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Source: *British Journal of Political Science*, Vol. 12, No. 2, (Apr., 1982), pp. 227-239

Published by: Cambridge University Press

Stable URL: <http://www.jstor.org/stable/193997>

Accessed: 20/06/2008 10:37

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Notes and Comments

O'Connor's Sectoral Model of the United States Economy: Examining Some Political Consequences

CAROL NACKENOFF*

During the past fifteen years, several economists, historians and sociologists have propounded a sectoral model of economic growth and change in the United States. According to this analysis, as large-scale, monopolistic enterprises began to emerge in the late nineteenth century, different investment considerations and labour market requirements were also evolving. A dual economy was beginning to be formed. The large-scale capital sector and the small-scale capital sector each had its own economic environment of conduct. Each sector tended, too, to develop its own corresponding labour market, with monopoly sector or 'core' firms holding out certain economic advantages for employees: money, job security, benefits, and opportunities for advancement within the firm. Thus, the work experience in these two sectors increasingly diverged. Even if the large-scale capital sector did offer economic advantages, growth tended to be capital-intensive, and the growth of employment in this sector slowed down, and then stopped by the end of the Second World War.¹ Employment shifted to trades and services, with lower wage rates, and, of course, to the public sector, which currently employs nearly a third of the American workforce.

One of the most important recent studies drawing on this sectoral view of the American economy is James O'Connor's *The Fiscal Crisis of the State*.² O'Connor divides the economic activities of society into those organized by the state and those organized by private capital, the latter consisting of monopolistic and competitive industries, forming distinct sectors. He, too, holds that structural features of economic development work against the opportunity for many members of the workforce to

* Department of Political Science, Rutgers University. I would like to thank James L. Greer and Ivor Crewe for their valuable assistance. Ira Katznelson, J. David Greenstone, Paul E. Peterson, Norman Nie, ViAnn Beadle, and Ed Hamburg are all due thanks for their contributions to the larger project on which this is based.

¹ Of great importance to the exploration of economic dualism is the work of Robert Averitt, who has distinguished between centre and periphery firms in the United States (Robert T. Averitt, *The Dual Economy* (New York: W. W. Norton, 1968)). The time-trend argument is his.

² In addition to James O'Connor, *The Fiscal Crisis of the State* (New York: St Martin's Press, 1973), the reader is referred to the following: Suzanne Berger and Michael J. Piore, *Dualism and Discontinuity in Industrial Societies* (New York: Cambridge University Press, 1980); Peter B. Doeringer and Michael J. Piore, *Internal Labor Markets and Manpower Analysis* (Washington, DC: Office of Manpower Research, US Department of Labor, 1970); Richard C. Edwards, 'The Social Relations of Production in the Firm and Labor Market Structure', *Politics and Society*, v (1975), 83-108; Richard C. Edwards, *Contested Terrain* (New York: Basic Books, 1979); Michael Reich, David M. Gordon and Richard C. Edwards, 'A Theory of Labor Market Segmentation', *American Economic Review*, LXIII (1973), 359-65; Katherine Stone, 'The Origins of Job Structures in the Steel Industry', *Review of Radical Political Economics*, vi (1974), 113-73; and James Weinstein, *The Corporate Ideal in the Liberal State 1900-1918* (Boston: Beacon Press, 1968).

obtain high-wage, stable, and otherwise desirable employment in the present-day American economy, since jobs are not being created in the capital-intensive monopoly sector and fiscal crisis threatens the state. O'Connor argues that the state can no longer absorb surplus workers and that state-sector workers will begin to slip from their long-privileged economic position, no longer maintaining wage parity with monopoly-sector workers, as the fiscal crisis deepens. These state employees have, in his view, a considerable potential for radicalization, joining cause with the long-aggrieved workers of the competitive sector whom they will increasingly come to resemble. Whether or not fiscal crisis is impending, one can clearly see evidence today of the incapacity of the state to absorb surplus employment and to maintain wage rate gains for its employees. The language of the 1980s is a language of austerity, sacrifice, and 'belt-tightening'; there is a federal hiring freeze and a rash of budget slashing. These phenomena tend to underscore the role of the competitive sector, or 'periphery', as an employer.

Shifting patterns of employment experiences in high-wage and low-wage sectors may have important consequences for political attitudes and satisfactions. The literature offers a few explicit and many implicit political speculations, and it is time for an empirical examination of such contentions. Firstly, however, it is important to be clear about the various differences in the environment of work that have been attributed to this bifurcation in the private sector. These are summarized in Table 1.

A recent classification of industries has been developed along the lines suggested by O'Connor, establishing the groundwork for a test of some political implications of an economic sector model, along with some assertions about the characteristics of work in these sectors. Using nine related gauges of concentration and centralization of capital by industry, Randy Hodson has transformed the 1970 Census Industrial Classification into monopoly (here, core), competitive (periphery) and state sectors of production.³ Durable goods manufacture, mining, construction, finance and insurance tend to be located in the core, and non-durable goods manufacture, wholesale and retail trade, agriculture, and services are generally classified into the periphery. The classification scheme treats sector as a discrete, not a continuous variable, leading to several dubious classifications. However, this bifurcation of the private sector responds to the theoretical framework adopted by O'Connor and others, and can also be supported on the basis of evidence indicating a lack of mobility from small-scale capital industries to the large-scale capital sector.⁴ Thus, Hodson's sectors should identify markedly different types of economic enterprises and economic experiences, consistent with those outlined in Table 1.

This examination of economic sector implications was conducted with survey data from the 1972-77 General Social Surveys, compiled by the National Opinion Research Center. The six-year period is taken as a reasonably homogeneous interval in American economic history. Approximately 7,600 cases had work experience in the core or periphery sectors, and these respondents were questioned on a wide range of social, economic and political issues.

³ Randy Hodson, 'Labor Force Participation and Earnings in the Core, Peripheral and State Sectors of Production', manuscript published in revised form in *Politics and Society*, viii (1978), 429-80.

⁴ Michael J. Piore makes a case for the discrete quality of labour markets in Berger and Piore, *Dualism and Discontinuity in Industrial Societies*, Chap. 2. Sam Rosenberg discusses some evidence concerning mobility from secondary to primary labour market jobs in 'Marxian Reserve Army of Labor and the Dual Labor Market', *Politics and Society*, vii (1977), 221-8.

TABLE I *Anticipated Attributes of Core and Periphery Sectors*

Core (monopoly sector)	Periphery (competitive sector)
Organized by large-scale capital; several firms dominate industrial groupings	Organized by small-scale capital; industries not dominated by a few firms
Capital-intensive production and development	Labour-intensive production and development
Stable national and international product markets	More volatile local and regional product markets
Stability of firms	High turnover of firms
Large numbers of employees in a single location	Employees separated and dispersed in small groups
Higher profit margins	Lower profit margins
Stable demand for labour; availability of full-time and permanent work	Unstable, seasonal, cyclical demand for labour; more temporary, seasonal and part-time work
Demand for a stable workforce leads to deliberate encouragement of certain types of workforce behaviour, such as compliance, punctuality, and internalization of the norms of the firm	Less interest in a stable workforce; little encouragement of stable, reliable work habits, militating against the prospects of future employment in the large-scale capital sector
Career ladders, opportunities to rise within the firm	Dead-end jobs with few opportunities to improve position without leaving the firm
Relatively high wages and opportunities to obtain wage increases	Lower wages and few opportunities for wage increases
Substantial unionization	Fewer or no unions
Higher benefit levels, whether union-won or corporate-granted	Fewer benefits
Incentives to remain with current employment	No incentive to remain with current employment; tendency towards high job turnover
Hierarchical authority relations at work	Immediate and personal authority relations; use of sacking as a sanction
Hand-picked, advantaged, white male workforce	Overrepresentation of women, ethnic minorities, young and old workers and the poorly educated
Employment stagnation and decline	Major expanding sector of the workforce; employment growth
Downwardly inflexible wages; layoffs and at least a temporary shift to the periphery in an economic downturn	Greater downward wage flexibility

In this study, a respondent's position in the workforce is defined both by sector of employment and occupation. While O'Connor's analysis did not introduce such within-sector differences systematically, it would appear important to assess the operation of a sector model for workers in roughly comparable occupational or class positions.⁵ Occupation is recoded from the US Bureau of the Census's three-digit

⁵ While I have adopted broader occupational groupings than those used by Hodson, this follows in the spirit of the classification scheme he developed.

TABLE 2 *Occupations that are Entirely or Very Largely Located in the Core or the Periphery*

	Core	Periphery
Professionals, technical and kindred workers, managers and administrators	Computer programmers and analysts Civil, electrical, industrial, mechanical, and most engineers Air pilots Bank officers and financial managers Scientists Most accountants Engineering and science technicians	Architects, artists, writers Clergymen Judges and lawyers Registered nurses Physicians College professors, school teachers and administrators Retail sales managers and buyers Health technologists
Sales workers, clerical and kindred workers	Bank tellers Insurance agents, brokers and underwriters Stock and bond salesmen Manufacturing sales representatives Expeditors and production controllers Most office machine operatives Telephone and telegraph operators	Real estate agents and brokers Most cashiers Retail salesclerks Medical and legal secretaries Library workers
Craftsmen, operatives, labour and farm workers	Bricklayers, stonemasons Carpenters, electricians Construction workers Excavating, grading and road machine operators Most foremen and inspectors Most machinists, machine operatives Heavy equipment mechanics Most plumbers, pipefitters Telephone installers, repairmen Precision machine operatives Automobile workers Steel workers	Compositors, typesetters Most auto mechanics Garage and gas station workers Dressmakers, milliners, dyers and seamstresses Most meat cutters Textile operatives Most truck drivers Fishermen, gardeners Stock handlers Warehousemen Garbage men
Service workers	Airline stewardesses/hosts Some guards and watchmen Some chambermaids and maids A few bartenders, food service workers, and nurses	Private household maids, cooks and servants Most janitors Most waiters and cooks Health service workers Barbers Bell hops Child care workers

occupational classifications into four broad categories. Each category incorporates a wide variety of work experiences, but also delimits important differences between occupations, including education, possession of other skills, control over the work process, and alleged dependence on surplus generated elsewhere in the economy.⁶ Table 2 presents some examples of occupations at each level that are found chiefly in one sector or another.

HYPOTHESES

With the aid of this classification scheme, the following hypotheses can now be explored:

- (1) Core workers will be better integrated into polity and society than periphery workers. They have greater opportunities to achieve wage rate gains than their counterparts and are more likely to believe that the system responds – however incrementally – to their demands.
- (2) Core workers, who tend to be more heavily unionized than their counterparts, will tend to be more politically active, to participate more in ordinary channels of communication, and to demonstrate a greater satisfaction with politics-as-usual than their counterparts in the periphery sector.
- (3) According to O'Connor, periphery respondents should be hostile and antagonistic because of the economic differential between themselves and core workers. Those in the periphery will express frustration and militancy. They may express preferences for fringe parties and for different kinds of policies, expenditures, and actions by the state. In the economic atmosphere of this period, stressing maintenance and retrenchment rather than a growth in spending, such workers may increasingly exhibit hostility toward the state and public officials.
- (4) While militancy and radicalization are the responses O'Connor anticipates, it is possible that the economic frustration of periphery employees will lead to other sectoral differences in attitudes and behaviour. In the periphery, spatial dispersion and low levels of unionization minimize communication among similarly situated workers and may encourage feelings of helplessness, powerlessness and alienation. Periphery workers may drop out of the political system rather than exhibit tendencies toward radicalization. They may be less inclined to join groups, to identify with any political party or to participate politically.
- (5) If such a pattern of withdrawal from politics were to appear, theories of mass society predict that the absence of cross-cutting cleavages could facilitate extremist responses of either a left-wing or right-wing kind. Evidence of authoritarianism and intolerance might appear among periphery respondents.

The sector model also permits examination of certain underlying assumptions:

- (6) Many of the disadvantaged will be located in the periphery, such as women, blacks, young and old workers, and those with lower levels of education.
- (7) Workers with similar levels of education and in similar occupational categories will earn more in the core than in the periphery.
- (8) Core work will exhibit greater stability on average than periphery work.

⁶ The occupational classification takes into consideration arguments made by Harry Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1974), and Erik Olin Wright, *Class, Crisis and the State* (London: New Left Books, 1978).

- (9) Periphery workers will be more dissatisfied with their economic position than will core workers. They are less likely to believe that their financial situation has improved in the last several years, and are less likely to have faith in future prospects of improvement than their counterparts.
- (10) Because of the oft-noted expectations of mobility in the United States, respondents in the periphery will probably be less satisfied with their jobs than their counterparts.

POLITICAL ATTACHMENTS, ATTITUDES AND SATISFACTIONS

First, then, let us examine some evidence for the case that periphery respondents are radicalized, or that their impatience and discontent can be seen in political preferences that differ appreciably from those of core respondents.

This study found no appreciable differences by sector of employment in reported party identification or in reported choice for president in 1968, 1972 and 1976 among those who claim to have voted. There appears to be a very modest pattern of sector differences along liberal-conservative attitude dimensions, although such differences obviously have little impact on reported voting preferences and party identification. When locating themselves on a liberal-conservative attitude scale, periphery respondents were slightly more likely than their counterparts to call themselves both extremely liberal and extremely conservative, with core respondents on average slightly more conservative in identification than periphery counterparts.

If periphery respondents were in any sense radicalized, I expected them to express alternative values and preferences on the eleven wide-ranging national spending priority items in the General Social Survey, perhaps viewing the state as having a positive responsibility to bring about an improvement in their material well-being. These respondents might be more spending-prone than other Americans, in an environment in which state action on behalf of the have-nots has always been considered suspect.

There does appear to be a modest pattern of this sort, with core respondents expressing a degree of fiscal conservatism and periphery respondents exhibiting a bit more enthusiasm for 'Great Society' social welfare programmes.⁷ Using factor analysis, two spending priority factors were created to explore these patterns. One was called social welfare, loading most heavily on improving the conditions of blacks, educational spending, solving problems of big cities, welfare, improving the environment and health. The other factor, termed law and order, included concern about drugs and crime; these issues could be regarded as conservative, being about the maintenance of the status quo in the United States. Evidence on the relationship between position in the workforce and spending sentiments on these two factors will be found in Tables 3 and 4.

It is evidently impossible to conclude that periphery respondents are on the whole

⁷ For each year of the General Social Survey except 1972, respondents were asked whether we spend too much, about the right amount or too little money on the space exploration program; on improving and protecting the environment; on improving and protecting the nation's health; on solving the problems of the big cities; on halting the rising crime rate; on dealing with drug addition; on improving the nation's educational system; on improving the conditions of blacks; on the military, armaments and defence; on foreign aid; and on welfare. All eleven spending priority items were examined for underlying dimensions; only two factors emerged with relative clarity.

TABLE 3 *Interest in Social Welfare Expenditure by Sector and Occupation*

	We spend too little					We spend too much	
	1	2	3	4	5	Total	N
<i>Professional workers*</i>							
Core	18.3	13.3 ⁻	20.1	20.6	27.7 ⁺	100%	339
Periphery	21.2	21.4 ⁺	20.3	18.8	18.3 ⁻	100%	1,017
<i>Clerical workers</i>							
Core	17.8	20.6	26.9	17.2	17.5	100%	360
Periphery	19.2	23.4	20.7	20.9	15.9	100%	479
<i>Craftsmen/labourers*</i>							
Core	18.0	19.6	21.1	20.4	21.0 ⁻	100%	859
Periphery	17.1	16.3	20.0	21.0	25.6 ⁺	100%	644
<i>Service workers*</i>							
Core	6.7 ⁻	26.7	23.3	26.9	16.7	100%	30
Periphery	25.5 ⁺	20.4	19.4	20.0	14.7	100%	530

* Indicates that the gamma for the occupational subtable is statistically significant at the 0.05 level. For professionals $\gamma = -0.172$; for craftsmen/labour respondents $\gamma = 0.077$; for service workers, $\gamma = -0.219$.

⁺ and ⁻ indicate that over/underrepresentation of respondents in the designated cell is greater than one could attribute to chance. The technique used when referring to over/underrepresentation of respondents in a particular cell is the analysis of adjusted chi-square residuals. This technique is a kind of standardization, with cells with the greatest number of cases no longer necessarily making the largest contribution to chi square. For further information, see Shelby Haberman, 'The Analysis of Residuals in Cross-Classified Tables', *Biometrics*, xxix (1973), 205-20.

oriented toward social welfare expenditure; patterns are occupation-specific. While regression equations confirm that core respondents on the whole are slightly more law-and-order oriented than their counterparts in the periphery, patterns here, too, suggest that occupation specifies the relationship between sector and these spending factors. Any evidence of a social welfare orientation amongst periphery workers was to be found amongst the best educated, highest income professionals – not amongst the disadvantaged workforce participants in the periphery as had been hypothesized. Craftsmen and labourers in this sector are even less inclined to support social welfare spending than their large-scale capital counterparts. Thus, adverse economic experiences do not seem to translate into markedly different political preferences between periphery and core workers.

Evidence on the dissatisfaction and alienation of periphery workers can also be sought from a variety of indicators measuring confidence in government and in major institutions. Periphery respondents could exhibit disaffection by expressing low levels of confidence in government or in public officials and by considering that government activities were not of benefit to them. The evidence from the General Social Surveys, however, did not lend much support to such an interpretation.

When workers in similarly situated occupations were examined, there was little difference between sectors of employment in most expressions of confidence, includ-

TABLE 4 *Interest in Law and Order Expenditure by Sector and Occupation*

	We spend too much				We spend too little		
	1	2	3	4	5	Total	N
<i>Professional workers</i>							
Core	22.4	17.1 ⁻	20.9	20.9	18.6	100%	339
Periphery	20.1	23.3 ⁺	18.5	17.7	20.5	100%	1,017
<i>Clerical workers</i>							
Core	16.1	18.3	21.4	20.8	23.3 ⁽⁺⁾	100%	360
Periphery	16.5	20.3	23.2	21.9	18.2 ⁽⁻⁾	100%	479
<i>Craftsmen/labourers*</i>							
Core	17.2 ⁻	17.6	20.0	22.2	22.9 ⁺	100%	859
Periphery	22.2 ⁺	20.8	18.0	21.4	17.5 ⁻	100%	644
<i>Service workers</i>							
Core	20.0	16.7	23.3	23.3	16.7	100%	30
Periphery	25.1	17.5	17.2	22.5	17.7	100%	530

+ and - indicate that the over/underrepresentation of respondents in the designated cell is greater than one could attribute to chance.

(+) and (-) indicate that the adjusted residual is marginally significant.

* Gamma for the craftsmen/labourers subtable is significant at the 0.05 level ($\gamma = -0.123$).

TABLE 5 *Sector Patterns in Confidence in the People Running Major Institutions*

	A great deal of confi- dence	Only some confi- dence	Hardly any confi- dence	Total	<i>N</i>	
<i>Major corporations</i>						
Core	32.0 ⁺	52.4 ⁻	15.6 ⁽⁻⁾	100%	2,152	(γ = 0.117)*
Periphery	25.3 ⁻	57.3 ⁺	17.4 ⁽⁺⁾	100%	3,801	
<i>Organized labour</i>						
Core	17.5 ⁺	53.1	29.3 ⁻	100%	2,160	(γ = 0.095)
Periphery	12.9 ⁻	54.9	32.2 ⁺	100%	3,800	
<i>The military</i>						
Core	39.2	49.1	11.8 ⁻	100%	2,158	(γ = 0.066)
Periphery	36.9	48.0	15.1 ⁺	100%	3,864	

+ and - indicate that core respondents are over/underrepresented and that periphery respondents are correspondingly under/overrepresented in designated response categories, using adjusted chi-square residuals.

(-) and (+) indicate the residuals which are marginally significant.

* Each gamma reported is statistically significant at the 0.05 level.

ing confidence in 'the people running' Congress, the Executive or the Supreme Court. Those in the professions in the periphery were likely to say that public officials were not concerned about the problems of the average man, but such expressions did not characterize other periphery respondents. As Table 5 shows, however, in several cases periphery respondents did lack confidence in major actors and institutions. Low confidence in the people running the military seems due to the greater proportion of women in this sector. But low confidence in the people running major corporations and organized labour can be explained in terms of our hypotheses. These workers are less likely to be union members and are less likely to work for, or feel they benefit from, major corporations. Even among union members, however, sector differences in confidence in the people running organized labour persist, suggesting that the kind of unions to which competitive sector workers belong may be less capable of delivering wages and benefits than the type of unions core workers join.

When examining measures of rates of participation, anomie, and alienation, it is clear that respondents in small-scale private firms have not dropped out of political and social life, as discussed in hypotheses (4) and (5). On the contrary, the evidence suggests periphery respondents are joiners of groups, with core workers missing out on the various politically integrative and informative functions group life is alleged to perform.⁸ There was no evidence of authoritarianism or intolerance among periphery workers (after applying educational and occupational controls). If anything, respondents in large-scale private firms were found to exhibit some of the patterns associated with periphery workers in these two hypotheses.

In sum, no convincing evidence emerges to link sector of employment to radicalism, to preference for fringe parties, or to marked attachments to or expectations of, the state. Patterns specific to highly skilled, financially advantaged periphery professionals hardly constitute evidence that the economic disadvantages of periphery employment radicalize the participants. Core indicators of lack of confidence are intriguing, but there is no immediate evidence concerning the nature of the ramifications. Periphery respondents seem no less well integrated into polity and society than core respondents, and the 'dropping out' hypotheses are clearly unsubstantiated.

OTHER SECTORAL HYPOTHESES

One reason for the surprising findings is that the evidence on some of the other attributes of core and periphery employment is at best mixed, casting doubt on some of the underlying assumptions of the model.

The O'Connor thesis seems flawed in its very assumptions about the allocation of types of workers to core and periphery. The small-scale private sector is not simply a surrogate for the collection of groups often alleged to be the victims of economic discrimination. Within occupational categories, levels of educational attainment were highly similar between sectors. Neither extreme youth and age, nor race even, were associated with sector of employment apart from the effects that could be attributed to occupational discrimination.

⁸ See William Kornhauser, *The Politics of Mass Society* (New York: Free Press, 1959); Seymour Martin Lipset, *Political Man* (Garden City, New York: Doubleday, 1960); David Riesman, with Nathan Glazer and Reuel Denney, *The Lonely Crowd* (New Haven, Conn.: Yale University Press, 1961); and Sidney Verba and Norman H. Nie, *Participation in America* (New York: Harper and Row, 1972) for some of these arguments.

TABLE 6 *White and Non-white Women as a Proportion of the Workforce, by Occupation and Sector*

Occupation	Non-white females sector		White females sector	
	Core	Periphery	Core	Periphery
Professional workers	0.6%* (534)	4.0%+ (1,721)	13.7% (534)	51.1%+ (1,721)
Clerical workers	4.5% (604)	6.6%+ (815)	81.5% (604)	82.9%+ (815)
Craftsmen/ labourers	2.6% (1,514)	5.6%+ (1,276)	19.3% (1,514)	30.2%+ (1,276)
Service workers	7.3% (55)	21.9%+ (1,039)	21.8% (55)	60.3%+ (1,039)
Total	2.7% (2,707)	8.7% (4,851)	32.1% (2,707)	52.9% (4,851)

* Six-tenths of one per cent of core professionals are non-white females and 13.7 per cent are white females, etc.

+ indicates overrepresentation of respondents in the periphery cell, with corresponding underrepresentation in the core cell, using adjusted chi-square residuals.

Only in the case of women does some kind of discrimination appear. Table 6 examined some evidence on the sex and racial composition of various positions in the workforce. Both white and non-white women were disproportionately located in the periphery in each occupational category, with extremely high correlations between sex and sector in one advantaged and one disadvantaged occupational category (gamma = 0.76 for professionals and 0.84 for service workers). With the high proportions of non-white women located in periphery service work, these women appear to be the least advantaged workers.

O'Connor's theory receives greater support on the question of full-time and part-time work. As seen in Table 7, 85.5 per cent of all part-time work is located in the periphery, and full-time employees are overrepresented in the core. This tends to substantiate the claim that uncertainties in the small-scale private sector's environment of conduct lead to a reliance on more temporary, seasonal and part-time workers.

TABLE 7 *Current Work Status and Sector of Employment*

Work status*	Core	Periphery	Total	N
Working full time	40.9+	59.1-	100%	3,604
Working part time	14.5-	85.5+	100%	719
Unemployed, laid off, looking for work	49.1+	50.9-	100%	269
Total	35.8	64.2	100%	7,485

* Not all possible responses are represented in this table.

+ and - indicate that core respondents are over/underrepresented and that periphery respondents are correspondingly under/overrepresented in designated response categories, using adjusted chi-square residuals.

TABLE 8 *Mean Income from Job by Sector and Occupation*

	Professional workers	Clerical workers	Craftsmen/labourers	Service workers
Core	9.084*	5.913	7.120	5.900
Periphery	7.025	4.518	5.956	3.512

* Mean income category: 3 = \$3,000–\$3,999; 4 = \$4,000–\$4,999; 5 = \$5,000–\$5,999; 7 = \$7,000–\$7,999; 9 = \$10,000–\$14,999. Sector differences are in each case statistically significant at the 0.05 level.

TABLE 9 *Mean Income from Job by Sector, Occupation and Union Membership*

Occupation	Member of union	Not a member of a union
Professional workers		
Core	9.533*	9.055
Periphery	7.810	6.848
Clerical workers		
Core	6.056†	5.960
Periphery	5.550	4.305
Craftsmen/labourers		
Core	8.130	6.124
Periphery	7.140	5.582
Service workers		
Core	6.000†	5.500
Periphery	5.317	3.164

* Mean income category, 3 = \$3,000–\$3,999; 4 = \$4,000–\$4,999; 5 = \$5,000–\$5,999; 6 = \$6,000–\$6,999; 7 = \$7,000–\$7,999; 8 = \$8,000–\$9,999; 9 = \$10,000–\$14,999.

† Sector differences that are not significant at the 0.05 level. All other differences are significant.

While the General Social Survey does not enable one to investigate long-term employment patterns, surprisingly there is no evidence that work in the periphery is more erratic than work in the core. Current reports of unemployment or layoffs, fear of losing one's job during the next twelve months, and the reported incidence of unemployment in the past ten years all point to instability in the core, not the periphery, sector. This is especially true of unionized craftsmen and labourers. Unionized labourers seem to experience unemployment as a negative consequence of their capacity to make wage and benefit demands. This is consistent with one part of O'Connor's argument: since union wages tend not to be downwardly flexible, employers in the core sector deal with economic slumps by layoffs. However, despite the existence of a slump period around 1974 in the United States, the breadth of the period analysed suggests that the more enduring pattern would have been loss of work and the rotation of jobs in the competitive sector.

There is again support for the model in terms of the economic consequences of employment in core or periphery. Core workers did tend to earn somewhat more than

TABLE 10 *Perceived Change in Financial Situation by Sector and Occupation for Respondents Aged 18-35*

	Getting better	Stayed same	Getting worse	Total	N
Professional workers					
Core	70.7 ⁺	16.5 ⁻	12.8	100%	164
Periphery	56.3	26.7	17.0	100%	625
Clerical workers					
Core	54.8	26.8	18.4	100%	250
Periphery	48.0	31.5	20.5	100%	356
Craftsmen/labourers					
Core	46.0 ⁺	33.8	20.2	100%	524
Periphery	38.7	37.2	24.1	100%	395
Service workers					
Core	58.3	25.0	16.7	100%	12
Periphery	40.7	34.5	24.8	100%	351

⁺ Adjusted residual indicates that the overrepresentation of core responses in this category is greater than one could attribute to chance.

⁻ Underrepresentation of core responses in this category is greater than one could attribute to chance.

similarly situated competitive sector workers, as exhibited in Table 8. There were statistically significant sector differences in the mean income of respondents in each occupational category; when only full-time workers were examined, the same pattern was manifested. This pattern of disadvantage in the periphery sector could not be explained by any difference of education, sex, age, or race among respondents. Neither did core workers earn more simply because of higher rates of unionization, as Table 9 shows. Thus, the evidence strongly suggests that underlying differences in industrial structure are partly responsible for wage patterns, as had been hypothesized. Were the periphery sector to unionize, this evidence suggests that wage differentials between sectors might be lessened but would still remain significant.

What also clearly emerges from this data, contrary to expectation, is that wage and benefit disadvantages do not translate neatly into work dissatisfaction or economic frustration. It even appears that work dissatisfaction is more closely related to the performance of repetitive, minutely graded tasks – alleged to characterize core work – than to the economic rewards from work.

Respondents in this sample seemed quite capable of gauging their incomes relative to other American families. They did not seem to engage in distortion of relative economic position in order to preserve a degree of satisfaction with earnings. The association between income and perceptions of relative family income was strong; gamma = 0.63. Core respondents claim average or above average incomes more frequently than periphery respondents, which is an accurate assessment of their relative positions; the association between sector and perceived income disappears with family income controlled. This evidence is consistent with earlier hypotheses.

Reported time-trends in economic well-being also lend some support to O'Connor's thesis. Core workers were slightly more likely than periphery workers to claim that

their financial situation had improved during the last several years. However, this finding proved significant only for the two youngest cohorts examined, workers aged 18–35; this pattern, upheld for each occupational category, is displayed in Table 10. While the sectoral thesis might have anticipated that the sense of lack of progress in financial affairs would have been apparent in other age groups as well, the finding makes sense if, as the sectoral model asserts, growth in employment in recent years has been in the periphery, such that young periphery workers would be most likely to find dead-end jobs and stagnant incomes.

However, serious problems with the sectoral thesis arise when one looks for linkages between reports and perceptions of economic well-being on the one hand, and economic and work frustrations on the other. Despite lower incomes, perceived disadvantage and, at least among the young, a sense of lack of progress in financial affairs, periphery sector employees were *not* less satisfied with their work than core employees; if anything, the opposite seems to hold.

Periphery respondents do not seem to have lost faith in the economy. They are no more likely than core respondents to say that the lot of the average man is getting worse, and they do not differ appreciably from core respondents in their view of whether one gets ahead by hard work, luck or help. There does not appear to be disillusion with old values or systems.

CONCLUSIONS

Many of the anticipated consequences of employment in the core and periphery sectors of the United States economy were not forthcoming in this study. Admittedly, the classification scheme employed represents only one attempt to operationalize O'Connor's two private sectors, but if O'Connor were correct, many more sectoral differences should have appeared than were uncovered here. While there was evidence in the study that economic experiences impinge on satisfactions and frustrations, the periphery is not a collection of easily characterized workers or workforce experiences. The evidence of dissatisfaction, alienation, and anomie in the core sector should be used to question the supposed advantages of core work, thus further amending O'Connor's work. Workers do not seem to be divided politically along sectoral lines; animosities, hostility toward government, and radicalization do not appear to characterize employees in the periphery. Whatever the importance of economic sector analysis, it may prove to be that sectors are not politically relevant categories of analysis.

The Case of the Silk-Stocking Socialists and the Calculating Children of the Middle Class

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Recent developments in the political behaviour of the British electorate have called into question the once-prevalent view that class was what counted when it came to

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