Keeping Class in the Conversation in the Age of the 1%

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Capitalism tries for a delicate balance: It attempts to work things out so that everyone gets just enough stuff to keep them from getting violent and trying to take other people's stuff.

━George Carlin[1]

Joseph Kennedy observed that he was probably the only man in the country with more than $12 in the bank who was for Roosevelt. He also said he would give up half his wealth in order to be assured his family could enjoy the other half in peace and safety.

━Richard Whalen[2]

Abstract:
Ten years after the crisis and six after "we are the 99%" resounded in Zuccotti Park, income inequality is still a political issue in North America. However, the way inequality is conceptualised tends to blur important distinctions amongst the people concerned, notably distinctions based on class. As professors, we feel it is important to have class be part of the conversation about inequality. This article focuses on different ways we integrate class into introductory economics courses through discussion and exercises pertaining to the teaching of inequality, as well as intergenerational mobility, poverty, exploitation, alienation, and ultimately, the American Dream.

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I. Introduction.

Income and wealth inequality continue to grow rapidly. Opinion polls consistently show that increasing inequality is one of the most concerning problems to people from the United States to Germany to Argentina or to South Korea (Pew Research Center 2014). In the aftermath of the 2007-2009 economic crisis, the 2011 Occupy movement drew attention to inequality by making the 1% and the 99% household concepts. More recently, the 2016 insurgent campaign of Bernie Sanders in the Democratic primary focused on rising inequality.[3] Donald Trump also played on people's preoccupations about inequality by making economic populism (Parenti 2016) and the promise of jobs for hard working Americans the cornerstone of his presidential campaign[4].

1 Quoted in Hampton (2009).
2 Quoted in Kotz (2015, 233-234).
3 See Bernie Sanders' campaign website for an indication of the issues on which it focused: www.berniesanders.com/issues/.
4 Obviously this is not the only, nor necessarily the main factor which led to Trump's election. Race is also an important factor for understanding the election. An interesting article by Jayadev and Johnson (2017) discusses how racial prejudice increases during economic downturns. This points to an important discussion about race and class which we do not touch upon in this article.

Commentators were quick to point out how inequality indeed fuelled the Trump presidency (Anderson et al. 2016), given that states with higher Gini coefficients were more likely to vote for Trump (Darvas and Efstathiou 2016). These series of events show an increasing anxiety in the United States and abroad about growing inequality and its various consequences on people's daily lives.

Yet the pervasive presence of inequality in public discourse threatens to empty the concept of much of its content. By simply putting individuals side-by-side and comparing their income, common measures like the Gini coefficient blur important distinctions such as the source of that income and the economic power it implies within capitalism. This in turn encourages discussions about various income "classes", with a majority of the population believing they belong to some middle one[5], but very little material to actually understand economic dynamics in general and income distribution in particular. Some prominent commentators such as Thomas Piketty (2014) do identify different sources of income, but they lack analysis of the inner workings of the capitalist system and the different ways classes are conceptualized.

Piketty, for example, views capital as a disincarnated blend of physical and financial assets that naturally tend to have a rate of return that is higher than growth (except in certain historical settings). Thus the owners of that capital accumulate wealth at a growing rate, leading to a rising inequality which is problematic for the legitimacy of "democratic societies." As he puts it, "when the rate of return on capital exceeds the rate of growth of output and income, as it did in the nineteenth century and seems quite likely to do again in the twenty-first, capitalism automatically generates arbitrary and unsustainable inequalities that radically undermine the meritocratic values on which democratic societies are based" (Piketty 2014, 1). This, Piketty argues, calls for corrective state intervention to ensure that "the general interest takes precedence over private interests, while preserving economic openness and avoiding protectionist and nationalist reactions" (ibid). His analysis points to progressive taxation, some capital controls and a global wealth tax to ward off this growing inequality.

The naiveté of these policy proposals illustrate the limits of Piketty's analysis of inequality. The problem is not simply a question of tinkering to reduce inequality somewhat, but scrutinizing the unequal and hierarchical implications of the whole economic system. For example, a very small minority of people who own and control the means of production hire a much larger portion of the population under conditions that provoke struggle over the distribution of the product. More progressive taxation would change nothing about capitalism's generation of a fundamental and persistent power differential that shapes the rest of society. In fact, that very power differential inherent in capitalist production makes it relatively unlikely that any of Piketty's policies would be adopted without a struggle by the working class. While Piketty's and other recent work focused on inequality has had the positive effect of generating a wealth of data ready to be mobilized,[6] these empirical observations must be integrated into a

5 See The Meaning of Middle Class, Roper Center for Public Opinion, Cornell University, https://ropercenter.cornell.edu/meaning-middle-class/.
6 A useful source for data for teaching is the World Wealth and Income Database. http://wid.world/.

broader analysis of the capitalist system in order to understand the role of class in the story. The object of this paper is to outline how we implement this narrative into our teaching.

This recent fascination with inequality has influenced our students as well, and one of the expectations of their first introductory economics course is that inequality will be discussed.[7] This is both a blessing and a challenge. It is positive in that inequality serves as a means to encourage their interest in finding out how capitalism functions. Yet students have been exposed to such varied (and sometimes irreconcilable) discussions of inequality that they lack a narrative to make sense of the information with which they are bombarded. Over time, this has led us to devise a comprehensive pedagogical strategy for our introductory course which integrates a study of income distribution in the general analysis of capitalism. Central to this exercise is a reintroduction of the concept of class as a thread that runs through the different manifestations of inequality that are observed in contemporary US economy.

As we outline this strategy in the paper, we follow the narrative journey we take in the classroom. We also comment on the usefulness of various components, as well as the ways in which our students react. While class analysis serves as the framework that underlies most of the exercise, it surfaces only gradually as we progress, becoming wholly manifest near the end as a way to tie different indicators and angles of the coursework together. As an introductory course, we strive for a simple framework with a limited set of social classes. The idea for this course is not to have a semantic debate about various meanings of class and settle on some exclusive one by rejecting all others, to then spend time looking for it in a set of empirical observations. Rather, the point is to demonstrate to students how capitalism is structured in a hierarchical manner, so that individuals are not on a level playing field, and also that this structure transcends individuals to some degree. On the production site, the concentrated ownership and control of the means of production by a small group implies an opposition between that group and the mass of people who must sell their labour power with respect to the output of production; modern financial markets imply another set of actors who channel finance capital and also influence the distribution of the social product; etc. By providing a preliminary exploration of the ways these different groups - these different classes - interact, struggle, and shape the system, as well as their varying fortunes over time, we endeavor to provide a basic class-based narrative to the study of income distribution. We add complexity to the basic contours of this narrative throughout the curriculum, notably in the Political Economy class taken in the second year.

II. Pedagogical strategy

Our general pedagogical strategy is to meet the students where they are and slowly introduce elements to build the understanding of class in our analysis. We are attentive to maintaining a pace that allows students to absorb challenging perspectives that

7 See Dhondt et al (2017) on how the economics department designed the curriculum at John Jay College.

disrupt received wisdom. In this way, we slowly spiral away from the typical discourse viewing inequality as solely concerned with income levels, and move towards a general representation of its various dimensions within modern capitalism.

Over the length of the course, we try to build that understanding through a back and forth between different levels of abstraction. We start with a general historical exposition of capitalism and gradually add various components, going back every time to see where this new material fits in the general picture. While income distribution is one of these particular components, we feel that some prior concepts are important to contextualize income distribution in a study of the capitalist system. To this end, we typically postpone the discussion about inequality to the middle of the course, when students will have already encountered some general economic history and history of economic thought, along with concepts pertaining to the circuits of capital, class, race, and gender, and we will have discussed production within capitalism.[8] Most of this discussion will have proceeded from a theoretical standpoint, with a few examples included for illustration purposes. After a general outline of the capitalist system, the study of distribution dynamics within contemporary US economy serves as a case study where these theoretical concepts can be put to use.

From the study of inequality, we go into an analysis of the functioning of markets, again starting from a general description of the institution and then going into the particulars. For us, it is important to situate the topic of income distribution after an analysis of production and before that of the market, to underline that inequality is not merely a result of exchange, but rather a direct consequence of the structure of the system itself and the class relations animating it. The analysis has of course to be complemented by considerations such as gender and race. We are careful to situate these discussions in systemic terms, rather than in a simple vision of individuals endowed with certain characteristics willfully interacting and exchanging in a market setting, such as the one that is often adopted in neoclassical analysis. That is to say, the way production takes place in a capitalist economy conditions the distribution of the fruits of that production and is in turn conditioned by it. Production and distribution cannot be disentangled analytically in a way whereby we would first focus on growth and then figure out who gets what. This also serves to problematize the view that only *ex post* redistribution, say through public policies, is the only possible course of action to address inequality.

Integrating class, race, and gender into an empirical analysis of inequality allows us to reintroduce notions of power and property in the picture. All property is not equivalent in capitalism and the source of income matters, as do class positions.[9] At the same time, capitalism is a dynamic system with varying outcomes at different moments. For example, the share of the social product going to workers and that going to capital will

8 See Dufour and Seda-Irizarry (2017) for a description of an exercise used in this same introductory course that seeks to problematize the concepts of the state and the market in relation to capitalism through the use of history of thought.

9 It might be useful for the teacher to put into a dialogue Galbraith's (1967) worry about "why power is associated with some factors [of production] and not with others?" with Samuelson's (1957) call to "[r]emember that in a perfectly competitive market, it really does not matter who hires whom; so have labor hire capital."

evolve over time. Consequently, any proper analysis must have institutional and historical components so that the conditions under which different outcomes can and did occur can be identified, while also uncovering broad tendencies in the system. We designed our pedagogical strategy, which we outline in a stepwise manner, to do all this. It takes about one week in its complete version, in order to be able to proceed through the historical context and all the data, with students who are not always confident with numbers. While we don't always point it out explicitly, much of what follows is data-driven and the time dedicated to the study of inequality is spent going back and forth between tables and graphs on the screen and theoretical and historical discussions.

To get the students' attention, we start the course with a couple stark statistics about recent trends in inequality. For example, we cite the statement from a recent Oxfam report to the effect that the 1% received 82% of the increase in wealth in 2017 (Oxfam 2018), or the fact that the combined wealth of "high net worth individuals" (far less than 1% of the global population, with each of these individuals owning over $1 million in "investable assets") exceeded the combined GDP of the United States and the European Union for 2016.[10] We then follow with a short review of common measures of inequality with which most students are familiar, such as the GINI coefficient or income ratios. For the latter, we use income groups such as deciles or quintiles, which we complement by more refined divisions such as the top 1% or even smaller groups, using data from the studies of Piketty and Saez (2003) or the World Wealth and Income Database. These common measures don't allow for an outright class analysis at this stage, but already, looking at the evolution of these numbers over time, we can establish some preliminary findings that suggest there are structural and institutional forces at play within the system: (a) income inequality has been growing in recent decades; (b) All the gains seem to be concentrated at the very top of the income distribution; and (c) there is at least one historical precedent to the trends and levels we observe today, in the 1920s.

Drawing a picture of inequality levels over the twentieth century, we use their evolution to delineate different periods. We then introduce a social structures of accumulation framework to add precision to the periodization, a framework we use in subsequent weeks when we tackle other topics, such as government intervention or financialization.[11] Social structures of accumulation allow us to start describing these different periods to make sense of the inequality trends observed. We brush on capital-labor relations, government regulation, differentiation between groups of capitalists, power relations… Students start to see that income inequality levels result from an array of socio-economic trends, but also that they only tell part of the story. We need other indicators if we are to make sense of what is actually going on in different eras.

One first thing of note is that typical income inequality measures tend to obscure class relations by removing the source of income from the story and by considering only

10 See Capgemini's "World Wealth Report", available at https://www.worldwealthreport.com.

11 The textbook we use for the course, Understanding Capitalism, by Samuel Bowles, Richard Edward, Frank Roosevelt, and Mehrene Larudee, already has a section on social structures of accumulation. While our periodization is different, the theoretical discussion therein is a useful complement to the material we cover during this inequality exercise.

individuals. We address this by adding a layer of functional distribution statistics to the empirical demonstration, focusing on profits and wages. Good statistics on the functional distribution of income largely start after WWII, so we focus much of the rest of the discussion on the so-called "Golden Age" (GA) and neoliberal (NL) eras. At the macro level, we show that the average wage for non-supervisory workers has been essentially stagnating since the 1970s. To this end, we employ statistics from the Economic Policy Institute, which is a great source of data on wages for different groups of workers, as well as labour productivity.[12] Since there has been economic growth in the meantime, this implies a lowering of the labor share and an increase in the profit share under NL. We show both trends, as well as the way it was the inverse during the GA. So as a first approximation, labor seemed to fare better in the GA while capital has been resurgent during NL.

This is reinforced by an examination of wages and productivity in both eras. It can be seen that wages roughly followed productivity during the GA, while both become untangled during NL, as wages start stagnating and productivity keeps increasing, albeit at a lower pace. This seems to fly in the face of the oft-mentioned contention that workers are paid according to their productivity, at least in the second period.[13] This is an important point, because it problematizes the idea that within capitalism, people basically get a share of the product commensurate to their contribution in the overall production more or less automatically through market relations. Instead, once we consider the power given by the ownership and control of the means of production, a different picture emerges. Capital and labor will vie for a share of the total product and the resulting distribution will be linked to their relative bargaining power. Bargaining power is a function of the structure of ownership and the organization of production, but also of the institutional environment present in the system. For example, the major push in labor remuneration during the GA took place as there was an effort to link mass consumption and mass production, in an attempt to support industrial expansion, contributing to the formation of a so-called middle class amongst workers (Wright-Mills 1951). There is some inertia in these institutional arrangements that has to be taken into account, as the fact that current consumption norms and aspirations largely date from the GA, making a historical analysis important.

At this stage we pause to reflect about the meaning of these data on functional distribution with our students. The fact that there are systematic patterns in functional distribution during the GA and NL periods and that they differ underline that the interplay of the capitalist and working classes is an important factor to consider when we try to understand income distribution. If one class gains more relative bargaining power it will be able to secure a greater share of the production, which will in turn greatly influence who ends up with what and how much in the end. The deterioration of the labor share during the NL era suggest the tipping of the balance of power in favor of capital, a change that has heralded a greater amount of inequality overall. That is to say, we complement the illustration of growing income inequality during NL with which we

12 See http://www.stateofworkingamerica.org/

13 This point of view has some history in economic theory. As early as the end of the 19th century, John Bates Clark (1899) elaborated a demonstration that under basic conditions, there was a natural law in capitalism that led factors of production to be paid according to their marginal productivity.

started the course with a demonstration that workers as a group are faring worse, which adds a layer of explanation for that growth in inequality.

To explain the differing trends in functional distribution between eras, we introduce various statistics that can indicate the state of relative bargaining power of different classes, such as rates of unionization or unemployment, the level of the minimum wage, and other considerations like labor regulation or capital mobility. We also note the major change in institutional conditions in the 1980s with the arrival of Ronald Reagan. The mass firing of striking public air traffic controllers was a spectacular illustration of a shifting governmental stance towards workers.[14] To this we add overall international conditions after WWII that supported an industrial expansion in the United States, such as the lack of competitors immediately after the war, vast markets for exports, and the existence of the Soviet Union as a real and ideological counterweight. All in all, labor was stronger and more organised during the GA, and the overall environment was more favorable. Perhaps even too favorable, endangering the delicate balance George Carlin alludes to in the quote at the beginning of the paper.

We then introduce a discussion of the profit squeeze to explain the switch in eras, showing in the process how different classes will organize in an attempt to secure more power in general and a greater share of the social product in particular, and how this will shape both the institutional setting and social outcomes like income distribution. That is to say, on the one hand, we talk about how the ascendency of the labor movement throughout the GA put downward pressure on profits in the 1970s. At the same time, we also analyse how oil shocks and other unfavorable international conditions for capital, such as an increasing price of raw materials, independence movements across the world, and increased international competition in advanced capitalist countries contributed to the issue, leading to a paradigmatic change (Boddy and Crotty 1975, Bowles, Gordon and Weisskopf 1983). While the overall growth performance, which we show onscreen, is certainly better under the GA than NL, some groups were threatened near the end of the era. Capitalist expansion bred the seeds of its [political] undoing. At the same time, while industrial profits were doing fine for much of the GA, finance was relatively repressed in the period, made into a servant of industrial expansion (Russell 2008). The shift to NL was also the occasion for finance to come back to the fore. The [industrial] capital - labor “accord” gave way to a partnering of finance and industry, which after a period of reorientation in the late 1970s and early 1980s, led to an increase in the profit share, to the detriment of the labor share. In discussing the reasons for this shift, Kotz’s (2015)explanation of the way big business abandoned their association with labor and aligned instead with small business to create the neoliberal revolution gives important insights.

But is NL just about capital grabbing an increasing share of the social product? In other words is the shift in era simply about a struggle between labor and capital, with the latter gaining the upper hand? We explore this question by pitting median hourly labor

14 Interestingly, that move was made possible by a law that was passed in 1947, at the outset of the GA (Ghilarducci 1986). We underline this in class to show that while there was a clear institutional shift between the GA and NL periods, the GA also had hostile capital-labor relations (Hillard and McIntyre 2008).

compensation in NL against the average and showing that the median fares worse, which suggest that some workers near the top of the distribution might be doing just fine. We then switch the lens towards wages by occupation and show that indeed, some groups, like managers, doctors or lawyers have seen important wage increases while others did not. In fact, coming back to the data from Piketty and Saez, we can see that much of the increase at the top of the distribution, though not the very top, comes from salaries, reinforcing the idea that their might have been a fragmentation of the working class with some groups of workers being able to escape upwards under NL.

We pause once more to reflect with our students on the stylised class categories we have been using. At first blush, the differentiation amongst workers can appear to put in question the usefulness of the previous division between capital and labor. However, the general trend in functional distribution still holds and it is correlated with the evolution of the bargaining power of labor and capital. Moreover, many of the categories of workers who have experienced an improvement are closely linked to capital, such as managers or people working in financial markets. Consequently, students see that class dynamics remain fundamental to build an understanding of income distribution, but that there is a need to add a few layers of analysis to have a broader understanding. In terms of class categories, we only hint at this complexity for now and spend more time delving into them in a second-year political economy course. For this introductory course, we instead complete the picture by looking at some intersectional factors.

A first observation is that while wages have stagnated overall during NL, there has been some catching up by women. While there remains a great amount of inequality amongst genders, the relative situation of women has been improving (Abelda et al. 2001). Similarly, the Golden Age was build on creating middle-class prosperity for whites which explicitly left Black folks out. In this way, it can be seen that while the GA was a good time for many workers, it was not so golden for some, such as black workers (Flynn et al. 2017). It gives some perspective to the yearning by many of a return to a setup akin to the after-war years that preceded NL and shows the necessity to enrich class analysis to get a full picture of the dynamics at play. Of course, the discussion to that point, with the focus on bargaining power and the overall conditions that made the GA possible in the first place, many of which are not present today, problematize even the idea that it is possible to return to that era.

Through the foregoing discussion, we show class considerations are central to an understanding of the trends in income distribution we observe over time. Many of our students come from relatively disadvantaged, working class backgrounds and for them, it adds a layer of understanding to their own situation and that of their family. Be that as it may, they are also animated by the American Dream, a desire to escape their condition by coming through college. In fact, if there is a fair chance of joining in, some students are ready to accept a reality of income inequality. But is such an individual escape plausible for most? To answer that question, we end the exercise by going through indicators of mobility[15].

15 Before jumping through another set of data, however, we take a quick break by showing a monologue by George Carlin on the American Dream, which ends with the following sentence: “because the owners

First, in keeping with the class framework we have been using until that point, we look at intergenerational occupational mobility.[16] It is soon apparent that social classes reproduce themselves and that most children end up in occupations fairly similar to that of their parents in the United States. The two big exceptions are the men who were born on farms and women who went to work after the 1980s. With the reduction of farm workers, most men born on farms after WWII end up as manual labor, often in the manufacturing sector. There is movement, then, though not all the way to management or white collar occupations. As for women, as we noted above in the study of the NL era, there is more mobility in the 1980s as many more go to the labor market. Still, after that, there is some evidence that a logic similar as the one we see for men sets in.

But our students are in college, a feat that in many cases they are the first to accomplish in their family. That already sets them somewhat apart from their parents. So we turn to income mobility in itself, both intergenerational and within one's lifetime. Using mobility matrices with income deciles and quintiles, we show students how there is mobility in the middle of the income distribution, but rarely at the top or the bottom. In other words, it is hard to move out of poverty and once one is rich, one tends to stay rich. In fact, according to the NY Times, between 1988 and 1998 in the US, only 0.5% of the population made it from the bottom quintile to the top one.[17] What is more, the threshold to reach that top quintile is relatively low, much lower than what students guess ex ante when quizzed about it. As an illustration, a household in the US needs to have an income of $121,018 in 2016 to be in the top 20% and less than $24,002 to be in the bottom 20%.[18] So to the extent that there is an American Dream, it is not about going from rags to riches, but rather moving up somewhat within a middle class. And even then, it concerns a minority of people.

What about intergenerational mobility? Well, it is not that great in the United States. The correlation between the income of the parents and that of the children is much higher in the US than in Canada, continental Europe, or Scandinavia. We show this through an indicator of the time it would take for a household at the 25% income mark to rise to the average, through the generations.[19] Three generations down the road, they still have not made it in the US, while they are basically there within two generations in Canada or Scandinavia. To live the American Dream, then, one should probably go to Denmark.

These data lead us back to a discussion of the factors underlying mobility trends. We show how it can be correlated with the social environment in which people evolve, such as social programs and the availability of good public education. It also brings us back

of this country know the truth, it's called the American Dream, but you have to be asleep to believe it." (available on Youtube: https://www.youtube.com/watch?v=kJ4SSvVbhLw)

16 Our view on the transmission mechanisms of intergenerational inequality has been deeply influenced by the works of Bowles and Gintis (1976, 2002a, 2002b).

17Class Matters, in the New York Times: http://www.nytimes.com/packages/html/national/20050515_CLASS_GRAPHIC/index_01.html

18 Data taken from the US Census Bureau: https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-inequality.html

19 Ibid.

to class. If healthcare benefits are dependent on employment, it not only decreases mobility, it also decreases the bargaining power of workers, who have more to lose should they become unemployed. That dependence contributes to the wage stagnation observed during the NL era.

What conclusion can be drawn from all this? We wrap up the exposition through a classroom discussion, teasing out the dimensions of power and dependence inherent in inequality, how beyond income, there is a radical difference between capital and labor in terms of possibilities and prospects, and how classes are congealed, relatively immobile, in contemporary US capitalism, i.e. that by and large, individuals don't move across class categories. We also reiterate how the growing income inequality that is observed in recent decades can be understood as being largely the result of the resurgence of capital and the decrease of the bargaining power of the working class. This conversation allows us to close the loop. Having started with measures of income inequality, we showed how class dynamics were important to understand how the social product is distributed, both through direct struggle and via an evolving institutional setup, itself a function of these class dynamics, something we bring out again through a summarising discussion of the issue of inequality itself.

In the end, we turn to the issue of what, if anything, should be done about it. By then, the demonstration that income mobility is relatively low has typically cooled down support for inequality, to the extent it existed at the outset. The main answer that arises amongst our students is the need for government action, perhaps through the tax system. But that leaves many dissatisfied, as ex post redistributive policies do not address the fundamental differentials uncovered through the class analysis of the issue. Still, we usually leave them with that discomfort, letting it marinate as we move on to different topics and continue the broad overview of the capitalist system.

At times, we have also mandated a paper or take home exam questions pushing them to compare GA and NL using the sort of data we present in the classroom. Having them grapple with the data and derive their own conclusions works very well. Most students conclude in favor of GA, but few actually envisage a return to it. In addition to the points mentioned above, notably race and gender relations, the environmental dimension comes to the fore. It is a testimony of the advances of the environmental movement in recent times that a productivist agenda no longer seems feasible or even desirable.

III. Conclusion

Class is a central concept to analyze distribution dynamics within capitalism, but it is seldom prominent in public discourse on inequality. This has led us to devise a pedagogical strategy to reintroduce class in the study of inequality in our classrooms, giving students an overview of the evolution of postwar US capitalism in the process. The bulk of this article was dedicated to a description of this exercise and some of the reactions our students have when we present it to them. By way of conclusion, there is one more aspect of the issue we would like to address: we basically had to devise this strategy from scratch because current economics teaching essentially leaves no space for class in its analysis of inequality.[20]

The teaching of inequality typically stays within the confines of the neoclassical trinity - endowments, technology, and preferences. For example, there will be analyses of the way in which people's preferences over inequality differ and the way this influences actual levels of inequality in society - as if they had much choice over it. Or there will be discussions of the ways in which technological changes might advantage certain groups of workers over others and thus generate inequality amongst workers, as if this was mostly a question of supply and demand in a naturally evolving economic structure. There might also be a representation of an equity-efficiency tradeoff, as a justification for the perpetuation of an unequal distribution, or its converse, with an argument that inequality might actually dampen growth.

This way of approaching inequality misses the point that struggles over the distribution of the social product are present throughout capitalism and that the access that individuals have to that social product is conditioned by the position they occupy within society. Income distribution is not given by ahistorical economic laws, it is a social construct resulting from the constant confrontation and bargaining of different groups throughout the social fabric. In those processes, individuals are not all on a similar footing nor can they all use similar channels to access a share of what is collectively produced. Most will have to hire themselves out to a few who don't have to, some will syphon funds through financial markets while most will make interest payments, etc. Class is an essential concept to use if students are to understand income distribution in capitalism, but unfortunately most economists who teach about inequality do it without talking about class.[21] Preoccupations over the distribution of the social product are important but it is crucial that students understand the difference between struggling for a bigger piece of the pie versus struggling over the pie cutter.

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20 Even projects like the *Curriculum in Open Access Resources in Economics* (CORE) who seek to provide an alternative to the mainstream suffer from evident limits. In their attempts to make themselves visible and relevant to the mainstream of economics, they end up adopting much of the methodology and approach of that which they aim to replace. In their unit on inequality, class is absent.

21 In a forthcoming article on teaching alienation in introductory economics, we also argue how in addition to inequality, alienation is crucial to understanding capitalism, and show how both can be jointly discussed in the classroom within a class framework (Dhondt et al. 2018).

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