

STANFORD CENTER ON POVERTY AND INEQUALITY

A Review of Deciphering Stratification and Inequality

David B. Grusky

DECIPHERING STRATIFICATION AND INEQUALITY: Japan and Beyond. Edited by Yoshimichi Sato. Melbourne: Trans Pacific Press, 2007. xv, 266 pp. (Figures, tables.) US\$34.95 paper. ISBN 978-1-876843-96-0.

We are in the midst of an historic moment in which inequality is increasingly understood as maladaptive and not necessarily an efficient solution to the problem of incentivizing labor. The most important sources of this newfound concern with inequality are (1) a spectacular increase in income inequality in many (but not all) late-industrial countries, an increase that was entirely unpredicted and contradicted the reigning view that late industrialism would bring diffused affluence; (2) the increasingly insecure situation of labor at the middle and bottom of the class structure as unions and internal labor markets become delegitimated and less common; (3) an idiosyncratic constellation of highly publicized news events in the last five years that have both exposed troubling inequalities and fostered the view that we should care about them; and (4) a growing commitment to a broader conception of human entitlements that encompasses “rights” to basic social amenities (e.g., housing) as well as rights to basic forms of social participation, such as employment.

This new sensibility about inequality, which is emerging at once in many late industrial countries, forms an important intellectual backdrop to *Deciphering Stratification and Inequality*, an exciting new book masterfully edited by Yoshimichi Sato. By its nature, an edited book will range freely and take on diverse topics, and the present book is no exception. Although the topics in *Deciphering Stratification and Inequality* may be diverse, many of the authors are working out of the foregoing sensibility in which conventional benign narratives about inequality are no longer straightforwardly accepted. The resulting book asks new questions, adopts new approaches, and takes on inequality in fresh and exciting ways.

The analyses in this book, which focus on the case of Japan but also address Korea, China, and the U.S., take either the form of (a) developing new approaches and perspectives for the analysis of inequality, or (b) casting new light on emerging empirical developments in the structure or patterning of inequality. Within the first category of analyses, Yoshimichi Sato uses an innovative agent-based model to test whether, under some market conditions, inequality will grow ever more extreme because the rich have the resources to risk trusting others and can thereby exploit market opportunities that depend on such trust. In another innovative analysis, Daisuke Sato applies a network approach to data on gift exchanges at funerals, allowing him to tease out the underlying structure of inequality in the Edo Period. The chapter authored by Yutaka Ginya nicely demonstrates that, while social and geographic mobility are typically studied in isolation from one another, in fact they typically occur together and are therefore best analyzed together. Finally, Kazuyoshi Takagi revisits the books and unpublished essays of Talcott Parsons, with a special focus on his influential argument that modern inequalities are increasingly treated as justifiable only insofar as they solve societal problems (e.g., incentivizing workers).

The remaining chapters in *Deciphering Stratification and Inequality* are oriented toward the task of understanding contemporary developments in inequality. For example, Junsuke Hara seeks to understand why some Japanese have bowed out of the most extreme forms of status competition, professing instead to be satisfied with seemingly quite modest achievements. In a related article, Yoshimichi Sato explores how conceptions of the career are shifting as the permanent employment system breaks down, as a “spot market” for labor emerges, and as workers come to appreciate that they cannot assume a secure future for themselves within their firms. Although the foregoing chapters are implicitly engaged in understanding the dynamics of change, other chapters in *Deciphering Stratification and Inequality* carry out trend analysis more explicitly. For instance, Satoshi Miwa models long-term trend in status homogamy, while Daisuke Kobayashi builds sophisticated multilevel models of the changing determinants of class identification. The final three chapters address the effectiveness of educational reform in Korea and Japan (Ki Hun Kim and Satoshi Miwa), the relative effects of political and human capital on the chances of being laid off in China (Guihua Xie), and the influence of mixed parentage (i.e., a native-born and a foreign-born parent) on labor market chances in the U.S. (Yukio Kawano, Katharine Donato, and Charles Tolbert II).

The main theme, then, behind such chapters is that conventional postwar narratives about the evolution of inequality are inadequate to the task. These conventional narratives of course typically take on a benign form in which history is understood as operating to reduce inequality and to increase opportunity. Although some of the results in *Deciphering Stratification and Inequality* are consistent with such “straight-line” narratives, others suggest that more complicated forces making for inequality of opportunity and outcome are also in play. The present book is an important expression of and contribution to this quiet revolution in inequality research.

Stanford University, U.S.A

David B. Grusky