

BENOKRAITIS

# SOC<sup>5</sup>

INTRODUCTION TO SOCIOLOGY



# 11

## The Economy and Politics



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# LEARNING OUTCOMES

- 1 Compare and illustrate the different types of global economic systems
- 2 Describe corporations and explain how corporate and political power are interwoven
- 3 Explain how and why macro-level variables have changed the U.S. economy and jobs
- 4 Compare and illustrate the different types of global political systems



# LEARNING OUTCOMES

- 5 Explain the relationship between power, authority, and politics**
- 6 Describe the U.S. political system, and explain who votes, who doesn't, and why**
- 7 Compare and evaluate the theoretical explanations of the economy and politics**

# Economy and Politics

## Economy

- Determines how a society produces, distributes, and consumes goods and services

## Politics

- Individuals and groups acquire and exercise power and authority, and make decisions

# Global Economic Systems: Capitalism

- Based on private ownership of property and competition in producing and selling goods and services
- Characteristics
  - *Private ownership of the means of production*
  - *Market competition*
  - *Profit*
  - *Investment*
- Results in **monopoly** and **oligopoly**

# Global Economic Systems: Socialism

- Based on the public ownership of the production of goods and services
- Characteristics
  - *Collective ownership of property*
  - *Cooperation*
  - *No profit motive*
  - *Collective goals*

# Global Economic Systems: Communism

- Political and economic system in which property is communally owned
- Production is owned by the public
  - *People receive resources based on their needs*
- Practiced in China, Cuba, Laos, North Korea and Vietnam

# Global Economic Systems: Mixed Economies

- **Welfare (state) capitalism**
  - *Combination of private ownership of property, market competition, and government regulation of programs and services*
- **Crony capitalism**
  - *Based on the close relationships between businesses and the government*
  - *Government provides tax breaks, subsidies, and grants to wealthy people and large corporations*

# Global Economic Systems: Application

- Identify the type of economy
  - *In China, many state-owned enterprises are becoming private*
  - *In the United States, companies compete in producing goods and services*
  - *In the Soviet Union, competition and individual profit were frowned upon*

# Corporation

- **Proprietorship and Partnership**
  - *Organization that is owned by individuals, families or partners*
- **Corporation**
  - *Organization that has legal rights, privileges, and liabilities apart from those of its members*
- **Conglomerate:**
  - *Corporation that owns a collection of companies in different industries*
  - *Grows by acquiring companies through mergers*
  - *Diversifies business risk by participating in different markets*

# Corporations (continued)

- **Interlocking directorate:**
  - *The same people serve on the boards of several companies or corporations*
- **Transnational corporation:**
  - *Large company based in one country that operates across international boundaries*
- **Transnational conglomerate?**

# Corporations: Application

- Identify the type of corporation
  - *Kraft Foods owns Maxwell House, Oscar Meyer, Life Savers, and Ritz Crackers*
  - *Board members of General Electric also sit on the boards of Johnson & Johnson, Home Depot, and Kellogg*
  - *General Electric owns subsidiaries in 27 countries*

# Work in Today's U.S. Society: Variables

- **Why has the US and Maine lost manufacturing employment?**
  - *Automation*
  - *Globalization*
  - *Offshoring*
  - *Labor unions*
  - *Immigration*
  - *Unfair Trade Practices*

# Working Conditions in the United States

- Decline of middle-income jobs
  - *Fast-growing low paying jobs - Home health and personal care aides, sales jobs, office clerks, and nurses' aides*
- Part-time employment has spread to white-collar and professional sectors
  - *Helps employers save costs*
  - *Benefits requirements for full time employees*



# Working Conditions in the United States

(continued)

- Unemployed (5%)
- Underemployed (17% - 31%)
- Discouraged workers (35%)
  
- Americans
  - *Work more hours and weeks per year than people in other industrialized countries*
  - *Not legally guaranteed a paid vacation*

# Factors that Contribute to the Increase in Women's Employment

- Increase in the number of:
  - *College-educated women*
  - *Working single mothers*
  - *Higher costs of living*

Percentage of Men and Women in the Labor Force			Women as a Percentage of All Workers
Year	Men	Women	
1890	84	18	17
1900	86	20	18
1920	85	23	20
1940	83	28	25
1960	84	38	33
1980	78	52	42
1990	76	58	45
2014	69	57	47

Source: Based on Labor Force Statistics from the Current Population Survey, Table 3, "Employment Status," 2014. Accessed October 8, 2015 ([bls.gov/cps/tables.htm](http://bls.gov/cps/tables.htm)).

# Women and Minorities in the Workplace

Gender and race-ethnicity affect earnings

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graph TD; A[Gender and race-ethnicity affect earnings] --> B(Women earn lower than men across all occupations); A --> C(African-Americans women and Latinas earn the lowest)
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Women earn lower than men across all occupations

African-Americans women and Latinas earn the lowest

# Sociological Explanations of Work and the Economy

Theoretical perspective	Level of analysis	Key points
Functionalist	Macro	Capitalism benefits society; work provides an income, structures people's lives, and gives them a sense of accomplishment
Conflict	Macro	Capitalism enables the rich to exploit other groups; most jobs are low-paying, monotonous, and alienating; productivity isn't always rewarded
Feminist	Macro and micro	Gender roles structure women's and men's work experiences differently and inequitably
Symbolic interactionist	Micro	How people define and experience work in their everyday lives affects their workplace behavior and relationships with coworkers and employers

# Sociological Explanations: Application

- Identify the theoretical perspective
  - *Analysis of the experience of being unemployed*
  - *Study of gender inequality in health benefits*
  - *Study of the benefits of work*

# Global Political Systems

- **Government:** Formal organization that has the authority to make and enforce laws
- **Democracy:** Citizens control the state and its actions
  - *Principles*
    - Suffrage is universal
    - Individuals participate in government
    - government recognizes individual rights
    - Rule of law requires people to obey the law and be accountable for violations of the law

# Global Political Systems (continued)

- **Totalitarianism:** Government controls every aspect of people's lives
  - *Secret police and the military intimidate people into conformity*
- **Authoritarianism:** State controls the lives of its citizens but permits some degree of individual freedom
- **Monarchy:** Power is allocated solely on the basis of heredity



ALEXEY DRUZHININ/AFP/Getty Images

# Political Systems: Application

- Identify the type of political system
  - *Oyo Nyimba Kabamba-Iguru is the king of Uganda*
  - *North Korea is ruled by a dictator*
  - *Zimbabwe's President overthrown in a military coup*
  - *President of the U.S. is elected*



PETER BUSOMOKE/Getty Images

# Politics, Power, and Authority

- **Power:** Ability of a person or group to influence others despite resistance
  - *Legitimate power - Derived from a role, position, or title*
  - *Coercive power - Relies on force or threat*



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# Weber's Types of Authority

**Authority:** Legitimate use of power

Max Weber: Three ideal types or archetypes of power

Type of authority	Description	Source of power
Traditional	Power is based on customs, traditions, and/or religious beliefs	Personal
Charismatic	Power is based on exceptional personal abilities or a calling	Personal
Rational-legal	Power is based on the rules and laws that are inherent in an elected or appointed office	Formal

# Power and Authority: Application

- Identify the type of authority
  - *Governor has power over the state because she was elected*
  - *Father has power in a family because of religious beliefs*
  - *Politician has power because of his exceptional personality*

# Components of the Political System: Political Parties

- Recruit, nominate, and elect members to public office
- The United States follows a two (major) party system
  - *Democrats*
  - *Republicans*



# Components of the Political System: Special-Interest Groups

- Seek or receive benefits or special treatment
- Party committees
- Political action committees (PACs)
- Lobbyists

**Table 11.6****Voter Rates, by Selected Characteristics, 2012**

A. Age		B. Education	
18–24	41%	High school, no diploma	38%
25–44	57	High school graduate	53%
45–64	68	Some college or associate degree	64%
65–74	74	Bachelor's degree	75%
75 and older	70	Advanced degree	81%

  

C. Annual Family Income	
Under \$20,000	50%
\$20,000 to \$29,999	56%
\$30,000 to \$39,999	58%
\$40,000 to \$49,999	63%
\$50,000 to \$74,999	68%
\$75,000 to \$99,999	74%
\$100,000 to \$149,999	77%
\$150,000 and over	90%

Source: Based on U.S. Census Bureau, Voting and Registration, 2013, Tables 5 and 7.



**Table 11.7**

# Sociological Explanations of Political Power

	<b>Functionalism: A Pluralist Model</b>	<b>Conflict Theory: A Power Elite Model</b>	<b>Feminist Theories: A Patriarchal Model</b>
<b>Who has political power?</b>	The people	Rich upper-class people—especially those at top levels in business, government, and the military	White men in Western countries; most men in traditional societies
<b>How is power distributed?</b>	Very broadly	Very narrowly	Very narrowly
<b>What is the source of political power?</b>	Citizens' participation	Wealthy people in government, business corporations, the military, and the media	Being white, male, and very rich
<b>Does one group dominate politics?</b>	No	Yes	Yes
<b>Do political leaders represent the average person?</b>	Yes, the leaders speak for a majority of the people.	No, the leaders are most concerned with keeping or increasing their personal wealth and power.	No, the leaders are rarely women who have decision-making power.

# Sociological Perspectives: Application

- Identify the theoretical perspective
  - *U.S. is ruled by white males*
  - *U.S. is ruled by a powerful people like CEOs, military generals, and high ranking elected leaders*
  - *Political leaders speak for a majority of the people*



# Chapter Review

- Describe the different economic systems.
- What are the different types of corporate structures?
- Describe the changes occurring in work in the United States.
- Discuss the different sociological explanations of work and the economy.



# Chapter Review (continued)

- Describe the different types of political systems.
- Discuss the types of power and authority.
- Describe the structure of politics in the United States.
- How do the different theoretical perspectives interpret politics?

# KEY TERMS

- Economy
- Politics
- Capitalism
- Monopoly
- Oligopoly
- Socialism
- Communism
- Welfare capitalism
- Corporation
- Conglomerate
- Interlocking directorate
- Transnational corporation
- Transnational conglomerate
- Work
- Deindustrialization
- Globalization
- Offshoring
- Discouraged workers

# KEY TERMS

- Underemployed
- Motherhood penalty
- Democracy
- Totalitarianism
- Authoritarianism
- Monarchy
- Power
- Authority
- Traditional authority
- Charismatic authority
- Rational-legal authority
- Political party
- Special-interest group
- Political action committee (PAC)
- Lobbyist
- Pluralism
- Power elite

# SUMMARY

- Today, economies of the world are a mixture of both capitalism and socialism
- Corporations are organizations that have legal rights, privileges, and liabilities
- Macro-level variables of work
  - *Deindustrialization, globalization, offshoring, and weakened labor unions*
- Politics plays a key role in people's everyday lives
  - *Different sociological perspectives help view politics, power, and authority*

