thus obligated to serve the wealthy, accepting minimal wages and unthinkable living conditions. *By design*, social mobility is very difficult to achieve in a caste system.

**Caste membership is based on *ascribed status*.** That is, caste systems determine the individual's lifelong status *at birth*, based on the occupational status of the parents. Since caste cannot be changed, the rich stay rich and the poor stay poor. To keep the upper castes apart from the lower castes, a concept was created that became a tradition: **contact with persons of lower castes is portrayed as contamination, ritual pollution.** This keeps castes physically apart from each other...even from each other's shadows at times...and unnecessary communication is avoided entirely.

A caste system could fail if the boundaries were blurred by the birth of a child with parents from different castes. To prevent this, caste societies enforce **endogamy, marriage within caste only.** This would seem difficult to enforce, because attraction would inevitably occur between castes. But the ritual pollution norm was created long ago to reinforce endogamy, and this tradition is still very effective social control. India's population is separated into four basic castes and one out-caste group reduced to begging and de facto slavery. The people in this group are sometimes cruelly referred to as "untouchables."

In reality, each caste consists of several sub-castes. Intermarriage does occasionally take place between different sub-castes, but even this has been discouraged. Caste systems are gradually breaking down in India and South Africa, as global influences creep in and expose the injustices of the caste system. This is especially true in larger cities where ritual pollution cannot be easily enforced because of the physical density of the inhabitants.

We still study these disappearing caste systems for two reasons: first, the Bible's Old and New Testaments and our history of social mobility contained several elements of caste systems such as slavery, segregation, and an absence of civil rights. Secondly, in a world of over eight billion people competing for declining natural resources it is possible, perhaps even likely, for caste systems to re-emerge someday in the aftermath of authoritarian rule, economic chaos, climate collapse or war.

## **Class Systems (as in the USA)**

**In a "class" system, some social mobility is allowed. Class membership is based on "*achieved status*."** However, class systems are not fully open; they still have boundaries, but these boundaries are more flexible. Marriage between rich and poor in class systems is *possible*; there are no laws or traditions against it. Yet, mixed class marriages are not common. A network of informal traditions and norms funnels most of us into activities with others in the same general economic class. Educational achievement and home ownership set fairly distinct informal boundaries. **Most citizens in class societies will die in the same class as they were born into, as will their children.**[5]

In the post-industrial societies of the present day, the class lines are loosely defined. Sociologists must use the *quintile* categories noted earlier to make distinctions between groups by income or asset ownership. The lines between the quintiles in a class society are not nearly as meaningful as the strict boundaries between castes in India or South Africa. But they are still a very useful guide.

**Classless societies** - Are *classless* societies possible? Hunter-gatherer societies were widely considered classless, since there was no concept of "income," and material assets were often shared or even seen as liabilities. **In fact, most of human history is dominated by *sharing*, because the majority of human history is the long history of hunter-gatherers.** But a classless society has never been achieved in modern nations.

Some poor nations (examples: Nicaragua, Cuba and Vietnam) adopted economic distribution systems based heavily on *socialism* to avoid extreme inequality. Their achievements in public health and education are impressive despite unrelenting harassment by the wealthy capitalist nations. Yet a substantial level of capitalism and "black" markets still exist in socialist nations. Luckily, perfect equality isn't necessary to operate a well-organized and supportive society.

## INEQUALITY IN THE USA

The way wealth is distributed within a nation mostly depends on what *mix* of capitalism or socialism is used to operate its economy. No nation is totally capitalist or totally socialist. In general, the more socialistic a nation is, the more equal the distribution of wealth. The USA uses an economic blend very heavy on capitalism, and light on socialism. Consequently, **the USA has the greatest percent of global billionaires but suffers the most severe poverty and homelessness of modern democracies.**

**Assets - anything that is owned** - reveal even more inequality than income levels do. This is because assets are the total *accumulation* of income or inheritance advantages over time. Elon Musk owned at least \$400 *billion* in assets in 2025. That is a sum that is hard to imagine in the abstract, so here is a real-world measure: it is the equivalent of owning forty mansions, worth a million dollars apiece, in each of ten thousand U.S. cities. Yes, that's pretty hard to imagine as well.

By contrast, many U.S. citizens are so poor and in debt on loans and credit cards that they actually have a ***negative net worth* (owing more than all their assets are worth)**. Millions of adults are homeless and one third of them are military veterans. On average, 2.5 million children experience homelessness in the USA each year and another half million children are in foster care facilities according to the National Center on Family Homelessness. Even during boom times homeless shelters are still overflowing all across the country. Every night progressive states like Minnesota and Vermont turn homeless people away from full shelters according to the Children's Defense Fund's annual reports.





Gary Payne, 2015, New Orleans

College tuition is free in many wealthy nations because they know that students with degrees tend to repay their tuition many times over through higher productivity and higher taxation of their future incomes. But in the USA tuition fees and high rates of interest on loans are required if students' parents cannot pay the price. This has led this enterprising student in New Orleans to try a clever begging technique. The photo is comical but the debt to middle class and poorer students is real. Student loans have placed young citizens in even more debt than credit card companies. Tuition may be viewed as a tax on intelligence and productivity.

Wealth in the United States rests in the hands of a microscopic fraction of the population. **The richest 1% of U.S. citizens now owns more than 50% of total U.S. assets. The richest quintile of U.S. citizens owns over 85% of total U.S. assets (see appendix).** This leaves four quintiles of our nation's citizens sharing less than one-fifth of the nation's wealth, a spectacularly unfair distribution. In our workplaces, the pay ratio between corporate executive officers (CEOs) and average employees is now at roughly 240:1. This gap is three times larger than the rest of the modern industrialized world.[7]

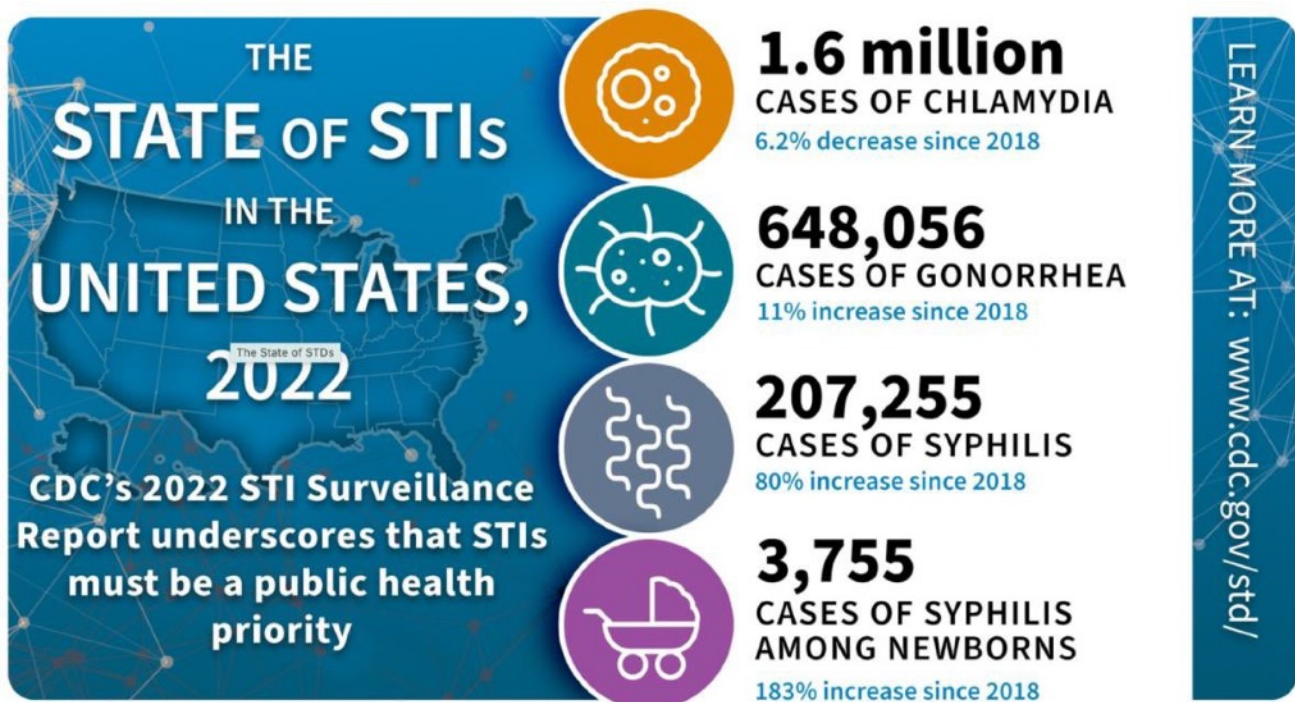


All of the wealthy modern democracies - except for the USA - have created social safety nets that provide national health insurance, heavily subsidized higher education, free day care for children, mandatory paid vacations, parental leave and nearly universal housing in an attempt to make their societies more fair, healthy, intelligent and peaceful. Taxation of their upper classes is considerably more aggressive than in the USA, in order to cover these basic human needs of all of their citizens.

This higher taxation leaves these nations with many fewer billionaires compared to the USA. But sociologists tend not to regard this as a problem since **surveys indicate that “happiness” levels off in the USA above \$100,000 in family income.[8]**

Therefore, sociologists ask, “why not shift some excess wealth to services for the middle and lower classes where it could do so much good?” Would Elon Musk be significantly less happy with just \$1 billion instead of \$400 billion? As noted in earlier chapters, the European nations, Canada, Australia and Japan routinely do far better than the United States on *most* of the basic indicators of social well-being (See Table 1.1 in Chapter 1).

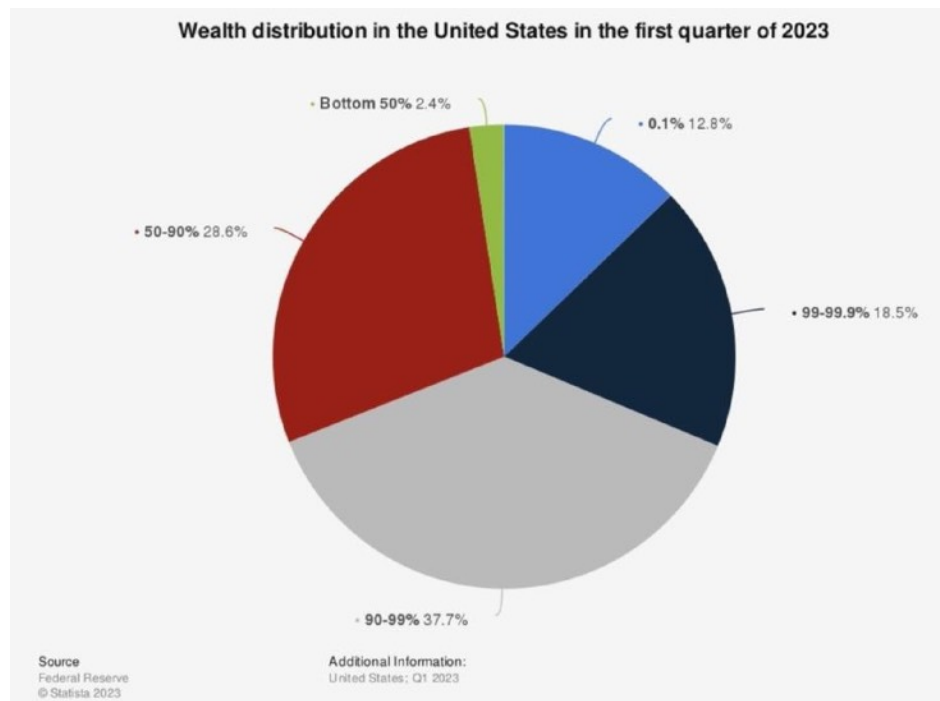
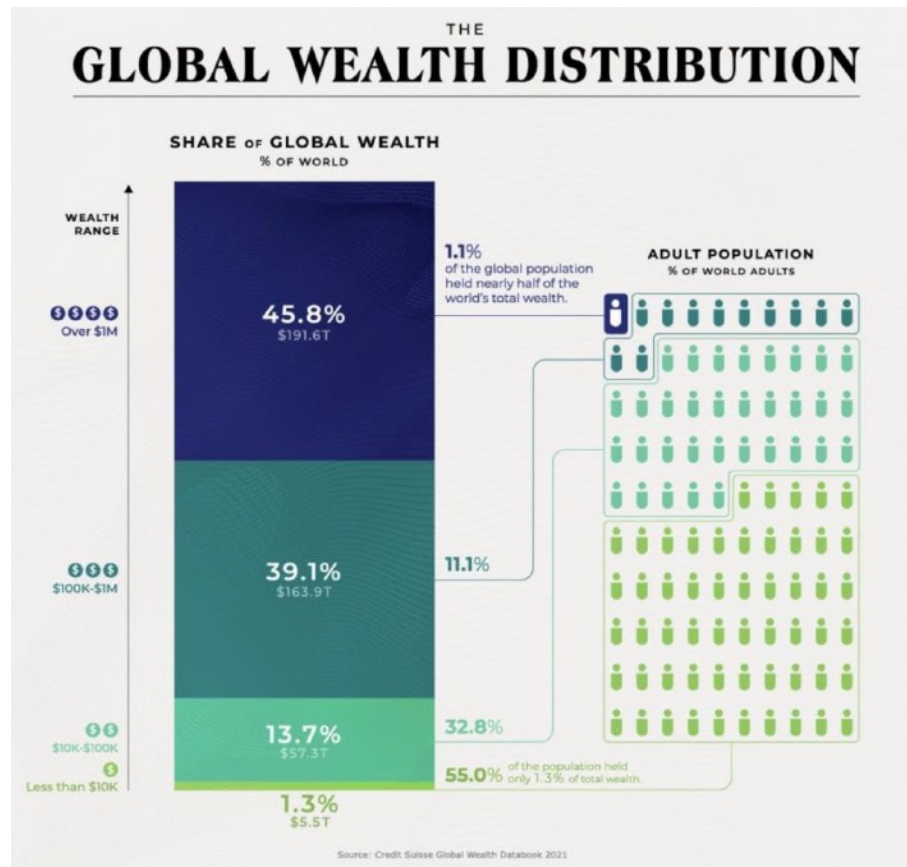
This has been especially true in recent decades as inequality has grown in the USA. These entitlements may seem expensive, but they pay off in greater productivity because healthier, happier, highly educated people perform better at everything they do. And more productive citizens would pay in additional income tax revenue as well.



Source: Centers for Disease Control, 2023

People without free public healthcare are less likely to get their symptoms checked. That makes them more likely to spread STDs. We are experiencing an unnecessary ongoing epidemic. Half of all STD cases are in young folks in the 15-24 age range.

**Figure 8.3: Comparing Global Inequality to USA Inequality**



The two images on this page are different designs for measuring inequality but show a similar result: the USA distribution of wealth is nearly as unequal as the global distribution. The bottom *half* of both populations have less than 2.5% of the wealth! Inequality at these extremes foster high levels of disease, frustration, hopelessness, crime and violence.

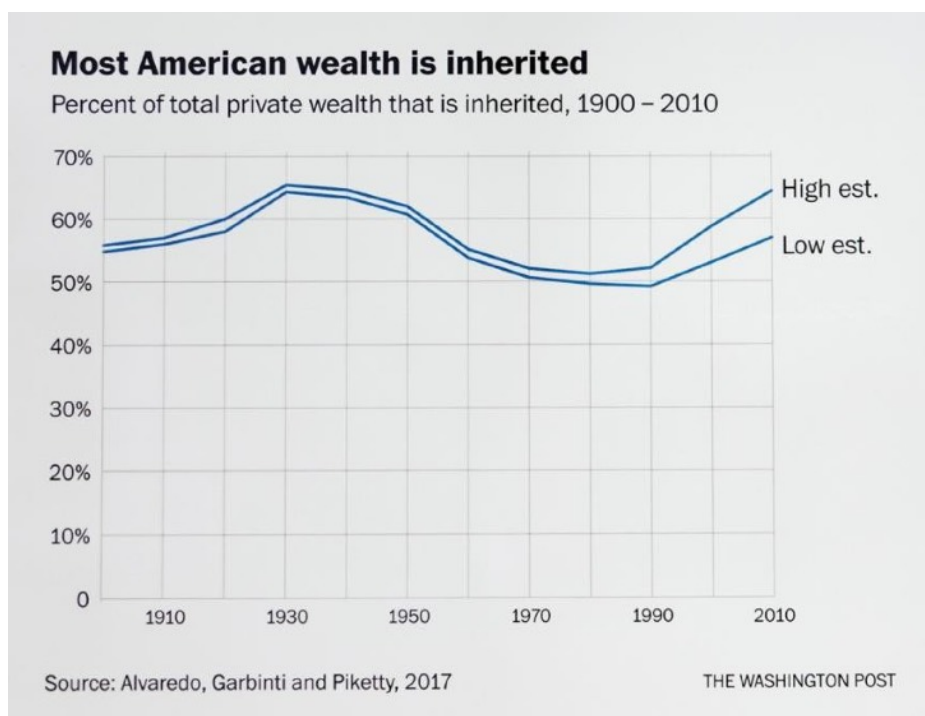
One of the most popular justifications for extreme inequality is that the wealth of rich citizens is created *by their own hard work and/or intelligence*. **But the results of a study spanning the entire 20th century concluded that great wealth is much more likely to be *inherited* than earned through hard work** (Figure 8.4). Another common way of obtaining great wealth without hard work has been by *marrying* into wealthy families. But inheritance and “strategic marrying” aren’t the only effortless ways to get rich.

Another way is creating wealth by criminal activity. Billionaire Bill Gates was raised by wealthy parents, his mother a banker and his father an attorney. He used his privileged upbringing to create Microsoft software, which he turned into a predatory monopoly that excluded competitors. Microsoft was convicted and fined for this in 2001. But Gates was not imprisoned, and Microsoft continued to grow his fortunes.

Gates has since laundered his identity somewhat by starting a charity for which he deserves credit and honor even though he’s just giving away a fraction of the money he’s gathered from predatory monopoly. Chances are good that you’ve paid in to his fortunes, as I have. We had no choice.

The Walton family fortune (Walmart) also convicted of predatory monopoly. Walmart added child slave labor in foreign nations to its history as well. And the Minneapolis Star Tribune reported in 2008 that Walmart had violated U.S. labor laws *by cheating workers out of full pay 2 million times* in their Minnesota stores alone. Walmart was fined \$54 million in a settlement in Minnesota and far more in other states after its timeclock scam was discovered. But when Sam Walton died, his family members each received tens of billions of dollars in inheritance with little or no personal effort.

**Figure 8.4: Becoming Wealthy is Generally *Not* a Matter of Earning It**





More recently, the Bank of Switzerland reported that most of the world's billionaires *inherited* their wealth rather than worked for it in year 2023. The very conservative Forbes Magazine reported in November of 2023 that billionaires in the USA averaged charity donations of less than 6% of their total wealth in 2023, adding that most billionaire inheritors do not even work in their family's business.[9]

## **The Fascinating Example of Socialist Cuba: Designed for Equality**

The little island nation of Cuba is in very deep trouble; it has been hit year after year by multiple, massive hurricanes. It may collapse economically or politically in the years ahead. Yet it provided a valuable lesson in its awesome struggle against inequality.

Consider Cuba's chaotic history. Most Cubans are descendants of enslaved Africans and Amer-Indians that survived genocide. Afterwards, for three centuries, it was a slave state for Spain until the Spanish American War (year 1900), and then plundered by corporate USA until Cubans rose up against the USA in 1960 and took their nation back in a popular revolution. But the U.S.- supported capitalist dictator, Fulgencio Batista, ran off to Spain with the entire nation's treasury.



Photo by Gary Payne (2005)

Healthy and educated. Cuba focuses attention on its children, and it pays off. Every Cuban child gets free health care and up to secondary education. With good grades, university education is also free.



When Cuba's new President Fidel Castro took power he created a *socialist* economy, sharing what little was left to live on. Angry U.S. President Eisenhower slapped the tiny nation with a tourist and trade embargo trying to shut Cuba down. President Kennedy then bombed and attacked Cuba in 1961 (the "Bay of Pigs" invasion), forcing Cuba to create a costly military presence. President Trump tightened travel restrictions even more and blocked Cuba's access to U.S. medicines during the Covid-19 pandemic. And the original U.S. trade embargo still continues after 65 years.

Socialist Cuba somehow survived this insane history, continuing to build schools, colleges and hospitals with universal healthcare. But an increasingly terrifying string of hurricanes linked to global warming has since destroyed much of Cuba's food supply, housing, electrical grid and infrastructure. Cuba is financially broken. Some hungry Cubans are fleeing their beleaguered homeland. Socialism cannot prevent hurricanes, trade embargoes and non-stop political interference.

Yet - until the parade of hurricanes - Cuba wildly outperformed its capitalist neighbors on social indicators for several decades until year 2022, after which the nation began to come apart. Cuba taught the world how a very poor and politically abused nation can elevate its population. It's particularly astonishing that **Cuba was often tied with or doing better than the USA on many important social indicators:** rates of infant mortality, homicide and AIDS. To understand how this is possible, I've made three trips to the island to study socialist Cuba and its history.

Table 8.1 below compares socialist Cuba with its capitalist neighbors and the USA.

**Table 8.1 Comparing Social Indicators in Five Island Nations, Mexico & USA**

Sources: CIA World Factbook, World Bank, CDC July 2022; figures are latest available, rounded for simplicity

|                  | Per<br>Cap.<br>\$GDP<br>** | Infant<br>Mortality/<br>100K | Maternal<br>Mortality/<br>100K | Life<br>Expect | Percent<br>With AIDS | %<br>Literate | Murder<br>Rate/<br>100K |
|------------------|----------------------------|------------------------------|--------------------------------|----------------|----------------------|---------------|-------------------------|
| <b>USA</b>       | 60.2                       | 5.1                          | 19                             | 81             | .6                   | 99.8          | 6                       |
| <b>Cuba</b>      | 12.3                       | 4.3                          | 36                             | 80             | .4                   | 99.8          | 5                       |
| <b>Mexico</b>    | 17.9                       | 11.9                         | 33                             | 72             | .4                   | 95.2          | 28                      |
| <b>Haiti</b>     | 2.8                        | 40.0                         | 480                            | 66             |                      | 61.7          | 7                       |
| <b>Jamaica</b>   | 8.7                        | 11.7                         | 80                             | 76             |                      | 88.7          | 45                      |
| <b>D.Rep.</b>    | 17.0                       | 21.2                         | 73                             | 73             | .9                   | 93.8          | 9                       |
| <b>Puerto R.</b> | 33.4                       | 81.7                         | 92                             | 80             | .6                   | 92.3          | 18                      |

\*\* GDP (Gross Domestic Product) is a monetary measure of average individual income/productivity.

Compared to its neighboring island nations Cuba was in a league of its own. How could Cuba have done this? And why was the USA doing so poorly?

The key is how wealth and services are distributed among the citizens. Cubans earned a tiny fraction of the per-capita income in the USA. But Cuba's very modest wealth is distributed *very evenly* through government services: medical, educational, transportation, housing and a basic food ration. The *capitalist* nations suffered extremes of inequality that led to social dysfunction. The great wealth of the richest U.S. citizens is not distributed evenly, even after they die. Less than 1% of U.S. citizens pay inheritance tax. Likewise for the states. A study in 2007 noted that only 230 of Minnesota's 5 million citizens paid *any* state taxes related to inheritance.[10]

A socialist economy is not by itself a guarantee of human happiness. Both socialism and capitalism, which are *economic* systems, are vulnerable to natural disasters, climate change, military attack, epidemics and most importantly, poor political leadership. Advocates of capitalism often criticize socialism by citing North Korea's terrible worst-case leadership example. But that is no more a fair an argument against socialism than criticizing capitalism for the terrible leadership history in capitalist nations like El Salvador, Honduras, Haiti or Cuba itself under capitalist dictator Fulgencio Batista in the 1950s.



Photo by Gary Payne

When my college sponsored a student trip to Cuba our students returned uniformly mesmerized by the comfort level of Cubans with each other. A society focused on equality has a higher level of cohesiveness that is borne out by objective social indicators. The desperation of extreme inequality has been vastly reduced. People who are of equal status in a society have much more in common with each other. It's easier to make friends!



An avalanche of absurdly negative commentary has hardened U.S. opinion on Cuba. This story appeared in a newspaper in my local grocery store. It has become a part of our anti-socialist national folklore. In three visits to Cuba have been treated with friendship despite our nation's 65 year-long economic embargo on the island.

19

From a list of the nearly 200 nations on Earth, the five nations below were rated as “the happiest places to live” in the 2025 World Happiness Report published by the United Nations. The Report uses statistics like life expectancy combined with survey data. All five of these happiest nations lean heavily towards socialist solutions, anchoring their citizenry in universally supportive ways while maintaining the same freedoms and democratic principles as in the USA. But they tax their wealthiest citizens and/or corporations at a higher rate and use that revenue to provide many more services for their entire populations.

|   |   |             |       |
|---|---|-------------|-------|
| 1 |  | FINLAND     | 7.736 |
| 2 |  | DENMARK     | 7.521 |
| 3 |  | ICELAND     | 7.515 |
| 4 |  | SWEDEN      | 7.345 |
| 5 |  | NETHERLANDS | 7.306 |

The USA placed 24th in the latest ratings, its worst score in the history of the ratings. Surveys are vulnerable to interpretation errors across cultures so the World Happiness Report may not be a perfect measure of happiness. But it is the only report of its kind. It too demonstrates the value of reducing inequality and increasing social support in a logical cultural design. Below, see *one* reason why some nations use universal health care.





## I Compared Two Wealthy Democratic Nations in 2016

### Capitalist USA vs. Socialist Iceland: Social Indicators

Sources: CIA World Factbook; World Health Organization; World Bank, United Nations, King's College of London

| <u>Indicator</u> (most recent year)   | <u>USA</u>                | <u>ICELAND</u>                    |
|---------------------------------------|---------------------------|-----------------------------------|
| Infant Mortality per 1000 live births | 5.9                       | 1.9                               |
| Life expectancy                       | 79.7                      | 83.0                              |
| Percent with HIV/AIDS (2015)          | .6                        | .3                                |
| Homicide Rate per 100K                | 3.8                       | .3                                |
| Incarceration Rate per 100K           | 693                       | 45                                |
| CO2 Emissions per capita              | 17 tons                   | 6 tons                            |
| Cost of 4 years of college            | \$29,000 Average          | \$800 (one-time registration fee) |
| Women's Pay Equality Rank             | 28 <sup>th</sup> globally | 1 <sup>st</sup> globally          |



Iceland always ranks in the top five happiest nations on Earth. Proud of its high level of equality, the shape in the hands symbolize its love and support of *all* its citizens, a very popular image there.

## MAINTAINING INEQUALITY

Even the most unfair stratification systems can survive for centuries. India's history is a perfect example of that. But perpetual inequality requires control over a culture's institutions, and thereby, control over popular *thought*. If the wealthy segment of society can control the institutions, it can usually ignore calls for economic fairness.

**Karl Marx noted that the institutions of society always create an *ideology*, a *self-supporting system of ideas*.** In the case of capitalist societies, he saw that the ideology was designed to create and justify extreme economic unfairness regardless of how cruel it might be. After all, Marx was living through a time in which fortunes were made through slavery and genocide.

How could the wealthy control today's major cultural institutions? Today's commercial press and media are owned entirely by stockholders, and nearly all stock shares of any corporation owned by upper class citizens. Marx would suggest that the operators of the major television, radio and newspaper outlets generally downplay news or information that would seriously threaten the interests of their wealthy stockholders, employers and corporate sponsors. It would be occupationally dangerous for them to do otherwise.

Likewise, our religious institutions depend on donations, and those who have the most money to donate are likely to influence how subjects are addressed from the pulpit. In some famous "company towns" in the USA, the family that owned the local factory, mill, or mine actually hired the local preachers. Politicians also require donations to their campaigns in order to stay in office. All politicians know who their larger contributors are, and what those contributors expect "their" politicians to do when in office.

**When all the institutions work as a *team* to construct the same image of reality, they create an ideological echo chamber. Marx called this collaborative process the "*mental means of production*."** Most citizens end up dancing to the tune. As a consequence, fewer changes are made to solve even the most glaring outcomes of economic inequality.

Over time, this is a dangerous situation even for the wealthiest advantaged citizens because a social system that cannot improve itself risks complete system breakdown as its failures suddenly become apparent. They may not recognize it in time. A perfect example of that is our inattention to the greatest challenge of our time, climate chaos.

The wealthy in any society tend to promote an image of patriotic satisfaction because they usually seek no changes in a system that has protected their advantages. The cultural institutions they control obediently suggest that society is basically, "on the right track," while staying rather mute on issues like global warming, or rampant inequality. Opposing viewpoints from poor and middle-class citizens are floating around on internet, or in artistic contexts or down at the local pub. But no other point of view has as many direct routes to the public mind as do the wealthy and the institutions they control.

Oil and water: The Line 3 debate

## For second year in a row, Enbridge Energy spends the most in Minnesota on lobbying

Dan Kraker March 19, 2019 4:43 p.m.



Opponents and supporters of the Enbridge Line 3 oil pipeline wait outside of the Minnesota Senate Building before a hearing in St. Paul on Nov. 19, 2018. ■ Evan Frost | MPR News 2018

Share story



Enbridge Energy Partners spent just over \$11 million lobbying Minnesota state government in 2018 — almost all of it advocating before the Public Utilities Commission — according to data released this week by the Minnesota Campaign Finance and Public Disclosure Board.

Enbridge also topped the list last year, when it spent \$5.3 million.

Minnesota Public Radio News

Even money from *foreign* corporations can control our cultural institutions. Minnesota's *highest spending lobbyist* for several years has been Enbridge Energy, a Canadian firm. Would Enbridge have spent this money repeatedly if it wasn't achieving its pipeline goals? How much are average Minnesota citizens able to spend to represent their individual interests?





Gary Payne 2008, Guyana

A wealthy mining executive protects his mansion's fortunes with razor wire in Georgetown, Guyana. While trying to lock the poor *out*, has he actually locked himself *in*? The rich can be victims of their own success.

## FALSE CONSCIOUSNESS AND CLASS CONSCIOUSNESS

Although institutions may indoctrinate citizens into the patriotic ideology of the wealthy, it is impossible for individuals to ignore every aspect of an unjust reality. Eventually, citizens will be impacted by unfairness, no matter how cleverly it is covered up. After viewing the statistics on inequality, a question is often asked by my students: *Why do people put up with it?* This was a major point of interest to Karl Marx.

### False Consciousness

Marx explained our individual passivity by the concept of **"false consciousness,"** a **set of myths people believe to feel better about inequality.** Misinformed by institutions of the true causes of inequality, most people in capitalist societies will ignore institutional failures and blame the victims, or *even themselves*, Marx claimed. Fate, bad luck, laziness, and the "Will of God" become common excuses for inequality. Exploited groups and individuals will often further exploit themselves by accepting perpetual inequality without a single act of objection during their entire lives.

**Thus, people who cling to false consciousness even become *participants in their own exploitation.*** Some present-day examples: women, often ill-defined by advertising and other cultural images as little more than sex objects, may not only



tolerate this but sometimes further exploit themselves by engaging in anorexia, body altering surgeries, or destructive promiscuity in an attempt to fit into this culturally dominant image.

Some oppressed gay men have accepted the term “queer” that was originally a cruel homophobic trope and others have engaged in self-destructive sexual behavior that set them apart - and further isolated them from - the larger society. Some Black citizens refer to each other in racist terms that seem to confirm stereotypes. Poor whites often vote for candidates that plan to reduce or eliminate public services they badly need. Underpaid workers refuse to join unions and are left without any power to bargain with corporations.

The sad fact is that **chronically oppressed groups often accept the dominant group's view of their unworthiness.** Why? If the dominant group's ideological slogans flood the marketplace of ideas – through *control over thought itself* – false consciousness becomes the path of least resistance.

## **Class Consciousness**

Marx suggested that the only hopeful approach to a grossly unfair system was **class consciousness: an awareness of our common plight as oppressed people.** But how would such awareness develop, if all the institutions continually censor or avoid the critical information required to obtain it? Marx predicted that as economic exploitation increased, oppression would *finally* reach a point at which the grim material reality of life was so debilitating that individuals would ignore institutional and media spin and begin fighting for their very lives. He predicted that the common laborers (the working class) would inevitably rebel and take over the means of production, and then share them equally amongst all. This, he predicted, would create communism, his utopian dream.

Marx was at least somewhat mistaken about *common laborers* fighting the wealthy in a revolt. Successful mass revolutions in Mexico (1910), Russia (1917), China (1949), and Cuba (1959) were dominated instead by armies of *desperate peasants* with little to lose. But Marx was right in that these revolutions took place only after life became nearly impossible, for this is when false consciousness was no longer believable and class consciousness easily replaced it, spreading through the population.

## **Revolt, Rebellion and Revolution**

What happens when an oppressed group gives up on peaceful means of protest, and takes to the streets? There are three basic forms of street violence which may or may not lead to a successful transfer of power to the oppressed group. Below is a scheme based very loosely on definitions from D.E.H. Russell.[12]

**TABLE 8.2            A TYPOLOGY OF VIOLENT UPRISINGS [12]**

|                   | VIOLENT? | LEADERS? | PLANNED? | POWER SHIFT? |
|-------------------|----------|----------|----------|--------------|
| <u>RIOT</u>       | yes      | none     | no       | no           |
| <u>REBELLION</u>  | yes      | yes      | yes      | no           |
| <u>REVOLUTION</u> | yes      | yes      | yes      | yes          |

It can be hard to tell when a riot ends, and a general rebellion begins. However, uprisings often seem to fit into three basic patterns. Riots are common, brief, and usually do not lead to an organized rebellion. Rebellions are organized and last longer but are put down. A successful revolution, in which the rebels actually take power, is a relatively rare event. And the new leaders may not be any better than the previous ones. Mahatma Gandhi's strategy of non-violent non-cooperation (adopted by Martin Luther King, Jr.) is viewed by sociologists as a better strategy. But it requires patience and determination.



Sayer Payne, La Paz Bolivia, 2003

The Bolivian teachers and parents (above) carry their nation's flag through the capitol of La Paz in a peaceful protest for adequate school funding. As the parade moved toward an upper-class area of the city, the protesters were stopped by the police force in the photo below.





Gary Payne, La Paz, Bolivia 2003

The Bolivian police in this photo were recruited from middle to lower classes, as everywhere. Here they found themselves having to turn their guns towards members of their own social classes. The protesting Bolivian teachers gained popular support among the people by using Gandhi's non-violent techniques, blocking traffic with their bodies in Bolivia's capitol. The peaceful protests failed to bring the government down and were followed by violence in which 85 people were killed. Having ordered torture to be used on protestors, President Sanchez de Lozada, the richest man in Bolivia, fled to a hideout in Miami, Florida. He was later fined \$10 million but avoided prison.

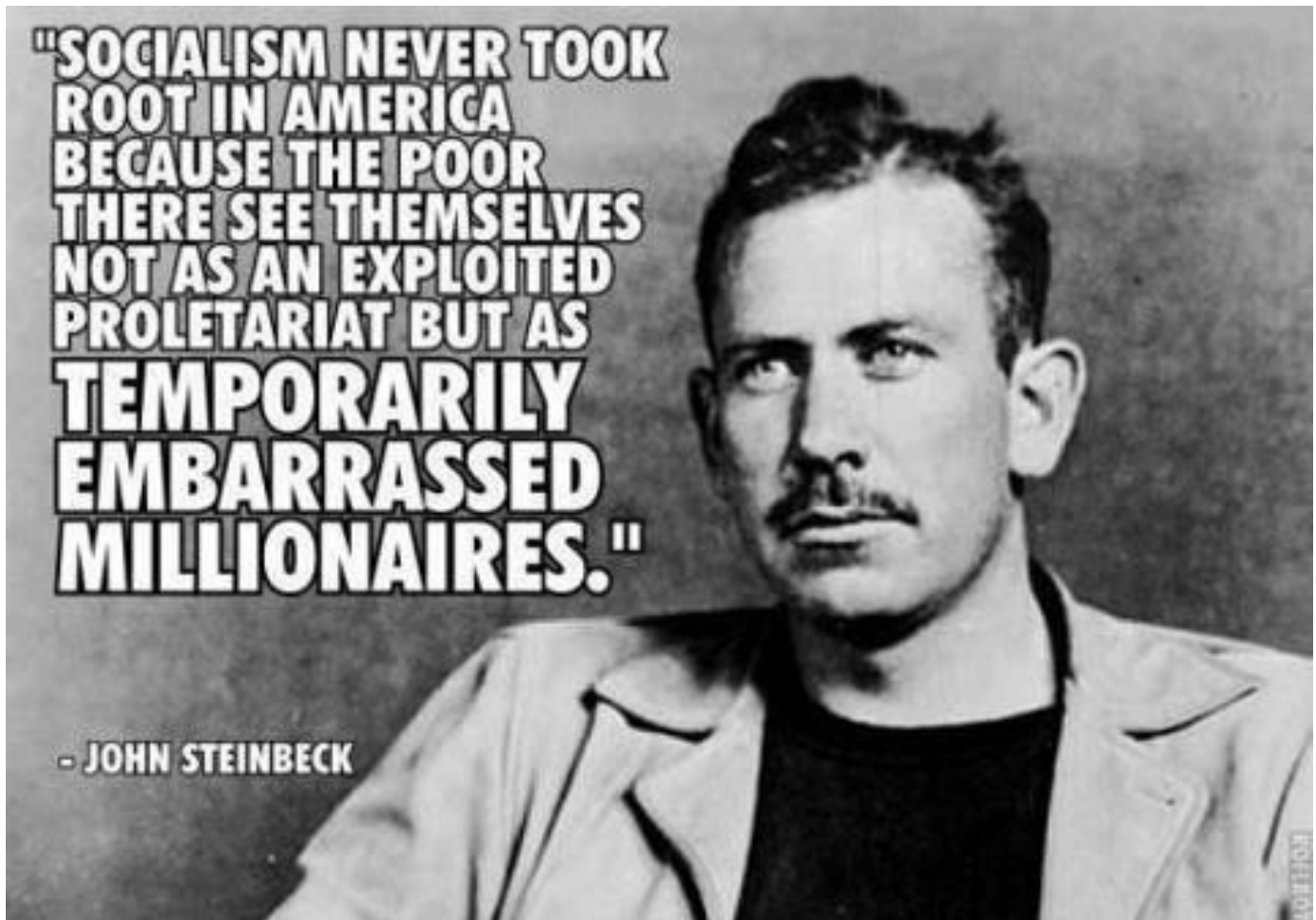
## THE LEGACY OF KARL MARX

The predictions of worker rebellions and takeovers by Karl Marx and his collaborator Friedrich Engels in *The Communist Manifesto* sent shivers down the backs of wealthy capitalists. They generally despised Marx, but respected his intellect and took him seriously. Wealthy capitalists gradually learned to keep the exploitation of lower classes within certain limits so as not to reach the point where violent rebellion might begin.

In the years after Marx died, progressive thinkers and labor unions he inspired forced their nations towards fairness. A long list of worker protection measures was gradually - often grudgingly - adopted in the Western world: minimum wage, Social Security, some forms of progressive taxation, workplace safety regulations, the 40-hour work week, child slave labor laws, employee health insurance, retirement pay, sick leave and vacation time. Unions fought for it and won it all with little help from the larger society.



These benefits came partly as a reaction by rich capitalists to the image of a potential future worker rebellion that was painted by Marx. It's a great irony that rich people have taken Marx more seriously than poor people. **Marx certainly did not intend to save capitalism from its own self-destructive greed, but he may have done so inadvertently, by the power of his written predictions.**



Famous author and social critic John Steinbeck wrote that the poorly paid workers in the USA were unrealistically hopeful that the capitalist economic system would someday make them wealthy. Both Marx and Steinbeck saw this as a form of "false consciousness" that kept the poor and middle class from taking action to create a fair society for all citizens.

The steady drop in the nation's birth rates in recent years created a worker shortage in 2021 that finally reversed decades of falling *real wages* (adjusted for inflation over time). But *real wages* have previously zig-zagged much lower since the mid-1980s. Many corporations still pay the lowest possible wages and have reduced benefits while top executives' salaries have risen. Corporations are responding to the higher wages by replacing workers with robotic technology. Some corporations have even stolen their worker's pension funds.[13]

## Hope from Popes: Is the Oldest Christian Church Joining the Battle for Equality?

*[Please note that I am not a member of the Catholic Church]*



Pope Francis I



Pope Leo XIV

Perhaps the most stinging attack in recent years on corporate capitalism came from a very unlikely source: Pope Francis of the Catholic Church. His predecessors tended to be very strong supporters of capitalist economies but the widening global gap between the rich and poor and Pope Francis' courageous response to it marks an historic break with the wealthiest and most powerful people and corporations on Earth. Here are some quotes from his sermons in South America:

"The new colonialism takes on different faces...corporations, loan agencies, certain 'free trade' treaties, and the imposition of measures of 'austerity' which always tighten the belt of workers and the poor."

"And behind all this pain, death and destruction there is the stench of what Basil of Caesarea, one of the church's first theologians, called 'the dung of the devil.' An unfettered pursuit of money rules. That is the dung of the devil."

"Working for a just distribution of the fruits of the Earth and human labor is not mere philanthropy. It is a moral obligation."

"This system is by now intolerable: farmworkers find it intolerable, laborers find it intolerable, communities find it intolerable, people find it intolerable...The Earth itself...also finds it intolerable."

"Our common home [Earth] is being pillaged, laid waste and harmed with impunity. Cowardice in defending it is a grave sin. We see with growing disappointment how one international summit after another takes place without any significant result."

After Pope Francis passed away in 2025, a new Pope was selected: Pope Leo XIV. Although it is too early to know how Pope Leo will approach the crises humanity faces, there is already reason to believe that he may follow in the footsteps of his predecessor.

Pope Leo has revealed his unhappiness with the manner in which the planet Earth and desperate immigrants are being treated and he has said that clergy must speak out more against racism. He has also suggested that there should be more leadership roles for women in his church.

These comments from Popes Francis and Leo are a dramatic shift that may lead a significant portion of Catholic followers in a more progressive direction.

## **Into the Future**

Like all generations, your generation lives in a time of real danger, but also, of opportunity. The patterns of injustice and self-destruction could be reversed by an aware and determined public.

Throughout history there has always been an inspired collection of courageous and progressive citizens in this nation and around the world that linked hands with each other across time and space to keep hope alive. This book you're reading is just a doorway into their place in history. Sociologist Martin Luther King, Jr. once noted, "The ark of history is long, but it bends toward justice." It has always been these enlightened citizens that did the bending and made life worth living.

Now, it's *your* turn.

You can make a difference in dozens of ways: how you raise your children, how you shape your circle of friends in conversation, what you buy or refuse to buy, which organizations you belong to, how you vote, what causes you volunteer for, whether you run for office or support enlightened candidates, how you use the artistic talents you possess, how you stay informed and help others grow their own awareness.

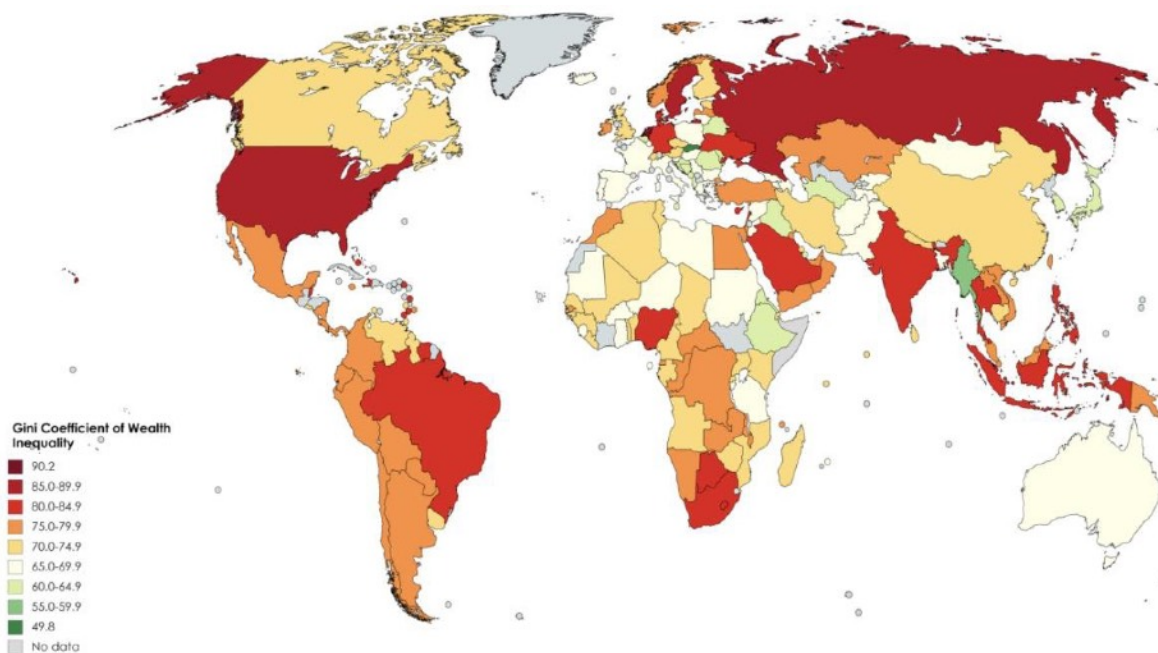
I wish you success in the effort to build a more just and rational civilization. A sociological strategy would be to organize in groups, work together, acting peacefully but with relentless determination. Think of your nation as a work in progress. Make it better. That is the highest form of patriotism.

Keep hope alive Earthlings.

Gary Payne

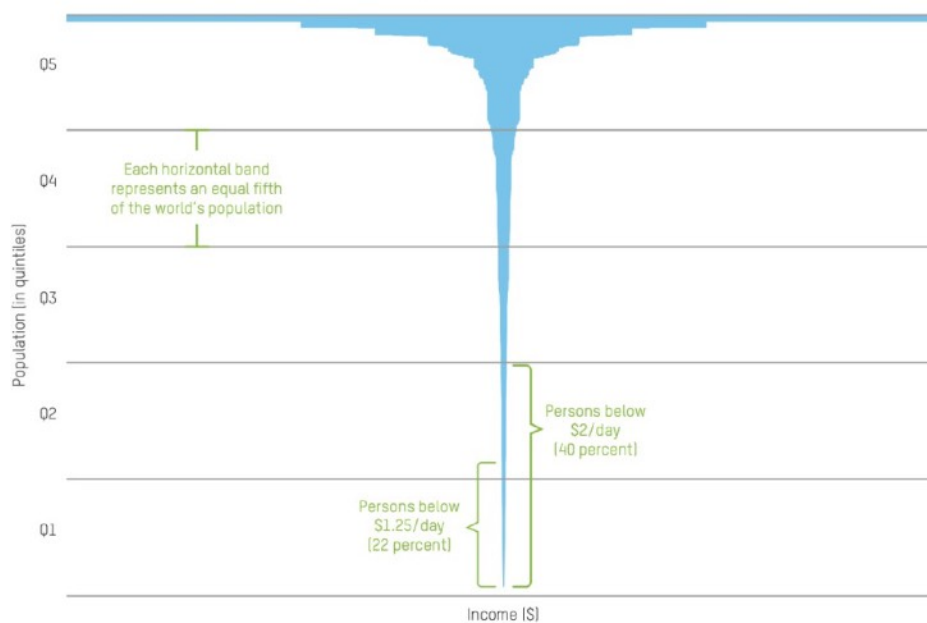


## APPENDIX: ADDITIONAL GRAPHS REGARDING INEQUALITY

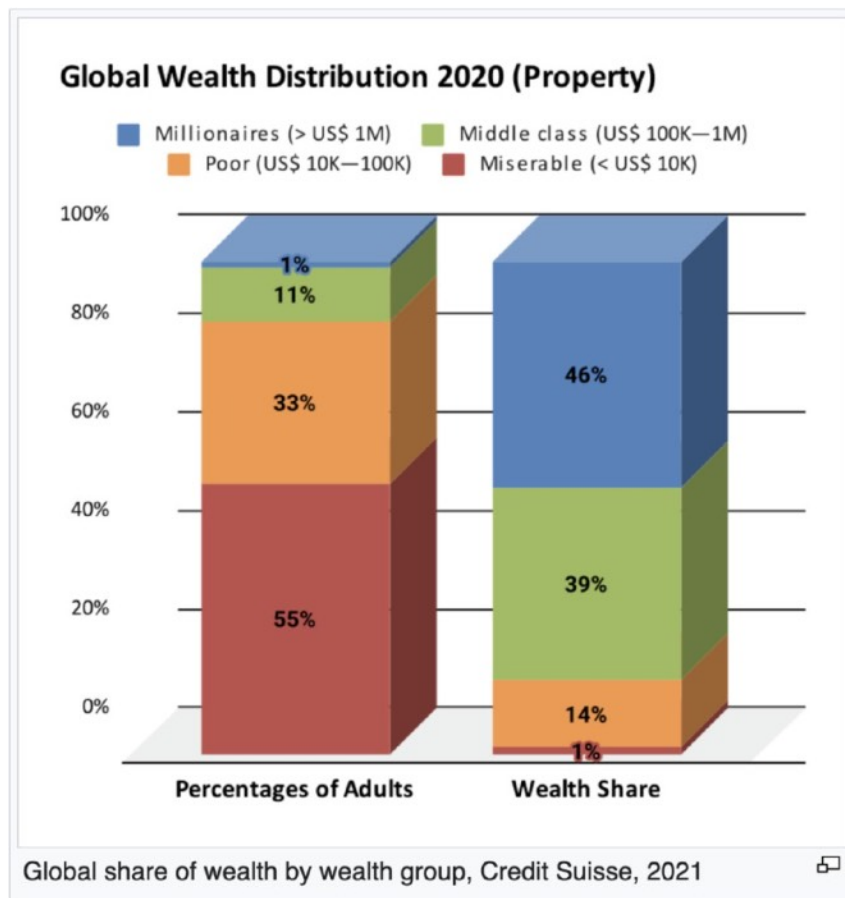


The GINI Index is an accurate measure of *wealth* inequality in nations. The higher the inequality, the darker the coloration. Study the “key” at left to compare the USA with other nations. The USA is a standout of extreme inequality.

**FIGURE 1:** Global income distribution by percentile of population (\$)



This Credit Suisse figure shows global *income* distribution on Earth. This income disparity is rapidly increasing the wealth disparity.



Here Credit Suisse split the global population into 4 color-coded parts. The wealthiest 1% of global citizens has absorbed 46% of planetary wealth, leaving the poorest 55% of Earth's people to struggle along on just 1% of global wealth.

## Fighting tax evasion and avoidance



Source: G. Zucman. (2015). and the methodology note for Oxfam's 2018 Davos report <sup>437</sup>

In recent years the extremely rich segment of the world has been finding ways to stash money in foreign banks and using newly invented digital money like bitcoin to hide their transactions. The idea is to avoid taxation or confiscation of illegally obtained funds.

## Distribution of corporate equities and mutual funds by income quintile

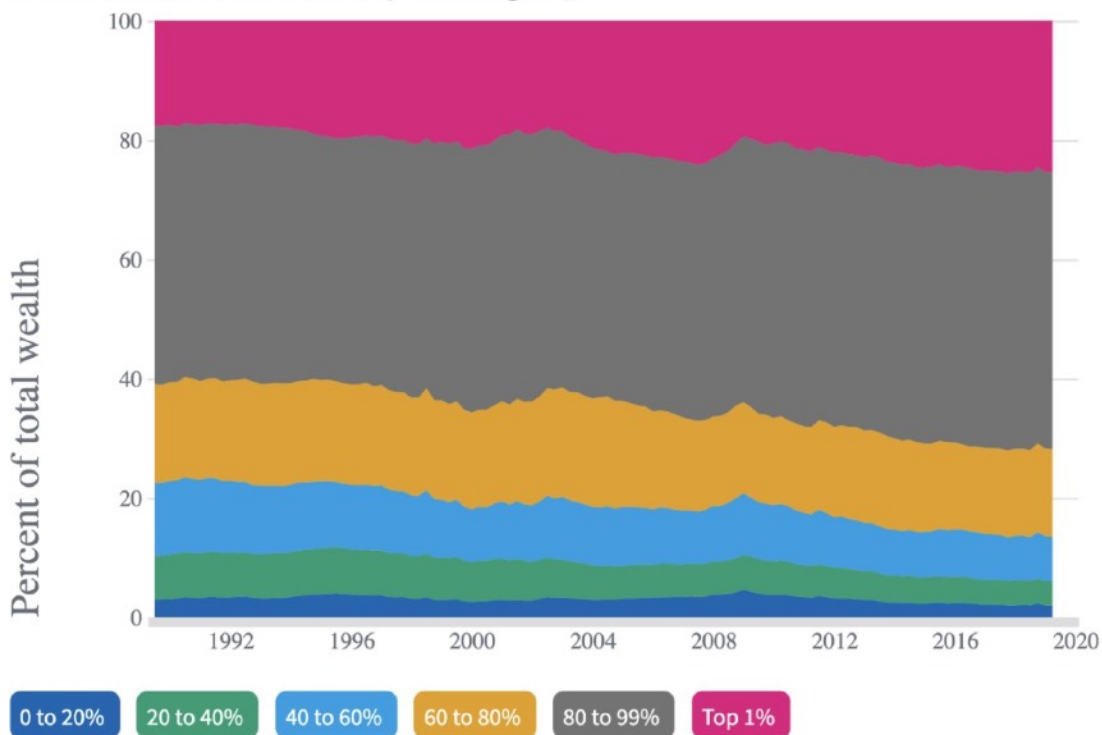
% shares as of 1Q 2020



Source: Federal Reserve Distributional Financial Accounts.

The dominant form of wealth is stock and bond holdings in the USA. Here is a “pie” chart that shows how this wealth is presently distributed into fifths (each 20%) of our population. Real estate is not counted in this chart but we can probably assume that it too is distributed with extreme unfairness.

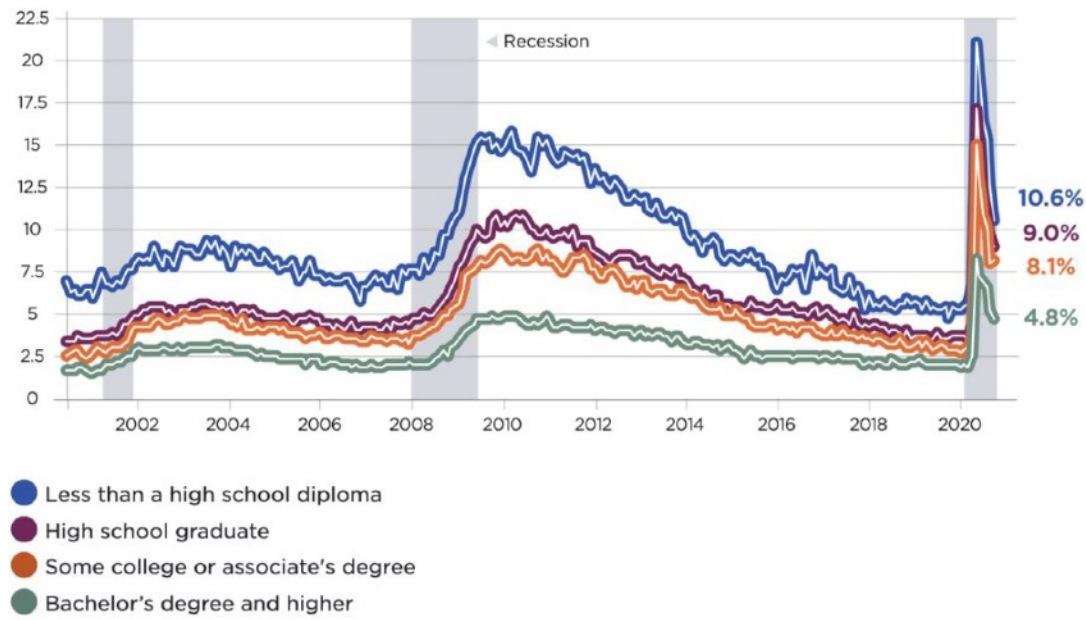
## Share of wealth distribution by income group



Here Fact /USA adds a layer of red to display the richest 1% above the usual fifths of the population of the USA. This chart shows the gradual loss of the lower 3 fifths of the population over time as the upper 20% steadily increases its share of wealth.



Unemployment rate (ages 25 and over), by education level



Note in the above line graph that no matter how the economy is doing, boom or bust, the unemployment level is always highest among the least educated (which, of course, are generally the poorest citizens). They are the first to be laid off and often the last to be rehired.

Just before my 2025 edition of [socioseeker.com](http://socioseeker.com) was published online, an historic comment from multi-billionaire Bill Gates hit the press. Gates, who has been notably charitable with his time and money, criticized the even richer billionaire Elon Musk. While working for the Trump administration Musk dissolved the entire U.S. Agency For International Development which distributes aid to the most vulnerable children on the planet. Gates response to this was:

**“The picture of the world’s richest man killing the world’s poorest children is not a pretty one.”**

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