CLASS AWARENESS IN ICELAND

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DEDICATION

I dedicate this thesis to my loving wife, Hrafnhildur Reykjalin Vigfusdottir, and my two wonderful sons, Jakob Mani Johannsson and Oddur Atli Gudmundsson. You are everything to me.
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CLASS AWARENESS IN ICELAND

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ABSTRACT

In this paper new survey data are used to study class awareness in Iceland. Responses to two subjective class questions are analyzed to test a synthesis of Weber’s theory of class and reference group theory. The findings, and secondary data, reveal that Icelanders are well aware of class and class division. A great majority recognizes and understands class terms, and is willing to assign themselves to a class. Consistent with Weber, Icelanders have a fairly clear perception of their class position, evidenced by a strong relationship between subjective class and economic class, and class indicators. In accordance with reference group theory, a significant ‘middle class’ tendency is revealed at all levels of the class structure. Hence, materialist factors are attenuated by reference groups. Icelanders also have more of a ‘middle class’ view of their class position and see it, on average, as higher than people in most other countries. Lastly, Weberian class analysis is proposed as the best available framework within to study class awareness in late modernity.
1. INTRODUCTION

Traditionally, Iceland has been characterized as one of the most egalitarian nations in the world (Gunnlaugsson and Galliher 2000). Some scholars have even described Icelandic society as uniquely equal and ‘classless’ (Tomasson 1980). While the first depiction is not far off, the latter two have never held up to scrutiny (Olafsson 1981 and 1982). What is more, Icelandic society has undergone significant changes since Tomasson (1980) wrote his euphemistic account, which have rendered his claims of ‘classlessness’ even more far-fetched. The most dramatic of these changes are due to the ‘neo-liberalization’ of the economy and laissez faire policies over the last 15 to 20 years (Olafsson 2008). In Weberian terms, the market has become more predominant and Iceland has become more of a ‘class society’ (Weber [1922] 1978). Parallel to this, economic inequality has increased considerably (Gylfason 2005; Olafsson 2006; ASI 2007), and class divisions have become more pronounced (Magnusson 2008). The most glaring manifestations of increasing economic inequality is the growing concentration of income and wealth at the top (Kristjansson and Olafsson 2009) and the emergence of a wealthy and powerful upper class (Magnusson 2008), whose ‘conspicuous consumption’ (Veblen [1899] 2004) offers a stark contrast to the lives of ordinary Icelanders, not to mention those who live in relative poverty (Njals 2003; Statistics Iceland 2008).

Despite increasing economic inequality, the conventional wisdom still has it that classes are not meaningful for Icelanders. However, this rests on very limited empirical research and contradictory evidence. Hence, questions such as: Are Icelanders aware of classes in their society? If so, where do they see their own
position in the class structure? and, What social forces affect class awareness? remain, for the most part, unanswered.

While questions such as the above are central in class analysis, they have rarely been pursued for Iceland and barely in the last twenty years. Therefore, a rigorous study of class awareness in present-day Iceland is long overdue.

Furthermore, there is no better time for a critical inquiry than the present, as Iceland is in the midst of a deep economic crisis. Economic inequality in Iceland increases in times of recession (Olafsson 1990), and scholars argue that class awareness also increases during recessions (Centers 1949; Jackman and Jackman 1983). Research also tells us that Icelanders, at the least, become more concerned with pay differentials when the economy takes a downturn (Jonsson et al. 2001). Furthermore, consistent with Weber ([1922] 1978), there is good reason to believe that the changing cultural conditions paralleling increasing economic inequality (Magnusson 2008) have heightened class awareness. This offers the perfect opportunity, a critical case, to test the supposed ‘myth of classlessness’ (Finnbogason ([1933] 1971); Bjarnason 1974 and 1976; Broddason and Webb 1975; Bjornsson, Edelstein and Kreppner 1977; Tomasson 1980).

The research, first reported in this paper, attempts to answer the questions posed above. This will be done by analyzing new survey data, along with analysis of secondary data. The survey results will also be compared with a study using cross-national data (Evans and Kelley 2004) along with data from the 2005 World Value

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1 ‘Class awareness’ is understood in this paper as the “subjective definition and interpretation of social class in the public consciousness” (Scott and Marshall 2005: 72-73). The concept is also synonymous with ‘class perception’ and more broadly, ‘class identification’. However, it should be stressed that class identification cannot be simply reduced to class awareness. Lastly, class awareness also overlaps with ‘class imagery’, defined as “the commonsense or everyday beliefs about social class held by ordinary members of society…” (Scott and Marshall 2005: 74).
Survey (WVS 2005b) and the 1999 wave of the International Social Survey Program (GESIS Data Archive).  

The data are analyzed from a broadly Weberian perspective, where the necessary conceptual distinction between *class* and *status* is made and also, the distinction between *economic class* (class situation) and *social class* (Weber [1922] 1978). Furthermore, Weberian class analysis offers the best framework to deal with the ‘individualization of the class structure’, highlighted in the theory of reflexive modernization (Beck 1992).

Here it is posited that one of the implications of growing individualization is that reference group factors (Stouffer et al. 1949) play a more prominent role in class awareness, at the expense of materialist factors. This funnels people at all levels of the class structure towards a ‘middling’ subjective class. The effects of reference group factors have been confirmed in large cross-national research (Evans and Kelley 2004). The same applies here, where we find that Icelanders are well aware of class and that materialist factors, while important predictors of subjective class, are attenuated by reference group factors.

The paper’s main thrust is on analyzing responses to two types of subjective class questions, the traditional version originally popularized by Centers (1949), and the ‘scalometer’ version, devised as an internationally comparable measurement of subjective social class (Smith 1986). Following Vannemann on this point (1980), responses to the two questions are interpreted as *cognitive judgment* by the

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2 Data from the 2005 WVS along with detailed information about questionnaires, methods, etc. can be obtained from the World Values Survey Association website, [www.worldvaluessurvey.org](http://www.worldvaluessurvey.org).

Comparable information for the 1999 ISSP are to be found at the International Social Survey Program website, [www.issp.org](http://www.issp.org).
respondents, i.e. how respondents assign class labels to themselves. These questions have commonly been used as a measure of class identification (see e.g. Davis and Robinson 1988) and in some cases, class consciousness (see e.g. Hodge and Treiman 1968). However, this is unwarranted as further evidence is needed to claim affective identification to class (Landecker 1963; but see Klugel et al. 1977), not to mention class consciousness (Fantasia 1995; Archer 2008).3

Before analyzing the survey data, I will review relevant theoretical issues in the study of class awareness. Secondly, I show how Weberian class analysis is best equipped to respond to the individualization of the class structure, and how a synthesis with reference group theory offers a good explanation of subjective class. That section also outlines the hypotheses put forth. The third section reviews earlier studies and other relevant indicators of class awareness in Iceland. The fourth section describes the research strategy and other methodological issues.

3 A clear distinction is made here between the concepts ‘class awareness’ and ‘class consciousness’, as originally envisioned by Marx and Engels, and best articulated in Lukacs (1975). In their sense it is only possible to talk of class consciousness when the objective structural position of the working class generates a consciousness of common interests and leads to action through political representation (Engels 1975; Marx 1963; Lukacs 1975). This is a distinction that many scholars fail to make when they are really talking about the less troubled terms class awareness, class perception or class identification. What is fundamental here is that class awareness is only the most emergent level of class consciousness (Giddens 1981; Mann 1973).

Class perception [class awareness] has been described as the cognitive aspect of class consciousness and its most fundamental level (Vanneman, 1980). This has merit; class perception is indeed fundamental, for unless people are aware of class divisions they cannot identify with a class and develop class consciousness. Nevertheless, this cognitive aspect does not warrant being equated with class consciousness, as seen by Marx and Engels and defined by Lukacs. In other words, being conscious of class is not the same as being class conscious. This calls for a different terminology.
2. CLASS AWARENESS IN LATE MODERNITY

Class analysis has drawn considerable criticism, from within, and from various perspectives, in the last 20 years (Lee and Turner 1996). Most critiques, center on the failure of class analysis to ‘keep up with the times’ (see e.g. Pahl 1989; Pakulski and Waters 1996; Kingston 2000). More specifically, the development of post-modern social processes is supposed to have rendered class peripheral, both as a structural force and as a useful concept for sociological analysis. These overstated ‘post-structural’ claims have been duly contested, and rightly so, by ‘class traditionalists’ (Goldthorpe and Marshall 1992, Wright 1997), who have repeatedly shown that class still exerts considerable effects on people’s life chances.

However, as Scott (2002) claims, critics of class analysis are right on the mark highlighting the “dissolution of class identities and established forms of class consciousness” (p. 23). Their analysis is supported, on one hand, by studies showing a weaker relationship between economic class and subjective class (Kingston 2000) and, on the other, by interview data showing that respondents are less likely to use class terms spontaneously to describe their social position or to show affective identification with a class (Savage 2000).

Nevertheless, the vast majority of people knows class (Argyle 1994), recognizes and understands class terms (Jackman and Jackman 1983) and can apply them when called upon (Reid 1998; Gilbert 2003). Studies also show that most people around the world acknowledge the existence of classes and are willing to assign themselves to a class (GESIS Data Archive; WVS 2005b). Furthermore, people’s subjective class is, for the most part, congruent with their objective circumstances
(Hout 2008). Lastly, subjective class remains an important predictor of social behavior and attitudes (Marshall et al. 1988). So class awareness remains an important field of study.

As Scott (2002) insightfully points out, the weakening of class awareness is best seen as the growing individualization of the class structure (Beck 1992), which has the implication that class is less experienced as belonging to a collectivity. Instead, under the conditions of reflexive modernity, “the unstable unity of shared life experiences mediated by the market and shaped by status… began to break apart” (Beck 1992: 96). Also, “surges of individualization do compete with the experiences of a collective fate… under the conditions of a welfare state, class biographies, which are somehow ascribed, become transformed into reflexive biographies which depend on the decisions of the actors” (Beck 1992: 88). This means that people must increasingly choose between different sources of identities, i.e. life style difference, ethnicity, nationality, gender, sexuality, age, etc. (Beck 1992).

On this note, Icelanders have always been strong individualists (Olafsson 2003). Furthermore, there has been a notable rise in individualization in Iceland in recent years (Hall et al. 2002). One important manifestation of this is the decline in class voting, as measured by the Alford-scale, from 1983 to 2003 (Hardarson 2004). 4

Lastly, I agree with Scott (2002) who argues that class persists as a source of social awareness and identity, albeit alongside other sources. For example, while consumption is constrained by economic class, social awareness and identities tend to reflect the former, rather than the latter. Hence, new sources of identity “supplement

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4 The Alford-index shows the difference between the percentage of working class people (manual workers) who vote leftist parties and the percentage of middle class people (non-manual workers) who vote leftist parties. For example, if 80% of the working class and 20% of the middle class vote leftist parties the index is 60% (Harðarson 2004).
class rather than replacing it completely…[representing] a restructuring of class relations and a realignment of the relationship between class and status” (Scott 2002: 33). This realignment of class and status is what critics have wrongly coined the ‘death of class’.

3. CLASS, STATUS AND REFERENCE GROUP THEORY

Weberian class analysis is the best framework within which to synthesize insights relating to the individualization of the class structure. Weber ([1922] 1978), famously, defined a multi-dimensional model of stratification, comprised of three distinct, but linked, dimensions of inequality, i.e. class, status and party. Class situations (economic classes) are economic categories determined by the market, cf. “‘Class situation’ is, in this sense, ultimately ‘market situation’” (Weber [1922] 1978: 928). Class situations are as many as there are market situations, and they entail different ‘life chances’, i.e. differences in opportunities, prospects, lifestyles, etc. However, Weber defines social class as making up “the totality of those class situations within which individual and generational mobility is easy and typical” ([1922] 1978: 302).

According to Weber, “classes are not communities; they merely represent possible, and frequent, bases for social action” ([1922] 1978: 927). Whether or not members of a class recognize and act upon class interests as a class is “…linked to general cultural conditions…and is especially linked to the transparency of the connections between the causes and consequences of the class situation” (Weber [1922] 1978: 929). This transparency is greatest for the proletariat who comes to

5 Party, as a dimension of inequality, is not of interest in this paper.
understand that “the contrast of life chances... [is the result of] the structure of the concrete economic order” (Weber [1922] 1978, quoted in Wright 2002: 16).

Sources of shared identity and collective action are rather to be found in status groups, rather than classes, with the former being defined as “a specific, positive and negative, social estimation of honor”, generally, expressed in “a specific style of life”. Hence, contrary to classes, “status groups are normally groups”, although, “often of an amorphous kind” (Weber [1922] 1978: 932). Status groups are aware of their common position and difference from groups of a different status, since status honor always rests upon distance and exclusiveness. Status groups show their distinctiveness by following a certain life style, living in particular areas, by limited association with others, etc.

Members of a class become a status group when they become conscious of sharing a common identity with other members of their class. However, Weber does not offer any statements of a determinate relationship between class situation and status. According to him, this relationship is contingent and subject to investigation in each case. However, what is often overlooked is that Weber sees material interests rooted in individuals’ class situation as a probabilistic determinant of their behavior (Wright 2002). In Weber’s words ([1922] 1978, quoted in Wright 2002: 12):

According to our terminology the factor that creates ‘class’ is unambiguously economic interest, and indeed, only those interests involved in the existence of the market. Nevertheless the concept of class-interest is an ambiguous one: even as an empirical concept it is ambiguous as soon as one understands by it something other than the factual direction of interests following with a certain probability from the class situation for a certain average of those people subjected to the class situation.

Hence, there is a tendency, on average, for individual behavior to be in line with material interests associated with class situations. Furthermore, judging by two
earlier quotes in *Economy and Society*,\(^6\) Weber sees material interests structured by class situations as having a *strong tendency* to shape people’s behavior within those situations (Wright 2002). It is on this front where Weber deviates from post-structural theorists, like Beck (1992), who have not advanced a convincing account of how structured inequality affects consciousness and action.

Classes and status groups frequently overlap and class distinctions are linked in the most varied ways with status distinctions (Weber [1922] 1978). Hence, class and status tend to go together, i.e. the rich tend to have high status and vice versa. In fact, “material monopolies provide the most effective motives for the exclusiveness of a status group” (Weber [1922] 1978: 935). Still, it bears repeating that the formerly close association between class and status has declined in late modernity (Scott 1996 and 2002). Nevertheless, there is still correlation between the two and, therefore, it is not surprising that class and status are frequently conflated in popular discourse (Chan and Goldthorpe 2007). This has implications for studies of class awareness, as they also tap ‘status awareness’.

Based on Weber’s theory of class and status and the fact that people often conflate the two, I hypothesize that this study will reveal a strong positive relationship between subjective and economic class, on one hand, and subjective class and class indicators (individual income, family income and education), on the other:

**H1:** There is a strong positive relationship between subjective class and economic class.

**H2:** There is a strong positive relationship between subjective class and class indicators.

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\(^6\) See Appendix 1.
I also expect that people nearer the bottom of the class structure will be more willing to assign themselves to a class, due to the relative transparency of the causes and the consequences of their class situation:

**H3: There is a positive relationship between non-response of subjective class questions and economic class, and class indicators.**

However, I expect that the relationship between materialist factors and subjective class will be mitigated by the individualization of the class structure (Beck 1992). The implications of this are that under the conditions of reflexive modernity people are more prone to think of themselves as individuals, rather than as parts of a collectivity, like a class. Based on this, the argument advanced here is that when people are asked a subjective class question they are as likely to compare themselves with other *individuals* in their ‘reference group’ as they are to draw on their actual class situation. These insights are drawn from ‘reference group theory’ (Stouffer et al. 1949; Bott 1957; Lockwood 1966; Merton 1968), which posits that people’s perceptions of their place in the social structure are strongly influenced by their reference group, i.e. social contacts (Evans and Kelley 2004: 4):

This is a special case of ‘availability heuristic’- a tendency to build one’s image of the larger society by generalizing from one’s own experience and from familiar images prevalent in the media. The crux of the argument is that the homogeneity of reference groups – the similarity among one’s family and friends in education, occupation, and income – fundamentally distorts the ‘subjective sample’ from which one generalizes to the wider society and from which one develops perceptions of one’s subjective location.

According to this theory, people tend to see themselves in a ‘middling position’ as their reference groups are relatively homogenous and include people that are both above and below in terms of economic class, education, income, etc. Recent cultural perspectives of class echo similar accounts. Savage (2000), for example, argues that “Contemporary modes of class awareness do not draw contrasts hierarchically, between those above and below, but they draw the gaze sideways,
between yourself and others in similar situations” (p. 159). Based on this, I expect to find a ‘middle class’ tendency at all levels of the class structure:

**H4: Most people see themselves in the ‘middle classes’, regardless of economic class and class indicators.**

Studies have shown that a synthesis of reference group theory and a weak materialist theory holds well for affluent Western countries, as well as for formerly communist countries (Evans et al. 1992; Kelley and Evans 1995; Evans and Kelley 2004).

### 4. CLASS AWARENESS IN ICELAND

Claims of Icelandic ‘classlessness’ have been refuted numerous times by empirical evidence showing that Iceland is indeed a class society. Aside from the obvious class differences in income (Olafsson 1982; Statistics Iceland 2009a) which underpin different life chances, scholars have demonstrated that there are also class differences in terms of access to elite professions (Broddason and Webb 1975), cognitive and scholastic achievement (Thorlindsson and Bjornsson 1979; Bjornsson and Thorlindsson 1983; Thorlindsson 1987), intergenerational social mobility (Olafsson 1982), socialization practices (Bjornsson et al. 1977), family interaction (Thorlindsson 1987), non-standard language use (Palsson 1979; Svavarsdottir 1982; Svavarsdottir, Palsson and Thorlindsson 1984; Palsson 1987), educational opportunity (Thorlindsson 1988), reading literacy (Marks 2005), physical activity (Vilhjalmsson and Thorlindsson 1998), sedentary and physically active behavior (Kristjansdottir and

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7 The author calculated class differences in income using new data from Statistics Iceland (2009a).
Vilhjalmsson 2001), (Halldorsson et al. 1999; Gunnarsdottir 2005) and habitus (Vilhjalmsdottir 2005).

In addition, studies have shown that a full 10% of the Icelandic population is poor, or at risk of poverty, despite growing affluence (Njals 2003; Prime Minister’s Office 2006, Statistics Iceland 2008). Other have described the difficult conditions of those who live in poverty (Red Cross 1999), and in recent years conferences have been held to raise awareness of poverty in Iceland (Icelandic Sociological Association 2009). While this opened the eyes of many to the harsh reality of poverty in Iceland, media and the public interest remains sporadic. On the other hand, the media has meticulously covered growing riches and ‘conspicuous consumption’ (Veblen [1899] 2004) of the emerging upper class. Nevertheless, few have turned a scholarly eye on the upper class, though Magnusson (2008) is a noteworthy exception with his aptly named book, \textit{New Iceland – the Art of Losing Oneself}.

Despite evidence of class differences and the growing economic inequality that underpins them, studies of class awareness have been notably absent from the sociological study of Icelandic society for the last 25 years. Furthermore, class analysis in general has, in effect, been put on the back-burner by sociologists focusing on contemporary Iceland. The same applies for other disciplines. Although a number of studies on various types of social inequality have been carried out in Iceland in recent years class has not been the primary, or even secondary, concern. The limited class analysis carried out in recent years has mostly been historical (see e.g. Magnusson 1986; Gislason 1990; Grjétarsson 1993; Oskarsson 1997).

In the first formidable attempt to study class awareness in Iceland (Bjarnason 1974) \textit{class} and \textit{status} were confounded to such a degree that doubt was cast on the conclusions of weak class awareness (Olafsson 1982). Most respondents in Bjarnason
(1974) defined class in terms of material conditions, a ‘money model’ (Goldthorpe et al. 1969), and were aware that income and wealth are unevenly distributed. However, most would not admit to there being class division, conflating status distinctions with class distinctions. What is also important is that the respondents who showed strong class awareness were from the lower social groups, underrepresented in the small sample (Olafsson 1982). This is consistent with Weber who theorized that the “transparency of the connections between the causes and the consequences of the class situation” was the greatest for the proletariat (Weber [1922] 1978: 929).

Like so many observers of Icelandic society, most scholars touching on the subject of class awareness have gotten too caught up in the ‘exceptionalism thesis’, which posits, among other things, that Iceland is a uniquely equal society. In what was at the time the most comprehensive sociological comparative study of Iceland, Tomasson (1980) claims that egalitarianism is the most dominant cultural value held throughout Icelandic history. His main foundation for this claim is that Icelanders show notable lack of deference in their interactions, i.e. weak status distinctions. On the basis of evidence of weak status distinctions Tomasson (1980) and other scholars, foreign and domestic, have inferred that class awareness in Icelandic society is negligible (see e.g. Bjarnason 1974). However, Tomasson (1980) took his argument even further and claimed that Iceland is uniquely equal and indeed a ‘classless’ society. While other scholars have empirically refuted Tomasson’s claim of ‘classlessness’, most of them have accepted the ‘myth’ of weak class awareness (see e.g. Broddason and Webb 1975), without much criticism (Olafsson 1982).

As Olafsson (1982) rightly points out, Tomasson (1980) and Bjarnason (1974) fail to make the distinction between class and status in their interpretations by reducing the former to the latter. This is a fallacy contemporary researchers regularly
commit (Chan and Goldthorpe 2007). The same goes for an empirically rigorous study conducted in the mid 1960s (Bjornsson et al. 1977) where respondents generally expressed the view that Iceland is a ‘classless’ society. The respondents were clearly aware of economic inequalities yet they did not interpret that as an indication of class divisions. Some respondents even got angry when asked about class division. This, the authors claim, is a manifestation of the fact that Icelanders generally do not believe that class division applies in the Icelandic context.

A close examination of Bjarnason (1974), Bjornsson et al. (1977) and Tomasson (1980) reveals that respondents and informants recognize that people occupy different class situations, which affect life chances. Nevertheless, most have a tendency to conflate status distinctions with class distinctions when asked about class division. This should be interpreted as a reflection of the relatively weak status distinctions in Iceland, rather than weak class awareness (Olafsson 1982).

That respondents refer to status when asked about class is quite common, both in sociological research and in everyday conversations about class (Chan and Goldthorpe 2007). However, while this is to be expected of laymen, we expect scholars to properly dissect interview data to reveal apparent contradictions.

While Icelanders emphasize equality in all its forms (Olafsson 1996 and Jonsson and Olafsson 1991), a distinction has to be made between egalitarian values and the beliefs that people hold about their society. As Thorlindsson (1988) argues, the egalitarian beliefs that Icelanders hold should be interpreted as popular belief that there is fair amount of equality of interaction and opportunity. However, there is evidence that this claim does not hold up to scrutiny as well as it did 20 years ago.

In 1985 the newspaper, Helgarposturinn, surveyed 800 adults and asked them, among other things, about class (Magnusson 2008). One of the questions asked was
whether people thought there was class division in Iceland. More than 70% of respondents answered ‘yes’ to that question. When asked about what characterized the upper class more than 60% mentioned money and wealth, roughly 30% said official position, status, education and lineage and around 6% said political power. Lastly, people were asked what class they belonged to. Most respondents, or 70%, placed themselves in the middle class, 27% in the lower class and 3% in the upper class. However, the results of this survey should be treated with extreme caution as less than 250 respondents answered each question. Also, the answer choices to the subjective class question did not include ‘working class’, which skews the results towards the middle class (Centers 1949).

Few studies touching on the issue of class awareness in Iceland have been done since the early 1980s. Some notable exceptions include Jonsson’s study (1985) of children’s ideas of the nature and social status of occupations and Jonsson et al.’s study (1993) of children’s understanding of society’s stratification structure. Results of both studies indicate that Icelandic children have levels of understanding of the stratification structure similar to their foreign peers. At the age of ten, children use concepts and norms similar to adults to make sense of the stratification structure. Furthermore, at the age of ten children are quite good at estimating the incomes and the likely possessions of persons in upper class, middle class and working class occupations (Jonsson et al. 1993).

As stated earlier, class analysis in general has taken a backseat in Icelandic academic circles, especially subjective class. One of the manifestations of this is that subjective class is rarely ever used as a background variable. A recent exception is found in a forthcoming book, where a snowball sample of 107 Icelanders was asked a subjective class question (Omarsdottir and Corgan 2009). There 29% assigned
themselves to the upper middle class, 67% to the middle class, and 4% to the working class. No respondent selected the upper class or the lower class label. Being based on a relatively small snowball sample, which is also disproportionately female, the results should be interpreted with care. Nevertheless, this grants valuable and needed insight into a neglected field.

We have reviewed ample evidence to throw doubt on the claim that class awareness in Iceland is weak. However, one thing is for sure: class awareness is rarely expressed in explicit class terms. This has been substantiated in the case of the media by a content analysis of the leading newspaper in Iceland, *Morgunbladid* (Oddsson and Oddsson 2009). However, a significant increase, from 1987 to 2007, in the number of news items and articles that talk of class and/or class division in contemporary Iceland, strongly indicates that class awareness has heightened as economic inequality and cultural change have stepped up.

Another indication of heightened class awareness is to be found in answers to the only WVS-question asked in Iceland that explicitly addresses class issues. There the percentage of those who think equality is more important than freedom increased from 47% in 1984, to 51% in 1990 and lastly to 53% in 1999 (WVS 2009). Also, the percentage of those who picked ‘social injustice’ as the reason why there are people living in need in Iceland jumped from being the third highest (48%) in the 1990 WVS,

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8 WVS-question: Which of these two statements comes closest to your own opinion? 
A. I find that both freedom and equality are important. But if I were to choose one or the other, I would consider personal freedom more important, that is, everyone can live in freedom and develop without hindrance.
B. Certainly both freedom and equality are important. But if I were to choose one or the other, I would consider equality more important, that is, that nobody is underprivileged and that social class differences are not so strong.
9 Iceland was not a part of the 2005 World Values Survey and will not take part in 2009.
behind ‘unlucky’ and ‘laziness or lack of willpower’, to being the highest (53%) in the 1999 WVS.\textsuperscript{10}

While class terms are rarely used in public discourse, the Icelandic language does contain implicit notions of class differentials (Palsson 1989), which are uttered quite regularly in public and academic discourse. More importantly, a national survey in 1986 revealed that 39% of Icelanders think that there are ‘considerable’ or ‘very great’ differences in language in terms of social class (Palsson 1987). This is especially interesting in light of the fact that about 97% of the Icelandic population speaks Icelandic and the country is nearly without dialects (Ministry of Education 2001).

Icelanders have little difficulty in talking about classes in other societies. However, when referring to their own society, Icelanders tend to talk ‘around’ class, by talking about inequality, the poor, immigrants and last, but not least, the wealthy. This rhetoric often takes strong form and one of the more explicit expressions refers to the divisions between the ‘haves’ and ‘have nots’ becoming so pronounced that it is as if two or more nations live in the country (Magnusson 2008). The late Victorian politician, Benjamin Disreali, made this type of rhetoric famous with the following quote about the rich and poor ([1969] (1845): 65):

Two nations between whom there is no intercourse and no sympathy; who are ignorant of each other’s habits, thoughts and feelings, as if they were dwellers in different zones or inhabitants of different planets; who are formed by different breeding, are fed by different food, are ordered by different manners, and are not governed by the same laws).

In 1997, when there was a lot public discourse about the new phenomena of ‘extreme wages’, a representative sample of the Icelandic adult population was

\textsuperscript{10} WVS-question: Why are there people in this country who live in need? Here are four possible reasons. Which one reason do you consider to be most important? 1 Unlucky, 2 Laziness or lack of willpower, 3 Injustice in society, 4 Part modern progress, 5 None of these.
surveyed, and asked whether the pay differentials had become so great that there were now two nations living in the country (Capacent 1997). The results were decisive: 82% agreed that there were two nations living in the country, while 18% disagreed. More women (88%) than men (75%) agreed to the statement. Furthermore, between 86 and 88% of those who earned less than 200 thousand Icelandic kronur (ISK) a month agreed to the statement, while only 59% of those who earned more than 300 thousand ISK did the same (Capacent 1997). The implications of these results are pretty clear: Icelanders obviously think that there exists a separate upper class and this belief is stronger among those who are more likely to be constrained by the class structure.

The great majority of Icelanders have for quite a long time believed that pay differentials are too great. This has been substantiated by surveys conducted over the period from 1986 to 2001 (Jonsson et al. 2001). There, the weighted averages of a question asking about pay differentials varies between 4.3 and 4.7, where an average of 5 means that everybody agrees that pay differentials are far too great. A survey conducted in 1983 produced similar results, as 49% believed pay differentials were far too great and 40% thought they were too great (Olafsson 1989). Also, in 2003 a study revealed that 64% strongly agreed and 20% agreed that the pay differentials between the highest and lowest salaries in Iceland were too great (Thordarson et al. 2004). On the whole, younger people, those with higher earnings and more education, are less likely to think that pay differentials are too great. Also, people are more likely to think that pay differentials are too great when the labor market takes a downturn, and unemployment and income inequality increase (Jonsson et al. 2001).

Icelanders have also become more concerned with poverty in recent years. What is especially interesting is that almost half (44%) of Icelanders either know of
someone in their family that lives currently in poverty or has done so in the last 10 years (Capacent 2008). Furthermore, respondents in all age, education, income, and family size groups estimate the poverty line considerably higher than the minimum wage.

The results of a 2007 poll showed that more than 71% of Icelanders thought that inequality had increased in the four preceding years, while 18% thought that it had remained steady and only 11% thought that inequality had decreased (Capacent 2007). The majority in all age groups, except 18 to 24 year olds, thought that inequality had increased. Also, while those who vote the Independence Party (conservatives) were the least likely to think that inequality had increased, almost 58% of them thought that it had.

It should be obvious from the above that Icelanders are well aware of economic inequality in their society, and they see it as a source of social division. People see concentration at the top and bottom and they see these groups drifting further apart with increasing inequality. We have also seen that class awareness was almost certainly not as weak in the late 1960s and early 70s as earlier studies would have one believe. Furthermore, we have strong indications that class awareness has heightened quite a bit since, parallel to increasing economic inequality and cultural change.

5. DATA AND METHODOLOGY

The data for this study were collected as part of a national omnibus phone survey carried out from December 2008 to January 2009 by the University of Iceland Social
Science Research Institute in cooperation with Midlun vidskiptalausnir ehf. The sample is representative of the Icelandic speaking adult population aged 18 to 75 living in households with a telephone. A total of 1381 surveys were initiated and 798 were completed. This equals a completion rate of 58% which compares well to other studies on class awareness using national survey data (Kelley and Evans 1995).

5.1. **DEPENDENT VARIABLES**

The analysis uses two dependent variables of subjective class that have both been used extensively in cross-national research:

**Subjective class I** This question is a slightly adapted version of the subjective class question used in the 2005 wave of the WVS (WVS 2005a):

13 The subjective class question in the 2005 WVS: People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging to the: Upper class, Upper middle class, Lower middle class, Working class, Lower class.

14 Iceland did not participate in the 2005 WVS. Iceland participated in 1984, 1990 and 1999. However, subjective class questions have never been used in the Icelandic versions of the questionnaires.
People talk of there being social classes like lower class, working class, lower middle class, upper middle class and upper class. To which of the following social classes would you say that you belong:

Upper class
Upper middle class
Lower middle class
Working class
Lower class

The rewording was inspired by the subjective class question used in Jackman and Jackman (1983). However, the answer choices are the same as for the question on the WVS.\textsuperscript{15} The question used here is deemed effectively the same as the WVS-question.

As is generally the case with the traditional subjective class question few respondents place themselves at the extremes, i.e. the upper class or the lower class. Hence for detailed analysis a collapsed class schema is used (Yamaguchi and Wang 2002; Edlund 2003). Here the collapsed schema consists of upper middle class, lower middle class and working class, where upper class identifiers have been coded as upper middle class and lower class identifiers as working class.

\textbf{Subjective class II} This question is a slightly adapted version of the ‘scalometer’ question from the 2009 ‘Social Inequality IV’ module\textsuperscript{16} of the ISSP (ISSP 2009).\textsuperscript{17}

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\textsuperscript{15} The answer choices used in Jackman and Jackman (1983) include ‘poor’, instead of ‘lower class’. I oppose using ‘poor’ because it is not mutually exclusive with ‘working class’, cf. working poor (Vannemann and Cannon 1987). Similarly, I do not use ‘middle class’ with either ‘upper middle class’ or ‘lower middle class’, as the terms are not mutually exclusive.\textsuperscript{16} The subjective class question from the ISSP: In our society there are groups which tend to be towards the top and groups which tend to be towards the bottom. Below is a scale that runs from top to bottom. Where would you put yourself on this scale? (This study uses the same scale as the ISSP. See above.).\textsuperscript{17} Iceland is not a member of the ISSP and has never participated in any of their surveys.
In our society there are groups which tend to be towards the top and groups which tend to be towards the bottom. Think of a ladder with ten rungs, where on the lowest rung are those at the bottom and on the highest rung are those at the top. Where on this ladder, from one to ten, would you place yourself?

Evans et al. (1992) highlight some of the benefits of a question such as this:

Firstly, a simple and abstractly worded question is comparable across cultures.
Secondly, it does not ‘force’ respondents into a class schema with a handful of class categories. Lastly, it does not rely on ‘politicized’ class terms, such as ‘working class’ and ‘middle class’. Abstractly worded questions are thought by some scholars to be a good alternative to the traditional subjective class question (Vanneman and Cannon 1987). Here this question is considered a good complement to the traditional subjective class question, especially to test the effects of reference group factors.

*Mean score for Subjective class II* As Kelley and Evans (1995) point out the mean is a useful summary for uni-modal distributions as is the case with the distributions for *Subjective class II*. Answers were assigned scores from a low of 0 to a high of 100, with intermediate answers given scores at equal intervals.
5.2. INDEPENDENT VARIABLES (ECONOMIC CLASS AND CLASS INDICATORS)

Economic Class The economic class (class situation) variable used is the basic EGP three class schema, which consists of a service class, intermediate class and working class (Erikson and Goldthorpe 1992). The three class schema is needed to have enough respondents in each class for analysis (see e.g. Edlund 2003). The schema uses occupation to place respondents in a class, so only those who give occupational information are placed in an economic class. Occupational information was originally coded according to the Icelandic Occupational Classification (ISTARF 95) (Statistics Iceland 1994), which is a slightly modified version of the International Standard Classification of Occupations (ISCO-88) (ILO 1987). For the purposes of this study occupations were re-coded into ISCO-88 major groups (1. digit level). Next, the ISCO-88 major groups were mapped into the eleven category EGP class schema\textsuperscript{18} according to a recode schema devised by Ganzeboom and Treiman (2003). Then it was collapsed into the three class schema\textsuperscript{19}. The three class schema is a reliable depiction of the sample as its aggregated design corrects the possible classification errors that follow from coding occupations at the 1. digit level.

\textsuperscript{18} It was not possible to construct the EGP self-employment classes since a question on self-employment and the number of employees was not included in the survey.

\textsuperscript{19} It should be noted that in this study, according to Erikson and Goldthorpe (1992), self-employed farmers are coded into Class 7 (IVc) and therefore end up in the intermediate class. Ganzeboom and Treiman (2003) place farmers into Class 11 in their remapping which puts farmers in the working class. This is done since it gives an orderly set of categories for the purposes of studying intergenerational mobility. The latter method is used in this study since a question on self-employment and the number of employees was not included in the survey.
Individual income This variable is the total monthly individual income before taxes. This was coded into an ordinal scale with five categories, ranging from 150,000 Iceland kronur (ISK) and less to 600,001 ISK and more.20

Household income Total monthly household income before taxes was coded into an ordinal scale with five categories, ranging from 250,000 ISK or less to 1,000,001 ISK and more.

Education The highest education level attained according to the International Standard Classification of Education (ISCED 97) (UNESCO) was coded into three categories: compulsory, secondary and college.

6. RESULTS

6.1. SUBJECTIVE CLASS I

Table 1 reports the percentages for the total sample and for men and women separately. Seventy eight percent of respondents were willing to place themselves in a class, thereof 79% of men and 76% of women. A great majority of respondents placed themselves in either the lower middle class (46%) or the upper middle class (35%).

Only 16% selected the working class label. One reason is because the sample may under-represent the working class. However, the most probable explanation is reference group factors as people tend to see themselves ‘somewhere in the middle’.

20 The maximum-likelihood method was employed to estimate missing values for individual and household income. Missing values were 26% for individual income and 30% for household income.
Very few see themselves at the extremes, i.e. in the lower class (2%) or the upper class (1%).

Table 1: Distribution of Subjective Class I

<table>
<thead>
<tr>
<th>Class</th>
<th>Total</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper class</td>
<td>1.1</td>
<td>1.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Upper middle class</td>
<td>35.3</td>
<td>33.1</td>
<td>37.3</td>
</tr>
<tr>
<td>Lower middle class</td>
<td>45.8</td>
<td>44.9</td>
<td>46.6</td>
</tr>
<tr>
<td>Working class</td>
<td>16.3</td>
<td>19.3</td>
<td>13.6</td>
</tr>
<tr>
<td>Lower class</td>
<td>1.5</td>
<td>1.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>

N     620  296  324

Reported numbers are percentages.
The difference between men and women is not significant.

The above shows that most Icelanders are willing to assign themselves to a class. However, to see whether the responses make substantive sense, we check whether their assignments correlate with economic class and class indicators (individual and family income and education).

Table 2 shows, that Icelanders generally assign themselves to a class that is congruent with their economic class and class indicators. Hence, Icelanders not only recognize class terms, they have quite clear perception of their actual class position. This is evidenced by a strong statistical relationship between subjective and economic class and class indicators. However, consistent with reference group theory, a strong middle class tendency is also revealed for all subgroups.

Half the respondents in the service class (50%) select the upper middle class labels, while only 30% of those in the intermediate class and 21% of working class respondents do the same. Ninety four percent of the service class and 82% in the intermediate class see themselves in either of the two middle classes. Only 57% of working class respondents select the middle class labels. Furthermore, only 6% of
Table 2: Distribution of Subjective Class I (three class schema)

<table>
<thead>
<tr>
<th></th>
<th>Upper middle class</th>
<th>Lower middle class</th>
<th>Working class</th>
<th>Significance ($\chi^2$)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>36.5</td>
<td>45.8</td>
<td>17.7</td>
<td>620</td>
<td></td>
</tr>
<tr>
<td><strong>Economic Class (EGP)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service class</td>
<td>49.5</td>
<td>44.1</td>
<td>6.4</td>
<td>***</td>
<td>540</td>
</tr>
<tr>
<td>Intermediate class</td>
<td>29.8</td>
<td>51.8</td>
<td>18.4</td>
<td>204</td>
<td></td>
</tr>
<tr>
<td>Working class</td>
<td>21.0</td>
<td>35.8</td>
<td>43.2</td>
<td>255</td>
<td></td>
</tr>
<tr>
<td><strong>Income (individual)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>600.001 ≤</td>
<td>68.1</td>
<td>25.5</td>
<td>6.4</td>
<td>***</td>
<td>620</td>
</tr>
<tr>
<td>450.001 – 600.000</td>
<td>55.6</td>
<td>38.9</td>
<td>5.6</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>300.001 – 450.000</td>
<td>34.1</td>
<td>51.4</td>
<td>21.2</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>150.001 – 300.000</td>
<td>27.2</td>
<td>51.6</td>
<td>21.2</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>≤ 150.000</td>
<td>32.9</td>
<td>41.8</td>
<td>25.3</td>
<td>217</td>
<td></td>
</tr>
<tr>
<td><strong>Income (household)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.000.001 ≤</td>
<td>66.7</td>
<td>31.4</td>
<td>2.0</td>
<td>***</td>
<td>620</td>
</tr>
<tr>
<td>750.001 – 1.000.000</td>
<td>57.1</td>
<td>37.4</td>
<td>5.5</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>500.001 – 750.000</td>
<td>40.1</td>
<td>48.6</td>
<td>11.3</td>
<td>91</td>
<td></td>
</tr>
<tr>
<td>250.001 – 500.000</td>
<td>21.5</td>
<td>54.0</td>
<td>24.5</td>
<td>142</td>
<td></td>
</tr>
<tr>
<td>≤ 250.000</td>
<td>29.4</td>
<td>41.9</td>
<td>28.7</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University</td>
<td>55.4</td>
<td>41.1</td>
<td>3.6</td>
<td>***</td>
<td>614</td>
</tr>
<tr>
<td>Upper secondary</td>
<td>35.7</td>
<td>53.2</td>
<td>11.1</td>
<td>168</td>
<td></td>
</tr>
<tr>
<td>Compulsory</td>
<td>21.1</td>
<td>41.2</td>
<td>37.6</td>
<td>252</td>
<td></td>
</tr>
<tr>
<td><strong>Metropolitan resident</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>42.7</td>
<td>46.0</td>
<td>11.2</td>
<td>***</td>
<td>620</td>
</tr>
<tr>
<td>No</td>
<td>27.5</td>
<td>45.5</td>
<td>27.1</td>
<td>365</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 and older</td>
<td>36.8</td>
<td>40.5</td>
<td>22.7</td>
<td>**</td>
<td>620</td>
</tr>
<tr>
<td>39 and younger</td>
<td>36.1</td>
<td>51.5</td>
<td>12.4</td>
<td>312</td>
<td></td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>34.5</td>
<td>44.9</td>
<td>20.6</td>
<td>Not significant</td>
<td>620</td>
</tr>
<tr>
<td>Women</td>
<td>38.3</td>
<td>46.6</td>
<td>15.1</td>
<td>296</td>
<td></td>
</tr>
</tbody>
</table>

(1) Significance levels: *p < 0.05, **p < 0.01, ***p < 0.001. (2) Reported numbers are percentages, except N. (3) Income is in Icelandic Kronur (ISK).
service class respondents view themselves as working class, while 43% of those in the working class view themselves as such.

Individual income matters greatly in how people see their class position. Sixty-eight percent of those who earn more than 600 thousand ISK a month see themselves as upper middle class, compared to 33% of those who earn 150 thousand ISK or less. The latter percentage is also inflated because of the disproportionate number of students, young people and people who do not work, for various reasons, in the lowest income group. There is reason to believe that people in these groups ‘borrow’ from the class position of partners or parents (Goldthorpe 1983) and/or draw on their prospects for future class attainment (Gruder 1977). If we look at the second lowest income group, which is also the largest, there is greater concentration of older people that are on the job market full-time. There we actually see a lower percentage (27%) selecting the upper middle class. An even greater contrast is revealed for those choosing the working class label. Only 6% of the highest income group assigns themselves to working class, compared to 25% in the lowest income group.

Sixty-seven percent of those with household income greater than one million ISK a month see themselves as upper middle class, but only 2% as working class. In comparison, 29% of those with 250 thousand ISK or less select the upper class label and 29% the working class. Similarly with individual income, the percentage of upper middle class in the lowest household income group is inflated because of their disproportionate number of students and young people with low income. In the group with the second lowest household income 22% selected the upper middle class label.

Only 4% of college graduates view themselves as working class, compared to 38% of respondents with only compulsory education. Most college graduates (55%) see themselves as upper middle class. On the other hand, only about a third (36%) of
those who finished secondary school and one fifth (21%) of those with compulsory education pick upper middle class. The vast majority of college graduates (96%) and those with a secondary school degree (89%) see themselves in either of the two middle classes. Lastly, 62% of those with a compulsory education select the middle class labels.

6.1.1. COMPARISON WITH OTHER COUNTRIES

Using the original five class schema for *Subjective Class I*, a larger percentage of Icelanders (81%) select the middle class categories than for any of the 47 countries in the 2005 WVS, except for Switzerland (84%) (WVS 2005b). Only three countries had a higher percentage selecting the upper middle class label: Switzerland (44%), Sweden (39%) and Cyprus (39%). These same three countries were also the only ones reporting a higher percentage than Iceland (36%) of upper class and upper middle class combined, i.e. Switzerland (48%), Sweden (41%) and Cyprus (41%). Only 16% selected the working class label, which is quite low compared to other countries in the 2005 WVS. Lastly, very few see themselves at the extremes of the class structure, i.e. in the lower class (2%) or the upper class (1%). Only one country had a smaller percentage selecting the lower class label, Switzerland (1%).

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21 Reported percentages for the 2005 WVS are based on the author’s calculations. Iran also had a combined percentage (85%) greater than Iceland. However, Iran was the only country that did not have ‘working class’ as an option, and therefore only had four options. This, without question, inflated the responses for the other options. For this reason, the results for Iran will not be used for comparison in this paper.
6.2. **SUBJECTIVE CLASS II**

Table 3 shows that more respondents (91%) were willing to answer a subjective class question that does not use explicit class terms. Furthermore, a strong statistical relationship between subjective and economic class, and class indicators, is revealed.

Consistent with reference group theory, most people see themselves in the middle of the class structure, 84% in classes 4 through 7. Only 1% picks the top class. Six percent combined see themselves in the second and third highest classes. Nine percent combined select the bottom three classes.

The shape of the distribution indicates that reference group factors have strong effects on subjective class. However, that the distribution is not symmetrical indicates that objective circumstances still play a significant role. This becomes even clearer when we look at the distributions for different subgroups.

It is clear from Table 3 that the higher one is in the economic class structure, the higher one sees ones class position. Sixty three percent of service class respondents see themselves in the upper half of the class structure. On the other hand, only 39% of those in the intermediate class and 25% in the working class do so. The mean score of subjective class is considerably higher for service class respondents (59), than for intermediate (52) or working class respondents (47). Service class respondents are more consistent in their placements, with a standard deviation of 14, compared to working class respondents, standard deviation of 16.5. Hence, people in the service class place themselves more consistently in the upper half of the class structure, than those in the working class do in the lower half. Respondents from the service class and the intermediate class are as likely to place themselves in a ‘middling position’ (86%), i.e. classes 4 through 7. However, the service class has a
more top-heavy middling position with 54% in classes 6 and 7, as opposed to 22% for the intermediate class. Seventy four percent of working class respondents saw themselves in a middling position, with 52% in classes 4 and 5.

Seventy six percent of those with the more than 600 thousand ISK a month in individual income assign themselves to the upper half of the class structure. On the other hand, 68% of those with who earn between 151.001 and 300.000 and 60% of those with 150 thousand or less see themselves in the lower half. The mean score for the group with the highest individual income is 64, but only 50 and 53 for the second lowest and lowest income groups, respectively. People in the higher income groups are also more consistent in their placements. All groups are quite similar in seeing themselves in a middling position, ranging from 80 to 91% in classes 4 through 7. However, the two highest income groups are very top-heavy, with 64% and 65% in classes 6 and 7. The two lowest income groups are, however, bottom-heavy, with 47% and 53% in classes 4 and 5.

A similar picture emerges for household income. Seventy seven percent of those with household income greater than one million ISK a month assign themselves to the upper half of the class structure. The same applies to only a third (33%) of the people from households with 250 thousand ISK or less. The mean score for the group with the highest household income is 64, but is only 49 for the group with the second lowest household income. As with individual income, people with higher household income are more consistent in their placements. A strong middle class tendency is revealed, with the percentage ranging from 76% for the group with a household income 250 thousand ISK or less, to 93% for the group with household income ranging from 750 thousand to one million ISK. However, the two highest income
Table 3: Distribution and Mean Score of Subjective Class II

<table>
<thead>
<tr>
<th>Deviation</th>
<th>Top 9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>Bottom</th>
<th>Significance ($\chi^2$)</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.2</td>
<td>0.9</td>
<td>5.1</td>
<td>20.7</td>
<td>20.1</td>
<td>29.2</td>
<td>13.9</td>
<td>6.3</td>
<td>1.9</td>
<td>1.1</td>
<td>726</td>
<td>54.8</td>
<td>14.7</td>
</tr>
<tr>
<td>Economic Class (EGP)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service class</td>
<td>1.2</td>
<td>0.4</td>
<td>7.1</td>
<td>31.0</td>
<td>23.0</td>
<td>22.6</td>
<td>9.5</td>
<td>4.4</td>
<td>0.8</td>
<td>---</td>
<td>252</td>
<td>59.3</td>
<td>14.0</td>
</tr>
<tr>
<td>Intermediate class</td>
<td>0.7</td>
<td>0.3</td>
<td>3.5</td>
<td>15.7</td>
<td>18.8</td>
<td>33.1</td>
<td>18.5</td>
<td>6.3</td>
<td>2.1</td>
<td>1.0</td>
<td>287</td>
<td>52.4</td>
<td>14.5</td>
</tr>
<tr>
<td>Working class</td>
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<td>---</td>
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(1) Significance levels: ^p<0.1, *p < 0.05, **p < 0.01, ***p < 0.001. (2) Numbers are percentages, except N, Mean and Standard Deviation. (3) The 3 largest percentages for each group are shaded. (4) Answers for Mean were assigned scores from a low of 0 to a high of 100, with intermediate answers given scores at equal intervals. (5) Income is in Icelandic Kronur (ISK).
groups are very top-heavy, with 65% and 66% selecting classes 6 and 7. The two lowest income groups have, on the other hand, 51% and 56% for classes 4 and 5.

College graduates see their class position higher than those with less education. Two thirds (66%) of college graduates see themselves in the upper half of the class structure. On the other hand, less than half (49%) of those with a secondary school degree and 29% of those with compulsory education, place themselves in the upper half. The majority of respondents in all education groups place themselves in the middle classes, ranging from 79% for those with a compulsory education to 88% for college graduates. However, college graduates are more top heavy with 59% selecting classes 6 and 7, as against 42% of those with a secondary school degree and 23% of those with a compulsory education. This translates into a mean subjective class score of 60 for college graduates, 55 for secondary school degree holders and 50 for those with a compulsory education. There is also less spread in the mean score for college graduates (standard deviation of 13.7) than for those with a compulsory education (standard deviation of 15.8).

6.2.1. COMPARISON WITH OTHER COUNTRIES

Icelanders are more likely to see themselves in a ‘middling position’ (84%) than a pooled sample of 21 nations22 (77%), comprised of Anglo-Celtic nations, European welfare states, former communist nations, and Italy, Netherlands and the Philippines (Evans and Kelley 2004). In fact, Iceland shows, in this respect, a more egalitarian

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22 The 21 nations and their categorization are as follows: (1) Anglo-Celtic nations: Australia, Britain, Canada, United States and New Zealand, (2) European welfare states: Austria, Finland, Germany (West), Norway, Sweden and Switzerland, (3) Formerly communist nations: Bulgaria, Czech Republic, East Germany, Hungary, Poland, Slovenia and Russia, (4) Other nations: Italy, Netherlands and the Philippines.
pattern than any of the 21 nations or, for that matter, all of the 27 nations surveyed in the 1999 ISSP (GESIS Data Archive). Also, Icelanders are less likely to see themselves tend towards the top (7% for classes 8 through 10) or the bottom (9% for classes 1 through 3), compared to the pooled sample of 21 nations (Evans and Kelley 2004). Iceland is very much like the European welfare states except for Finland in that 10% or fewer see themselves towards the bottom. Seven percent of Icelanders see themselves in the top three classes. Percentages for the European welfare states range from 10% for Austria to 13% for Sweden, with Finland (5%) as the exception.

The mean score for subjective class for the Icelandic sample is 55, which is just above the middle. This is considerably higher than for the average of the pooled sample of 21 nations (46) (Evans and Kelley 2004). It is also the highest mean score of all countries in Evans and Kelley (2004), except for Australia (58) and New Zealand (55). Furthermore, the standard deviation for Iceland is 14.7, which is lower than for all the 21 nations. This suggests that reference group factors are especially strong in Iceland. The high mean score for Iceland should not come as a surprise as affluent countries report higher mean scores subjective class (Evans and Kelley 2004), and Iceland is one of the most developed countries in the world (Olafsson 2008).

6.3. UNDERSTANDING OF CLASS TERMS AND NON-RESPONSE

Following the Subjective class I question interviewers were asked: “Was there any indication that the respondent misunderstood or had problems understanding the class

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23 Reported percentages for the ISSP are based on the author’s calculations.
Interviewer rated most respondents (81%) that assigned themselves to a class as not having had any difficulty. These results compare well with other studies (Jackman and Jackman 1983) and give indication of the respondents’ good overall comprehension of class terms.

Those who place themselves at the extremes of the class structure were most likely to have difficulty understanding the class terms. This threatens the reliability of the lower and upper class labels and further supports the decision to collapse the responses. Also, roughly one of five (22%) lower middle class identifiers had trouble understanding. This can, in part, be attributed to the fact that the prefix ‘lower’ is often used in a pejorative sense when laymen refer to class and this might make people hesitant to apply such a label to themselves.

An interesting thing to note is that the non-response for Iceland (22%) on the Subjective Class I question is higher than for any of the countries in the 2005 WVS. The country that comes closest, Zambia (17%), is still five percentage points lower. The European country that has the second highest non-response is Poland, with 13%, and next is Sweden with 12% (WVS 2005b). Also, the Icelandic non-response is quite a bit higher than reported in studies conducted in Britain and the US, where more than 90% are willing to assign themselves to predefined classes (Reid 1998; Gilbert 2002; Hout 2008). Also, studies in Norway and Sweden show that more than 90% are willing to place themselves in a class (Knudsen 1988; Wright 1997). A similar pattern holds for the Subjective Class II question, where the non-response for the Icelandic

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24 This is the same question as Jackman and Jackman (1983) used in their study Class Awareness in the United States, considered by some as the best treatment of the American material to date (Scott and Marshall 2005).

25 The proportions of each subjective class rated as having misunderstood or had problems understanding the class terms are as follows, under class = 33%, working class = 12%, lower middle class = 22%, upper middle class = 17%, upper class = 29%.

26 Reported percentages of non-responses for the WVS are based on the author’s calculations.
sample (9%) is greater than for all but two countries, USA (12%) and Slovenia (11%),
of the countries in the 1999 ISSP (GESIS Data Archive).  

Comparatively greater non-response on the traditional subjective class
question and high non-response on the other grants some support to the claim that
belief in ‘classlessness’ is more prevalent in Iceland than in most other countries. This
does not, though, distract from the most significant finding that Icelanders are clearly
class aware.

What is interesting, however, is that the higher one’s economic class and the
more individual and household income and education one has, the greater the non-
response. One in four service class respondents did not respond to the Subjective
Class I question, but the same applies to only about one in six working class
respondents. Almost two in five from households with more than one million ISK a
month did not respond, but the same applies to less than one in six for those with 250
thousand ISK or less. The same relationship applies for individual income. Also, 25%
of college graduates did not respond contrasted to 18% of those with a compulsory
education. The same relationship is revealed for the Subjective Class II question,
although this pattern is not statistically significant. This is consistent with Weber’s
observation who stated that the “transparency of the connections between the causes
and the consequences of the class situation” (Weber 1978 (1922): 929) was the
greatest for the proletariat. Therefore, in the case of Iceland, “social class has more
salience to those who experience its constraints than to those who enjoy its privileges”
(Jackman and Jackman 1987: 51).

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27 Reported percentages of non-responses for the ISSP are based on the author’s calculations.
7. CONCLUSIONS AND DISCUSSION

The fact that the great majority of respondents, in this nationally representative study, recognize and understand class terms, and is willing to assign themselves to a class, debunks the conventional wisdom that class is not meaningful for Icelanders. On the contrary, we have discovered that Icelanders are at the same time aware of class and class division in their society and also have a fairly clear perception of where they fit in the class structure. This is evidenced by strong statistical relationships of two different measures of subjective class and economic class (H1), on one hand, and class indicators (H2), on the other. This, and the fact that class awareness increases as one moves down the class structure (H3), is consistent with Weber’s theories.

However, in accordance with reference group theory, there is also a significant tendency for people at all levels of the class structure, to view themselves as ‘middle class’ (H4). Hence, materialist factors, while important predictors of subjective class, are attenuated by reference groups. In sum, all hypotheses were supported by the findings.

There is evidence that Icelanders have more of a ‘middle class’ view of their own class position than people in most other countries. This grants further credence to the effects of reference group factors in the Icelandic context. Furthermore, Icelanders also see their place in the class structure, on average, as higher than people in most other countries. Both findings should not come as a surprise as Iceland is one of the more developed, affluent and egalitarian countries in the world. Also, the comparatively high non-response rate of subjective class questions grants some support to the claim that belief in ‘classlessness’ is more prevalent in Iceland than in
most other countries. However, this belief is peripheral and does nothing to distract from the most significant finding that Icelanders are clearly class aware.

Consistent with Weber, comparison of the survey results to earlier studies and secondary data give strong indication that cultural changes in recent years have heightened class awareness. This is evidenced by the fact that Icelanders have become more willing to admit to social division when asked and are more likely to use class terms when describing Icelandic society. Icelanders have also become more willing to answer questions about class. Lastly, Icelanders are more concerned now than before about eliminating class differences and believe that inequality is still increasing.

There is good reason to believe that the ongoing financial crisis and recession in Iceland has raised class awareness. One only has to look to the noticeable shift in public discourse since the crisis began early in the winter of 2008 for evidence of heightened class awareness. Among other, Icelanders largely blame the more ‘adventurous’ members of the emerging upper class for their woes. While ‘neo-liberal’ economic policies and deregulation allowed them to do so, it was the undertakings of the so-called ‘Surging Viking’s’ (Ice. utrasarvikingar) which effectively ‘mortgaged’ the Icelandic public into the unforeseeable future. Understandably, people are both devastated and enraged by this development and have turned a more critical eye on their society. One manifestation of this is that people are more prone to talk of class and class division when referring to Iceland. How much this will contribute to raising class awareness as the recession drags on is a topic for another study.

One limitation of this study is that it only includes people that speak Icelandic. While Iceland is one of the most ethnically homogenous countries in the world, it has a growing immigrant population, many of whom do not speak Icelandic. This group is
of particular interest in the case of Iceland as there are definite signs of underclass formation among immigrants, e.g. concentration in low paying occupations, very limited upwards mobility, high school dropout rates for second generation immigrants, social closure, etc.

Due to this aforementioned limitation there is reason to expect that class awareness in Iceland is even greater than demonstrated here. Sampling only the Icelandic speaking population under-represents the working class, where class awareness is greater than in other economic classes. This also biases the sample towards ‘middle class identifiers’.

Having refuted the myth that Icelanders are not class aware, future research should revisit the issue of class awareness in Iceland, the issue which after proving such a fertile ground in the late 1970s and 80s closed off further research. More importantly, the issue of class in Iceland now needs rigorous investigation. Relating to class awareness, many issues have not been addressed, e.g. how Icelanders view the class structure, what they see as the most important sources of class division, to what extent economic class is a salient source of identity and whether class identity is a significant predictor of attitude and behavior. Hence, there is a lot of ground left to cover in the interesting times ahead as Icelanders attempt to supplant the unstable foundations of ‘New Iceland’.

Aside from revealing that people are aware of class in a society where class differences are less pronounced than in most others studied comparatively thus far, I posited that the increasing individualization of the class structure leads to reference group factors playing a more prominent role for subjective class, at the expense of materialist factors. This linkage of individualization and reference group factors
broadens the theoretical basis of studies of class awareness. This proposed linkage is preliminary, but offers groundwork for further research.

Lastly, I argue that Weber’s theories offer the best framework to study class awareness in late modernity, where class situation is only one of many possible sources of awareness and identity, as this is one of Weber’s theoretical foundations. Weber also provides a convincing account of how class awareness is linked to structured inequality, a connection which is sorely missing in post-structural theories. Hence, Weber is seen here as the best candidate to bridge the divide between ‘class traditionalists’ and their critics.
APPENDIX

1. QUOTES FROM ECONOMY AND SOCIETY

The first quote:

Economic considerations have one very general kind of sociological importance for the formation of organizations if, as is almost always true, the directing authority and the administrative staff are remunerated. If this is the case, an overwhelmingly strong set of economic interests become bound up with the continuation of the organization, even though its primary ideological basis may in the meantime have ceased to exist (Weber [1922] 1978, quoted in Wright 2002: 13-4).

The second quote:

What is decisive is that in socialism, too, the individual will under these conditions [conditions in which individuals have some capacity to make economically-relevant decisions] ask first whether to him, personally, the rations allotted and the work assigned, as compared with other possibilities, appear to conform with his own interests. ... [It] would be the interests of the individual, possibly organized in terms of the similar interests of many individuals as opposed to those of others, which would underlie all action. The structure of interests and the relevant situation would be different [from a market economy], and there would be other means of pursuing interests, but this fundamental factor would remain just as relevant as before. It is of course true that economic action which is oriented on purely ideological grounds to the interests of others does exist. But it is even more certain that the mass of men do not act in this way and that it is an induction from experience that they cannot do so and never will (Weber [1922] 1978, quoted in Wright 2002: 14).
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------. 2006. *Hvar threngir ad?* (Where are People Suffering?). Reykjavik: Red Cross.


