

## Introduction

In module 5 you learned about politics, education and religion, three important social institutions. The economy and family are two other very important social institutions that are essential for social functioning. Most sociologists argue that the family is the most important social institution. In module 6 you will learn how the economy and family have evolved and developed over time. You will learn about the challenges that each institution faces as it changes and how these challenges affect society at large. You will learn theoretical approaches to understanding how and why these institutions function and dysfunction as they do in the social order.



Garment Factory Workers<sup>1</sup>

## The Evolution of the Economy

Early societies were based on hunting and gathering and did not have an economic system that would be easily recognized today. The economy as you know it began during the Agricultural Revolution, when societies began to farm and develop into horticultural societies. As time went on, the methods of farming became more efficient and led to more social stability and better food production. Communities began to develop and grow since they no longer had to follow the food supply, freeing many workers for occupations other than subsistence agriculture. This surplus agricultural economy also led to the stratification of society. The plantation owners that owned the food production began to accumulate wealth. This was especially true prior to the Civil War when slavery provided free labor and resulted in cheap labor for those that were not enslaved. The economy changed once again during the [Industrial Revolution](#) [Video, 20:16 mins]. This time period was marked by a tremendous leap forward in technology that led to rapid social and economic change. The invention of machines, such as the steam engine and sewing machine, increased the speed and quantity of production. It reduced the need for workers since machines could allow for more production with less labor. It also changed the family as people began to migrate to urban areas for employment, away from the farms. Stratification in society became more pronounced. [Unions](#) [Video, 1:18 mins] organized to fight for fair labor practices, higher wages and



Industrial Area<sup>2</sup>

benefits, including the elimination of child labor. Unions peaked in membership and power in the late 1950s, and [now represent a small share of workers](#).

## The Current Economy

In many ways, today's economy is based on the [Information Revolution](#) [Video, 2:45 mins]. Like the Industrial Revolution, the "information age" has been the result of a change in technology, particularly the invention of the computer processor, or microchip. Arguably, much of Western society has moved away from predominantly manufacturing based economy, and now focuses on high-tech, information economy activities and related service sector businesses. This also applies to industrial manufacturing, as technology allows for [more automated manufacturing processes](#), with ever more advanced uses of technology in all processes. As technology became more efficient, it became more accessible, spawning an [Information Age economy](#) [PDF, File Size 83.1 KB]. Think about your home. How many computers and smart phones does your family own? You have access to vast amounts of information at your fingertips. This access to knowledge and connectivity caused a boom in the service industry, as compared to the manufacturing sector of the traditional industrial era economy. Today's market is linked to providing services to individuals and companies where once the majority of jobs were linked to producing goods. This has created both positive and negative social changes. You are taking a distance learning (DL) college class, a classic service sector activity. Outside of correspondence courses using "snail mail," this was not possible 30 years ago. DL courses have opened access to education for populations that were excluded in previous generations. However, [social stress](#) [Video, 5:33 mins] has increased dramatically since people have become constantly "plugged in". Do you take your email and smart phone on vacation? Do you work from home during your off hours because the expectation is that you will do so to get ahead at your job? [Internet addiction](#) [Video, 2:45 mins] has a physical response that is similar to heroin addiction.



WiFi Map Locater<sup>3</sup>

## Types of Economic Systems

As post-agricultural societies began to form and technology provided better production of goods with ever cheaper and more abundant labor supplies, wealth accumulation (i.e., capital) and ownership of the means of production began to change and concentrate at the top. [Capitalism](#) [Video, 3:28 mins] developed out of these changes. This is a type of economy where the market is supposed to be "free," the

Money<sup>4</sup>

means of production are privately owned and economic activity occurs on the basis of voluntary contracts. Production is based on the profit motive. The free flow of labor, technology and capital undergirds a truly capitalist system, but this remains contested as labor and capital are often at odds in terms of relative mobility and power, which results in [unequal gains to each from the economy](#) [PDF, File Size 3.77 MB]. In a pure, ideal capitalist system, the state, or government, has very little to do with the private economy. The state ought to provide only necessary public goods such as bridges, schools and national defense (i.e., there are no subsidies, tariffs, tax breaks or favorable regulation for any business). [Socialism](#) [Video, 4:54 mins] is vastly different from capitalism. The means of production are often owned collectively (e.g., public corporations, worker-owned corporations, national champion corporations etc.), and much more regulated by the state than in an idyllic capitalist system. In a socialist system, citizens theoretically work for the common good, and the government taxes production and wealth at a higher rate to redistribute the gains of economic activity more evenly. This is slightly different from [Communism](#) [Video, 5:14 mins]. Communist governments own all of the means of production. There is no private property and equality of opportunity and consumption are supposed to be ensured by the state. Every worker is a government worker, in effect, regardless of their occupation. Theoretically a communist system assures the common good of everyone. There are good and bad aspects to each of these ideal system types. Capitalism creates social and economic stratification, with an elite class and an underclass. Socialism may flatten out the middle class and reduce some of the benefits of a consumer-based economy, as there is likely to be less income to go around, although the examples of countries like Norway and Austria dispel this generalized observation. However, it also eliminates the underclass. Both socialism and communism result in a political or power elite that has the most advantages and luxuries in life, a vanguard “worker’s party” whose leaders do quite well for themselves and unions that do not represent the workers’ interests well, as visible in Chinese mining towns. Also, communist governments tend to strictly control migration and immigration, the free movement of labor if you will. Those who leave a communist regime are often referred to as defectors or refugees, depending on the perspective of the state.

## Political Economy

The US is typically thought of as a pure capitalist system. In truth, it is a more managed mix of socialism and capitalism.

Food Stamp Card<sup>5</sup>

The study of [political economy](#) [Video, 3:00 mins] looks at the relationship between the state and the market, the role of political authority in affecting the processes of production and distribution. This necessarily encompasses the role of each in all aspects of exchange – labor, capital, technology and trade. For example, while the US economy is based on a free market and production for profit, the US also provides social services and support for its citizens through the redistributive spending of tax dollars by the national and state governments. This includes “free” K-12 education, Pell Grants for college, Food Stamps and [TANF payments](#) for poor families and Medicaid. While most US companies are privately owned, the state provides tax incentives, grants and subsidies as well as tariffs on foreign goods, all of which benefit domestic producers at the expense of consumers and foreign producers. These are often known as [corporate welfare](#) [Video, 1:21 mins]. Most Americans are vocal about welfare payments to the poor, but few realize that more of their tax dollars are spent on corporate welfare. Political Economy examines the layers of these interactions.

## The Nature of Work

As societies grew, work and the division of labor began to shift. Agricultural work was the early focus of labor in pre-industrial societies. Once beyond subsistence farming for survival, this involved collective farming, either as a family, a community or a group. Early communities grew what they needed for sustenance. The labor was hard and the hours were long. Imagine if you had to grow and harvest the cotton, turn it into thread and weave it into fabric every time you needed a new shirt? How would your life be different if you had to bake bread every day instead of walking to your corner market? Industrial work was the first shift in labor, and it grew out of industrializing agriculture (e.g., [the cotton gin](#)). Industrial work is labor associated with the production of manufactured goods. As power came from hydroelectric and then steam engines and factories grew, the need for industrial laborers grew as well. Marx argued that this industrial work led to the alienation of man to self and others. Workers began to sell their labor, rather than labor for their sustenance alone. At the end of the day, they did not own the product of their labor, merely a wage from it with which they had to buy material things and food. This caused, per Marx, a psychological disconnect from self and others. You became only as important and valued as your wage. As mentioned earlier, post-industrial work focuses on services and “knowledge” work.

Aerial View of Large Farm<sup>6</sup>

## Globalization and Outsourcing

The “information age” has resulted in a global economy. Western nations, like the US, [outsource](#) [Video, 5:31 mins] their jobs to developing nations for cheaper labor than they can find at home. This is made possible, and economically efficient, due to the lower cost of transporting goods and the information economy’s capacity to link vast distances and product components together. This has led to an often heated debate on whether the companies are at fault for abandoning the workers, or whether they’ve been pushed out by increasing worker demands for wages and benefits. Nonetheless, income inequality has coincided with, and perhaps resulted from, this more efficient global production system. This has [certainly been true in the US](#) [PDF, File Size 145 KB]. Regardless of which side of the debate you fall on, many of the manufacturing jobs have left the US. This has seen the rise of [multinational or transnational corporations](#). These corporations operate across national boundaries, and they maximize profit and the marketability of their products. This creates an environment where [sweatshops](#) [Video, 5:12 mins] exist, and the question of [whether your wages are set in Beijing](#) has resonance. Sweatshops, extremely low wage employment with long hours and no job security, are illegal in the United States. However, they are not illegal in every economy. When a corporation is doing business in another country, they may be able to use sweatshop labor under the legal radar. In fact, your book provides several current examples of this reality.

Globalization of Labor Market<sup>7</sup>

## The Definition of the Family

As mentioned earlier, changes in the economy led to changes in the family. The definition of family is a group that is related by marriage, adoption or blood. Early families were almost always nuclear families whose work and life surrounded their agricultural tending to a plot of shared land. The rise of industrial practices and urbanization both undermined the traditional rural agricultural family type. A [nuclear family](#) [Video, 3:42 mins], also referred to as the traditional family, includes a husband, wife and their biological or adopted children. Traditional family life included having the nuclear family surrounded by the extended family; grandparents, aunts, uncles and cousins. This tight network of family relationships resulted in stability and support for the children within the nuclear family. The modern family has undergone many changes. It has been extended to include same sex parent families, blended families, single parent families and cohabitating parents. Sociologists now discuss the [new](#)

Traditional White Family<sup>8</sup>

[family](#) [Video, 1:16 mins] as the primary institution in society.

## Theoretical Explanations for the Family

**Table 12.1 Theory in Everyday Life**

Perspective	Approach to Family	Case Study: Marriage
<b>Structural Functionalism</b>	Family performs necessary functions, such as the socialization of children, that help society run smoothly and maintain social order.	Marriage regulates sexuality and forms the basis for family, with all its other functions.
<b>Conflict Theory</b>	Family is a site of various forms of stratification and can produce and reproduce inequalities based on these statuses.	Marriage as a civil right was not extended to all same-sex couples in the United States until 2015. Nontraditional families are still marginalized in many ways, while the nuclear family remains the standard.
<b>Symbolic Interactionism</b>	Family is a social construction; it is created, changed, and maintained in interaction.	Marriage is not made solely by completing a legal contract but is also constructed through the accretion of everyday interactions between partners over the years.

Table Summarizing Theories on Family<sup>9</sup>

[Structural Functionalists](#) [Video, 0:56 mins] argue that the family is vital to the survival of society. It provides emotional, financial and social support for children. It provides protection and socialization as well. Without the family, society will fail due to lack of a properly socialized, or surviving, next generation. Family reproduces society by assuring that the next generation learns and carries on the social values and norms that are important for social stability. [Conflict theorists](#) [Video, 5:17 mins], who include both Feminist and Queer Theorists, agree that family reproduces society. However, they see this as problematic rather than a promotion of stability. They argue that patriarchy and sexism are promoted within the family. With the male being the “head of the household” and the primary breadwinner, the division of labor is divided along sex lines rather than on skill and talent. If you are a man, you likely took out the trash and cut the grass, as did your father. If you are a woman, your chores probably included doing the dishes and other housework, as your mother did. Do you or will you reproduce this with your own children? Should you? Symbolic Interactionists are more interested in the relationships within the family than the structure of the family. They argue that the important aspects of family are found in the emotional and social bonds between the members. They are interested in how family defines meaning and value.

## Mate Selection

Americans believe in romantic love and so they are often surprised to learn that who you marry is defined by cultural and social norms. You are more than likely practice homogamy. The vast majority of Americans marry within their



Wedding Rings<sup>10</sup>

race, ethnicity, religion and social class. Most societies are endogamous, which means they are encouraged or required to marry within the group. Fewer are exogamous, which means they are encouraged to marry outside the group.

Cultures that enforce endogamy may have anti-miscegenation laws which make it illegal to marry outside the group. Until the late 1960s, many states made it illegal for Blacks and Whites to marry, for example. You also likely practice propinquity, though perhaps less so than your parents. This is the practice of marrying someone within your geographical proximity. Isn't it lucky for romantic love that soul mates always live in the same town? The internet and online dating services have reduced the practice of propinquity in this generation.

## Types of Marriage

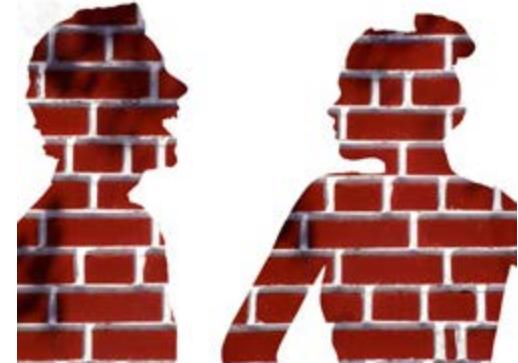
In the United States, monogamy is the only legal form of marriage. Monogamy refers to a marriage that consists of only two people. Prior to recent changes in marriage laws, this meant one man and one woman. Although same sex couples can now legally marry and some marriage laws have changed, it must still be a monogamous marriage. [Polygamy](#) [Video, 7:14 mins] is sometimes allowed in other countries, though typically in non-Western cultures and often dependent upon religious practices. This can occur as either polygyny (one man with multiple wives) or polyandry (one wife with multiple husbands). Polyamory is also gaining popularity in the United States. This is a relationship that includes multiple people that are all involved in romantic relationships with each of the members. These relationships can include both sexes, married and unmarried individuals.



Polygamous Family with Multiple Wives<sup>11</sup>

## Trouble in Families

You have probably heard the expression '[family values](#)' [Video, 3:35 mins], typically bandied about during election years. Many argue that a breakdown in the American family is responsible for most of the social problems that make the daily

Silhouette of Arguing Couple<sup>12</sup>

news: increased violence, drug abuse, gang activity, crime, high dropout rates, high suicide rates...and the list goes on. When you consider the fact that the family has to provide for and socialize children, this argument seems reasonable.

Divorce rates and remarriage rates have increased dramatically. Some children may have more than one step-parent and many half siblings during their childhood as marriage patterns shift to “serial monogamy”; the practice of marrying and remarrying multiple times. [Domestic violence](#) [Video, 2:00 mins] rates have increased. Custody battles have become more contentious and child support may not provide the child with the same standard of living as a two parent home. Despite these realities, as the family has seen these changes, society has also seen a consistent reduction in crime and violent crime for decades. Many divorced parents focus on effective co-parenting and fulfilling their parental responsibilities as a united, though separated, parental unit. The decline in family values may be an overstatement to resist change in the definition of family.

The readings and the videos in this module have introduced you to two social institutions; the economy and the family. You have learned theoretical explanations for how and why these institutions function in society. You have learned the historical evolution of each and how changes in these systems contribute to overall social change, both positive and negative. The following activities will give you the opportunity to apply what you have learned in this module.

Image Citation:

1 [http://quest.eb.com.vlib.excelsior.edu/search/140\\_1641119](http://quest.eb.com.vlib.excelsior.edu/search/140_1641119)

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8 [http://quest.eb.com.vlib.excelsior.edu/search/115\\_884672](http://quest.eb.com.vlib.excelsior.edu/search/115_884672)

9 Ferris, K., & Stein, J. (2016). *The real world: An introduction to sociology* (5<sup>th</sup> ed.). New York, NY: W.W. Norton.

10 [http://quest.eb.com.vlib.excelsior.edu/search/300\\_262227](http://quest.eb.com.vlib.excelsior.edu/search/300_262227)

11 [http://quest.eb.com.vlib.excelsior.edu/search/115\\_896546](http://quest.eb.com.vlib.excelsior.edu/search/115_896546)

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