

A General Framework for the Analysis of Class¹

The previous chapter told the story of the development of the concept of contradictory locations within class relations. The account ended with a discussion of a number of important weaknesses within that concept and a general diagnosis of the source of the problem—the shift from exploitation to domination as the basis for class relations.

It is one thing to identify the weaknesses, inconsistencies and gaps in a particular array of concepts; it is quite another to reconstruct the concept to overcome these weaknesses. My dissatisfactions with the concept of contradictory locations accumulated for a long time before I saw any viable strategy for transforming it in a constructive way. It was only after an extended engagement with the work of John Roemer, particularly his work on the concept of exploitation, that I began to see a coherent solution to these problems.² While Roemer himself has not been particularly concerned with problems of empirical investigation or the elaboration of concrete maps of class structures, his work does nevertheless provide a rich foundation for such endeavours. As I will attempt to show, with suitable modification and extension, his analytical strategy can provide a much more consistent basis for the concept of contradictory class locations.

Roemer's Account of Class and Exploitation

THE CONCEPT OF EXPLOITATION

We observe inequalities in the distribution of incomes, the real consumption bundles available to individuals, families and groups.

The concept of exploitation is a particular way of analysing such inequalities. To describe an inequality as reflecting exploitation is to make the claim that there exists a particular kind of causal relationship between the incomes of different actors. More concretely, in Roemer's analysis the rich are said to exploit the poor when it can be established that the welfare of the rich causally depends upon the deprivations of the poor—the rich are rich *because* the poor are poor, they are rich at the expense of others.³

Note that this need not be the case for all inequalities. Suppose that two subsistence farmers each have land of the same quality, but one is lazy and works minimally on the land while the other is industrious. In this case there is no causal relationship between the affluence of the one and the poverty of the other. The rich farmer would not become worse off if the lazy farmer started working harder. To count as exploitation it must be demonstrated that one person's welfare is obtained at the expense of the other.

The traditional Marxist concept of exploitation is clearly a special case of this general concept. In Marxian exploitation one class appropriates the surplus labour performed by another class through various mechanisms. The income of the exploiting class comes from the labour performed by the exploited class. There is thus a straightforward causal link between the poverty of the exploited and the affluence of the exploiter. The former benefits at the expense of the latter.

Roemer has attempted to elaborate this view of exploitation using two strategies. The first of these involves studying in great detail the flows of 'surplus labour' from one category of actors to another in the course of various exchange relations; the second involves a kind of game theory approach to specifying different forms of exploitation. Let us briefly examine each of these in turn.

The Labour Transfer Approach. The analysis of labour transfers is an extension of the traditional Marxist view of exploitation, although Roemer self-consciously does not rely on the labour theory of value in order to explore such labour transfers.⁴ The main target of his analysis is the view commonly held by Marxists that a necessary condition for the exploitation of labour in a market economy is the institution of wage labour. Roemer demonstrates two basic propositions: first, that exploitation (labour transfers) can occur in a situation in which all producers own their own means of production, but differ in the amount of physical assets which they own; and second, that there is complete symmetry in

the structure of exploitation in a system in which capital hires wage labourers and in one in which workers rent capital.

Roemer demonstrates that exploitation can occur in an economy in which every producer owns his or her own means of production and in which there is no market in labour power and no borrowing (i.e. no credit market). The only things that are traded are products. In such an economy if different producers own different amounts of productive assets such that different producers have to work different numbers of hours to produce the exchange-equivalent of their own subsistence, then free trade among these producers will lead to exploitation of the asset-poor by the asset-rich. It is not simply that some producers work less than others for the same subsistence, but that the workers who work less are able to do so *because* the less-endowed producers have to work more. The critical proof in this example is that if the asset-poor person simply stopped producing—died—and the asset-rich person took over the asset-poor person's assets, then the asset-rich producer would have to work longer hours than before to maintain the same level of subsistence.⁵ There is thus not merely an inequality among the producers in this economy, but exploitation as well.

In the analysis of exploitation in credit and labour markets, Roemer compares the class structures and patterns of exploitation on two imaginary islands, 'labour-market island' and 'credit market island'. On both islands some people own no means of production and other people own varying amounts of the means of production. The distribution of these assets is identical on the two islands. And on both islands people have the same motivations: they all seek to minimize the amount of labour-time they must expend to achieve a common level of subsistence. The two islands differ in only one respect: on the labour-market island people are allowed to sell their labour power, whereas on the credit-market island people are prohibited from selling their labour power but are allowed to borrow, at some interest rate, the means of production.

Roemer demonstrates two main theses using these models. First, he shows that on each island there is a strict correspondence between class location, exploitation status and the quantity of assets owned by individuals. This is what he terms the 'class-exploitation correspondence principle'. Table 3.1 illustrates this correspondence for 'labour-market island'. The logic of the table is as follows: each individual decides whether to hire labour power,

TABLE 3.1^a
Assets Ownership, Exploitation and Class in Capitalism

Class	Hires labour power	Sells labour power	Works for self	Exploitation	Amount of assets
1. Capitalists	Yes	No	No	Exploiter	A great deal
2. Small Employer	Yes	No	Yes	Exploiter	Moderate
3. Petty Bourgeois	No	No	Yes	Ambiguous	Close to per capita share
4. Semi-proletarian	No	Yes	Yes	Exploited	Little
5. Proletarians	No	Yes	No	Exploited	None

^aAdapted from John Roemer, *A General Theory of Exploitation and Class*, chapter 2.

to sell labour power or to work with the means of production he or she owns. Each individual makes this decision in order to minimize the amount of labour expended for a given amount of consumption. As a result of these decisions two things happen: first, people emerge as members of one of five classes, where classes are defined by distinctive locations within the social relations of production; and second, some people perform labour which is appropriated by others, some people appropriate the labour of others, and still others are neither exploiters nor exploited. The substantive result is that an exact correspondence exists between the two outcomes of the choices made by the actors.⁶

The second basic thesis Roemer derives from the analysis of these models is that their respective class structures are completely isomorphic: every individual on one island would have exactly the same exploitation status and class location on the other island.⁷

On the basis of these two propositions, Roemer argues that market-based exploitation and the class relations associated with it can be formally derived simply from inequalities in the distribution of property rights in the means of production. While historically these may typically emerge through the operation of a labour market, this is only one possible institutional form for such exploitation; it is not the necessary condition for the exploitation to occur.

The Game Theory Approach. The labour-transfer approach to studying exploitation and class is a powerful and compelling one under certain simplifying assumptions. It runs into difficulty, Roemer demonstrates, when some of these assumptions are relaxed. In particular, labour transfers become difficult to define

coherently when the labour inputs into production are heterogeneous (i.e. of different degrees of productivity). Because of these complications, Roemer introduced a second strategy for exploring exploitation, a strategy rooted in 'game theory'. This approach, as we shall see, has a further advantage in that it allows for a particularly elegant way of characterizing the different mechanisms of exploitation in different types of class structures.

The basic idea of this approach is to compare different systems of exploitation by treating the organization of production as a 'game'. The actors in this game have various kinds of productive assets (i.e. resources such as skills and capital) which they bring into production and which they use to generate incomes on the basis of a specific set of rules. The essential strategy adopted for the analysis of exploitation is to ask if particular coalitions of players would be better off if they withdrew from this game under certain specified procedures in order to play a different one. The alternative games differ in the ways the assets are allocated. Different types of exploitation are defined by the particular withdrawal rules that would make certain agents better off and other agents worse off.

More formally, Roemer argues that a coalition of actors S can be said to be exploited, and another coalition S' (the complement of S) can be said to be exploiting, if the following conditions hold:

(1). There is an alternative, which we may conceive of as hypothetically feasible, in which S would be better off than in its present situation.

(2). Under this alternative, the complement to S , the coalition S' , would be worse off than at present⁸

Condition (1) is necessary, because it only makes sense to talk about exploitation if the exploited would be better off in the absence of exploitation (i.e. in the alternative game); Condition (2) is necessary, because in Roemer's words, 'it must be the case that the exploited coalition is exploited by other people, not by nature or technology'.⁹

By themselves, however, these two criteria are insufficient to define exploitation properly. In the absence of a third criterion of some sort, they create certain kinds of nonsensical exploitation verdicts. For example, on the basis of these two criteria alone one would have to describe as 'exploitative' a situation in which two islands existed, and there was no interaction between them, but where one of them had a great deal of capital and the other had little. If the citizens of the poor island withdrew from the 'game'

with their per capita share of the total capital of the two islands, they would be better off and the citizens of the rich island worse off. But it hardly makes sense to describe the rich island as exploiting the poor island in such a case. Or, to take another example, when subsidies are given to the handicapped by the able-bodied, the two criteria cited above would suggest that the handicapped are exploiting the able-bodied. Again, this runs counter to the explanatory purpose of the concept.

Roemer has thus proposed a variety of possible supplementary criteria which are designed to rule out such cases. The most general of these is to add the criterion that ' S is in a relationship of dominance to S' ', where 'domination' in this context should be understood as implying that ' S prevents S from withdrawing to the alternative game'. The handicapped do not dominate the able-bodied and the rich island does not dominate the poor island in the above examples and thus these would no longer be considered examples of exploitation.¹⁰ In his analysis of exploitation, Roemer basically treats this criterion as a kind of background condition, and focuses entirely on the operation of the first two in the elaboration of his formal mathematical models.

The purpose of these formal criteria is to provide a way of diagnosing economic inequalities in terms of exploitation and adjudicating disputes between people over whether or not exploitation exists in a given situation. When people disagree about whether or not a given category of actors is exploited, we can examine whether they differ over the choice of the appropriate alternative game used to 'test' for exploitation, or whether they disagree in their evaluations of the verdict of a similar test.

Roemer uses this strategy to define four kinds of exploitation: feudal exploitation, capitalist exploitation, what he refers to as socialist exploitation, and something he calls 'status' exploitation. Let us begin with capitalist exploitation. Workers own no physical assets (means of production) and sell their labour power to capitalists for a wage. Are workers exploited under capitalism? The answer to this question in the game-theoretic formulation requires proposing as an alternative to the capitalist game a game in which the two conditions specified above hold. What is this alternative? It is a game within which each worker receives his or her *per capita share of society's total productive assets*. What Roemer demonstrates is that if the coalition of all wage-earners were to leave the game of capitalism with their per capita share of society's assets, then they would be better off than if they stayed in capital-

ism, and capitalists would be worse off. The 'withdrawal rule' in this case—leaving the game with per capita shares of physical assets—then becomes the formal 'test' of whether or not a particular social system involves capitalistic exploitation.

In contrast, the withdrawal rule which specifies feudal exploitation involves leaving the game with one's *personal assets* (rather than one's *per capita* share of total assets). This is equivalent to a situation where the feudal serf is freed from all obligations based on personal bondage. Peasants would be better off in such circumstances and feudal lords would be worse off. By this specification of feudal exploitation, workers in capitalism are *not* feudally exploited; they would be worse off, not better off, if they withdrew from the game of capitalism with only their personal assets. As Roemer argues, the claim by neo-classical theorists that wage-earners in capitalism are not exploited is generally equivalent to the claim that they are not *feudally* exploited, i.e. that they are not subjected to surplus extraction based on relations of personal bondage which would have the effect of giving them a wage permanently below the value of their marginal product.¹¹ In these terms, the dispute between Marxists and neoclassical economists over the existence of exploitation in capitalism is a dispute over which withdrawal rule to use as a test.

The concept of socialist exploitation is less systematically worked out in Roemer's analysis. The withdrawal rule in this case is leaving the game with one's *per capita share of inalienable assets* (roughly equivalent to talents or skills). A coalition will be said to be socialistically exploited if it would improve its position by leaving with its *per capita* skills while its complement would be worse off under such circumstances. This implies that people with high levels of skills in the existing game receive high income not simply because they have a high level of skill, but because of the skill differentials among actors. The highly skilled would become worse off if the unskilled obtained skills; they thus have an interest in maintaining skill differentials, and this is what underpins the claim that their income reflects exploitation.

If a skilled person's income reflected no more than the amount of time it takes to obtain the skill, then there would be no skill-based exploitation. The higher incomes would simply be reimbursement for real costs incurred. The argument behind skill exploitation is that people with scarce skills receive incomes above the costs of producing those skills, a 'rent' component to their income; it is this element that constitutes exploitation.

Although Marx referred neither to the inequalities in income in a socialist society as the result of 'exploitation', nor to the relation between the skilled and unskilled as a *class* relation, Roemer's account nevertheless corresponds well to Marx's analysis of inequality in socialism as laid out in his *Critique of the Gotha Programme*. In that document Marx emphasized that skill-based inequalities would persist in socialism and that distribution would be on the basis of 'from each according to his abilities, to each according to his work'. While there is some ambiguity in what the phrase 'according to his work' means, it is consistent with the notion that skill-based exploitation would exist in a socialist society. Only in communism would distribution be on the basis of need, which in effect implies that skills would cease to be a form of private-property assets.¹²

The final form of exploitation discussed by Roemer is what he has termed 'status' exploitation.¹³ The exploitation exercised by bureaucrats is the prototypical example. 'If these positions', Roemer writes,

required special skills, then one might be justified in calling the differential remuneration to these positions an aspect of socialist [skill-based] exploitation. . . . [However] there is some extra remuneration to holders of those positions which accrues solely by virtue of the position and not by virtue of the skill necessary to carry out the tasks associated with it. These special payments to positions give rise to *status exploitation*. A coalition will be status-exploited if it could improve the lot of its members by withdrawing with its own assets but exempting itself from the dues to status, and if the complementary coalition fared worse.¹⁴

Status exploitation is much less systematically theorized in Roemer's analysis than any of the other forms he explores. Its theoretical function is to provide a way of understanding the bureaucratically-based exploitation in 'actually existing socialist societies', but it does so in a way that does not fit comfortably into the rest of the analysis. As we will see shortly, transforming the concept of 'status' exploitation will be necessary in order to deploy Roemer's approach for the analysis of concrete class structures.

CLASS AND EXPLOITATION

The central message of both of Roemer's strategies for analysing exploitation is that the material basis of exploitation lies in ine-

qualities in the distribution of productive assets, usually referred to as property relations. The asset-exploitation nexus depends in each case upon the capacity of asset-holders to deprive others of equal access to that asset, whether it be alienable or inalienable. On the one hand, inequalities of assets are sufficient to account for transfers of surplus labour; on the other hand, different forms of asset inequality specify different systems of exploitation. Classes are then defined as positions within the social relations of production derived from the property relations which determine the patterns of exploitation.

These conclusions have led Roemer to challenge directly the tendency of Marxists like myself to define class relations primarily in terms of relations of domination *within* production. Of course, exploiting classes dominate exploited classes in the sense of preventing the exploited classes from taking the exploiting class's productive assets (if they are alienable) or redistributing property rights in those assets (if they are inalienable). As we noted above, Roemer has to introduce some notion of dominance even to be able fully to specify exploitation in the game-theory approach. However, domination, in this context, enters the analysis in a way which, clearly, is conceptually subordinate to exploitation. Most importantly for the thrust of much neo-Marxist class structure analysis, domination *within* the production process or within the labour process does not enter into the definition of class relations as such.¹⁵

In previous work I have criticized Roemer's position on this issue.¹⁶ I argued that class relations intrinsically involved domination *at the point of production*, not simply in the repressive protection of the property relations as such. I now think that Roemer is correct on this point. While the fact that capitalists supervise workers within production is unquestionably an important feature of most historic forms of capitalist production and may play an important role in explaining the forms of class organization and class conflict within production, the *basis* of the capital-labour relation should be identified with the relations of effective control (i.e. real economic ownership) over productive assets as such.

One of the reasons why I resisted Roemer's conceptualization of classes in terms of property relations is that it seemed to blur the difference between Marxist definitions of class and Weberian definitions. Weberian definitions, as I construed them, were 'market-based' definitions of class, whereas Marxist definitions were 'production based'. The reputed advantage of the latter was

that production was more 'fundamental' than exchange, and therefore production-based class concepts had more explanatory power than market-based ones.

What now seems clear to me is that definitions of classes in terms of property relations should not be identified with strictly market-based definitions. Property relations accounts of classes do not define classes by income shares, by the results of market transactions, but by the productive assets which classes control, which lead them to adopt certain strategies within exchange relations, and which in turn determine the outcomes of those market transactions. As we shall see in chapter four, there remain significant differences between the Weberian use of market criteria for defining classes and the Marxist use of property relations, but the distinction is not captured by the simple contrast between 'exchange' and 'production'.

Towards a General Framework of Class Analysis

The heart of Roemer's analysis is the link between the distribution of property rights in productive assets of various sorts on the one hand, and exploitation and class on the other. Different mechanisms of exploitation are defined with respect to different kinds of assets and different class systems are defined by the social relations of production that are built upon property rights in those assets. These insights will provide the basis for elaborating a comprehensive framework for analysing class structures in general and for reconceptualizing the problem of the middle classes in particular.

Before examining this general framework, however, it is necessary to modify and extend Roemer's analysis in several respects: first, it will be helpful to introduce a distinction between economic exploitation and economic oppression; second, we need to recast Roemer's account of feudal exploitation in terms of a distinctive type of productive asset; and third, we need to replace Roemer's concept of status exploitation with a new concept, which I shall label 'organization exploitation'.

ECONOMIC EXPLOITATION AND ECONOMIC OPPRESSION

One of the criticisms that is often raised about Roemer's methodological device of using 'withdrawal rules' from a 'game' to define different forms of exploitation is that it abandons the Marx-

ist identification of exploitation with transfers of labour from one category of actors to another. While Roemer's procedure allows us to assess inequalities that are the result of causal interconnections between actors, it lacks the additional force of the view that the inequalities in question are produced by real transfers from one actor to another.

Roemer himself has come to reject completely all labour-transfer views of exploitation on the ground that situations can occur in which labour transfers occur from the rich to the poor, situations in which we would not want to say that the poor were exploiting the rich.¹⁷ For example, imagine a society with rich and poor peasants in which everyone has the following preferences for the performance of labour relative to the consumption of leisure: the wealthier one is, the less one values leisure relative to labour. Now, suppose that a given rich peasant has performed all necessary work on his or her land and would prefer to rent some more from a poor peasant than to remain idle. Given these preference structures, the poor peasant might prefer to receive the rent and have a great deal of leisure than work the land him/herself. In this situation, the only transfers of labour are from the rich peasant to the poor peasant (in the form of rent). Does it make sense to say that the poor peasant is 'exploiting' the rich peasant in such a situation? Now, one might want to call this a fanciful example, but it does show that simple flows of labour or the products of labour are insufficient to define what we mean by 'exploitation'.

I think that it is possible to restore the central thrust of the traditional Marxist concept of exploitation by making a distinction between what can be called 'economic oppression' and exploitation. I would argue, that in and of itself, the withdrawal rule procedure simply defines a situation of economic oppression. In the example above, the poor peasant is economically oppressed by the rich peasant through the property rights in land. Exploitation, on the other hand, implies more than just economic oppression; it includes both economic oppression and the appropriation of the fruits of the labour of one class by another (which is equivalent to a transfer of the surplus from one class to another).¹⁸ The poor peasants would not exploit the rich peasants in the example, since they do not economically oppress them.

With this usage of terms, we can identify a fairly wide range of inequalities that we might want to condemn on the basis of economic oppression, but which are not examples of exploitation. The poverty of the permanently disabled or of the unemployed,

for example, would in general be cases of economic oppression, but not of exploitation. They would surely be better off under the counterfactual conditions of the withdrawal rules, but the fruits of their labour are not appropriated by any class (since they are not producing anything). The same can be said of the children of workers: they may be economically oppressed by capital, but they are not exploited by capital.¹⁹

Now, it might be argued that the concept of economic oppression would be sufficient to provide the basis for a class concept, since it does define a set of objective material interests. What, then, is added by the distinction between economic oppressions that involve appropriation of the fruits of labour and those that do not? The critical addition is the idea that in the case of exploitation, the welfare of exploiting class *depends upon the work* of the exploited class. In a case of simple economic oppression, the oppressing class only has interests in protecting its own property rights; in the case of exploitation it also has interests in the productive activity and effort of the exploited. In the case of economic oppression, the oppressors' material interests would not be hurt if all of the oppressed simply disappeared or died.²⁰ In the case of exploitation, on the other hand, the exploiting class needs the exploited class. Exploiters would be hurt if the exploited all disappeared.²¹ Exploitation, therefore, binds the exploiter and exploited together in a way that economic oppression need not. It is this peculiar combination of antagonism of material interests and inter-dependency which gives exploitation its distinctive character and which makes class struggle such a potentially explosive social force.

This notion of exploitation has a relatively straightforward intuitive meaning for feudal exploitation, where feudal lords directly appropriate a surplus produced by serfs, and for capitalist exploitation, where capitalists appropriate the total product out of which they pay the workers a wage. It is much less obvious that what Roemer calls 'socialist exploitation', exploitation rooted in skills, should be viewed as exploitation in this sense. Let us look at skill-based exploitation more closely to see why it should be considered an instance of exploitation defined in the above way.

To appropriate the fruits of someone else's labour is equivalent to saying that a person consumes more than they produce. If the income of a person with skill assets is identical to their 'marginal product', as neo-classical economists like to argue, how can we say that they are consuming 'more' than their own contribution?

Through what mechanism are they appropriating the fruits of anyone else's labour?

The answer to this question is easiest when skill-asset exploitation is based on *credentials* which have the effect of restricting the supply of skills.²² Let us compare two situations, one in which a mechanism for granting credentials is in operation which restricts the supply of a given skill and one in which credentials are absent. When credentials are operating, employers will bid up the wages of the owners of the credential above the costs of producing the skills. (In the absence of the credential-awarding process, additional labourers would acquire the skills if wages were above the costs of producing the skills, thus ultimately driving the wages down to those costs). The result of this is that the *price* of the commodities produced with those skills will be higher than they would be in the absence of the credentials. In effect, we can say that while the possessor of a credential is being paid a wage equal to the *price* of his or her marginal product, this price is above the 'value' of the marginal product (or, equivalently, the price of the marginal product in the absence of credentials).²³ That difference is the exploitative transfer appropriated by the possessor of a credential. For this reason, possessors of credentials have interests in maintaining skill differentials as such, in maintaining the restrictions on the acquisition of credentials.

Credentials, of course, are not the only way the price of skilled labour power may exceed its costs of production; natural talents are a second mechanism. Talents can be viewed as affecting the efficiency with which skills can be acquired. A talented person is someone who can acquire a given skill at less cost (in time, effort and other resources) than an untalented person. In extreme cases, this may mean that the cost to the untalented becomes infinite (i.e. it is impossible to acquire the skill in question). Should talents themselves be viewed as a basis for exploitation in the sense we have been discussing it? In the case where an individual has an extremely rare talent which enables him or her to acquire some correspondingly rare skill, does it make sense to say that the price of the 'marginal product' of that person is greater than its value, as we did in the case of credentials?

While I cannot give a rigorous defence of this position, I think that it is appropriate to regard the extra income that accrues to people with talents (i.e. people who acquire skills through the deployment of their talents) as a kind of 'rent', quite parallel to the rent obtained by the owner of particularly fertile land. This added in-

come comes from the *differentials* in talents—or fertility of land—as such, not simply from the actual productivity that the possession of the skill produced with that talent confers. If this reasoning is correct, then talents, like credentials, should simply be treated as a specific kind of mechanism for creating a stable scarcity of a given skill, which in turn is the basis for an exploitative appropriation.

It is, of course, an empirical question whether inequalities of underlying talents or inequalities generated by institutionalized credentials are more important in creating the skill assets that are the basis of skill exploitation. While I will generally emphasize credentials because of their relatively clear status as a 'property right', this is not meant to imply that talents themselves are necessarily less important.

To recapitulate the argument of this section: throughout the rest of this book exploitation will be defined as an economically oppressive appropriation of the fruits of the labour of one class by another. Not all appropriations are economically oppressive and not all forms of economic oppression involve such appropriation. It is the combination of economic oppression with appropriation that makes exploitation such a powerful basis for objective antagonisms of material interests.

RECASTING THE CONCEPT OF FEUDAL EXPLOITATION

In Roemer's own formulation, only two kinds of assets are considered formally: physical assets (in his terminology alienable assets) and skill assets (inalienable assets). In his exposition, the distinction between exploitation in feudalism and capitalism revolves around the nature of the withdrawal rules with respect to physical assets, rather than the nature of the assets themselves. Roemer defines feudal exploitation in terms of withdrawing with one's individual physical assets in contrast to capitalism where exploitation is defined in terms of withdrawing with one's per capita share of total assets.

The feudal case, however, can be characterized in a somewhat different way. Labour power is a productive asset.²⁴ In capitalist societies everyone owns one unit of this asset, namely themselves. In feudalism, on the other hand, ownership rights over labour power are unequally distributed: feudal lords have more than one unit, serfs have less than one unit. This is what 'personal bondage' means economically: feudal lords partially own the labour power

of their vassals. To be sure, it is not typical of feudalism for serfs to own no labour power—they are not generally slaves divested of all ownership rights in their own labour power—but they do not have complete effective control over their own persons as productive actors.²⁵

The empirical manifestation of this unequal distribution of ownership rights over labour power in classical feudalism is the coercive extraction of labour dues from serfs. When corvée labour is commuted to rents in kind and eventually to money rents, the feudal character of the exploitation relation is reflected in the legal prohibitions on the movement of peasants off the land. The 'flight' of a peasant to the city is, in effect, a form of theft: the peasant is stealing part of the labour power owned by the lord.²⁶ The withdrawal rule which defines feudal exploitation can then be specified as leaving the feudal game with one's per capita share of society's assets in labour power, namely one unit. Feudal exploitation is thus exploitation (economic oppression in which there are transfers of labour or its fruits from the oppressed to the oppressor) which results from inequalities in the distribution of assets in labour power.²⁷

Reformulating feudal exploitation in this manner makes the game-theoretic specification of different exploitations in Roemer's analysis symmetrical: feudal exploitation is based on inequalities generated by ownership of labour power assets; capitalist exploitation, on inequalities generated by ownership of alienable assets; socialist exploitation, on inequalities generated by ownership of inalienable assets. Corresponding to each of these exploitation-generating inequalities of assets, there is a specific class relation: lords and serfs in feudalism, bourgeoisie and proletariat in capitalism, experts and workers in socialism.

ORGANIZATION ASSET EXPLOITATION

The anti-capitalist revolution in Russia resulted in the virtual elimination of private property in the means of production: individuals cannot own means of production to a significant extent, they cannot inherit them or dispose of them on a market, etc. And yet it seems unsatisfactory to characterize societies like the Soviet Union simply in terms of skill-based exploitation. Experts do not appear to be the 'ruling class' in those societies, and the dynamic of the societies does not seem to revolve around skill inequalities as such. How, then, should exploitation be understood in 'actually existing socialism'?

As already noted, Roemer has attempted to deal with this problem by introducing what he termed 'status exploitation'. This is not, I believe, a very satisfactory solution. In particular, there are two problems with this concept. First, the category 'status exploitation' is outside the logic of the rest of Roemer's analysis of exploitation. In each of the other cases, exploitation is rooted in the relation of people or coalitions to the forces of production. Each of the other forms of exploitation is 'materialist' not just in the sense that the concept is meant to explain material distribution, but because it is based in this relation to the material conditions of production. 'Status' exploitation has no necessary relationship to production at all. Second, it is hard rigorously to distinguish status exploitation from feudal exploitation. The 'lord' receives remuneration strictly because of incumbency in a 'position', not because of skills or ownership of capital.²⁸ Yet, it hardly seems reasonable to consider the logics of exploitation and class in the contemporary Soviet Union and in 14th-century feudal Europe as being essentially the same.

The problems with the concept of status exploitation can potentially be solved by analysing exploitation based on a fourth element in the inventory of productive assets, an asset which can be referred to as 'organization'. As both Adam Smith and Marx noted, the technical division of labour among producers was itself a source of productivity. The way the process of production is organized is a productive resource distinct from the expenditure of labour power, the use of means of production or the skills of the producer. Of course there is an inter-relationship between organization and these other assets, just as there is an interdependence between means of production and skills. But organization—the conditions of coordinated cooperation among producers in a complex division of labour—is a productive resource in its own right.

How is this asset distributed in different kinds of societies? In contemporary capitalism, organization assets are generally controlled by managers and capitalists: managers control the organization assets within specific firms under constraints imposed by the ownership of the capital assets by capitalists. Entrepreneurial capitalists directly own both kinds of assets (and probably skill assets as well); pure rentier capitalists (coupon-clippers) only own capital assets. Because of the anarchy of the capitalist market, no set of actors controls the technical division of labour across firms.

In statist societies (or, perhaps, 'state socialist' societies), organization assets assume a much greater importance.²⁹ Control of the

technical division of labour—the coordination of productive activities within and across labour processes—becomes a societal task organized at the centre. Control over organization assets is no longer simply the task of firm-level managers, but extends into the central organs of planning within the state. When it is said that exploitation in such societies is based on bureaucratic power what is meant is that the control over organization assets defines the material basis for class relations and exploitation.

This notion of organization assets bears a close relation to the problem of authority and hierarchy. The asset is organization. The activity of using that asset is co-ordinated decision-making over a complex technical division of labour. When that asset is distributed unequally, so that some positions have effective control over much more of the asset than others, then the social relation with respect to that asset takes the form of hierarchical authority. Authority, however, is not the asset as such; organization is the asset which is controlled through a hierarchy of authority.

The claim that the effective control over organization assets is a basis of exploitation is equivalent to saying (a) that non-managers would be better off and managers/bureaucrats worse off if non-managers were to withdraw with their per capita share of organization assets (or, equivalently, if organizational control were democratized); and (b) that by virtue of effectively controlling organization assets managers/bureaucrats control part or all of the socially produced surplus.³⁰

Two objections to the characterization of 'organization' as an exploitation-generating asset need to be addressed: first, that this asset is not 'owned' and thus cannot constitute the basis of a property relation; and second, that as an exploitation-mechanism it is effectively indistinguishable from the means of production itself.

'Ownership' has come to have two kinds of meanings in contemporary Marxist discussions of class: ownership as a property right and effective economic control. In the first usage, to 'own' something fully implies that one can sell it, dispose of it or give it away; in the second usage, to 'own' something is to exercise the real control over its use. A good case can be made that managers and bureaucrats do have effective economic control over the use of organization assets. Even though capitalists retain the right to fire managers, in practice in the modern corporation the actual exercise of control over organization assets is in the hands of managers.

However, does it make sense to talk about 'ownership' of organization assets as a property right? Clearly, managers cannot actu-

ally sell the organization assets they control, either in capitalist firms or state enterprises, and this may imply that it really makes no sense to talk about their 'owning' the asset. Nevertheless, while managers individually cannot sell organization assets, there is one sense in which they have a kind of property right in such assets, namely in their collective control over the transfer of rights to use the asset. While capitalists may formally retain the right to hire, fire and promote managers, in practical terms it is management itself which effectively has the capacity to transfer rights to control organization assets from one person to another, and this could be considered one crucial aspect of having a property right in the asset itself. Still, in spite of the fact that managerial control of the allocation of people to positions with organizational assets has this property-like character, it does seem an abuse of the term 'ownership' to say that managers personally own the assets as a result of such control. As a result, in our analysis of organization assets I will generally talk about the ways in which these assets are 'effectively controlled' rather than 'owned'. This does not undermine the claim that the effective control over these assets is a basis for exploitation, but it does reduce the strict symmetry in the analysis of the different kinds of assets associated with different kinds of exploitations.

The second objection to the treatment of organization assets as an asset on a par with labour power, means of production and skills is that it is ultimately indistinguishable from the means of production itself. State planners in a 'statist' society control the flow of investments throughout the society, and if they 'own' or 'control' anything, therefore, they own the means of production, not just 'organization assets'. What sense does it make, therefore, to distinguish the organization aspect of their positions?

Let me try to clarify the issue by examining the case of state planners. In *all* exploitation relations, whether based on ownership of labour power, skills, means of production or organization assets, what exploitation generates is effective claims on the social surplus. This in turn gives exploiters at least some effective control over investments, at least in so far as they have the ability to dispose of that surplus for investment purposes. Skill exploiters in capitalism, for example, can invest the surplus they appropriate through credentials.

The issue at hand in the present context, however, is not what exploiters *do* with the surplus they control, but rather on what *basis* they gain control over that surplus. And in that respect, there

is a sharp difference between capitalist and statist societies: in capitalism, when skill or organization-asset exploiters invest the surplus which they obtain on the basis of their skills or organization assets, they will, in the future, begin to obtain a flow of surplus from these investments themselves. They can, in other words, *capitalize* their skill and organization exploitation. In a statist system of production, this is precisely what is not possible. Except in very limited ways, managers, bureaucrats and state planners cannot convert the surpluses they control into future exploitation except in so far as their use of the surplus enhances their organizational position (i.e. their control over organization assets). They cannot capitalize their present exploitation. The contrast between capitalism and statism is parallel in this respect to the contrast between feudalism and capitalism: in capitalism, capitalists are prohibited from feudalizing their surplus. In early capitalism, of course, this was a serious issue, as capitalist profits were frequently diverted from capitalist investment into the purchase of feudal titles and estates. Just as bourgeois revolutions block the feudalization of capitalist exploitation, so anti-capitalist revolutions block the capitalization of organization and skill exploitation.

A GENERAL TYPOLOGY OF CLASS AND EXPLOITATION

If we add organization assets to the list in Roemer's analysis, we generate the more complex typology presented in Table 3.2 below. Let us briefly look at each row of this table and examine its logic. Feudalism is a class system based on unequal distribution of ownership rights in labour power. Feudal lords may also have more means of production than serfs, more organizational assets and more productive skills (although this is unlikely) and thus they may be exploiters with respect to these assets as well. What defines the society as 'feudal', however, is the primacy of the distinctively feudal mechanisms of exploitation, and which, accordingly, means that feudal class relations will be the primary structural basis of class struggle.

The bourgeois revolutions radically redistributed productive assets in people: everyone, at least in principle, owns one unit—themselves. This is at the heart of what is meant by 'bourgeois freedoms', and it is the sense in which capitalism can be regarded as a historically progressive force. But capitalism raises the second type of exploitation, exploitation based on property relations in means of production, to an unprecedented level.³¹

TABLE 3.2
Assets, Exploitation and Classes

<i>Type of class structure</i>	<i>Principal asset that is unequally distributed</i>	<i>Mechanism of exploitation</i>	<i>Classes</i>
Feudalism	Labour power	Coercive extraction of surplus labour	Lords and serfs
Capitalism	Means of production	Market exchanges of labour power and commodities	Capitalists and workers
Statism	Organization	Planned appropriation and distribution of surplus based on hierarchy	Managers/bureaucrats and non-management
Socialism	Skills	Negotiated redistribution of surplus from workers to experts	Experts and workers

The typical institutional form of capitalist class relations is capitalists having full ownership rights in the means of production and workers none. However, other possibilities have existed historically. Workers in cottage industry in early capitalism owned some of their means of production, but did not have sufficient assets to actually produce commodities without the assistance of capitalists. Such workers were still being capitalistically exploited even though there was no formal labour market with wages, etc. In all capitalist exploitation, the mediating mechanism is market exchanges. Unlike in feudalism, surplus is not directly appropriated from workers in the form of coerced labour or dues. Rather, it is appropriated through market exchanges: workers are paid a wage which covers the costs of production of their labour power; capitalists receive an income from the sale of the commodities produced by workers. The difference in these quantities constitutes the exploitative surplus appropriated by capitalists.³²

Anti-capitalist revolutions attempt to eliminate the distinctively capitalist form of exploitation, exploitation based on private ownership of the means of production. The nationalization of the principal means of production is, in effect, a radical equalization of

ownership of capital: everyone owns one citizen-share. What anti-capitalist revolutions do not necessarily eliminate, and may indeed considerably strengthen and deepen, are inequalities of effective control over organization assets. Whereas in capitalism the control over organization assets does not extend beyond the firm, in statist societies the coordinated integration of the division of labour extends to the whole society through institutions of central state planning. The mechanism by which this generates exploitative transfers of surplus involves the centrally planned bureaucratic appropriation and distribution of the surplus along hierarchical principles. The corresponding class relation is therefore between managers/bureaucrats—people who control organization assets—and non-managers.

The historical task of the revolutionary transformation of statist societies revolves around the equalization of effective economic control over organization assets. What precisely does such equalization mean? It would be utopian to imagine that in any society with a complex division of labour all productive actors would share equally in the actual *use* of organization assets. This would be equivalent to imagining that the equalization of ownership of means of production implied that all such actors would actually use an identical amount of physical capital. Equalization of control over organization assets means essentially the democratization of bureaucratic apparatuses.³³ This need not imply a thoroughgoing direct democracy, where all decisions of any consequence are directly made in democratic assemblies. There will still be delegated responsibilities, and there certainly can be representative forms of democratic control. But it does mean that the basic parameters of planning and co-ordination of social production are made through democratic mechanisms and that the holding of delegated positions of organizational responsibility does not give the delegates any personal claims on the social surplus.

Lenin's original vision of 'soviet' democracy, in which officials would be paid no more than average workers and would be subject to immediate recall, and in which the basic contours of social planning would be debated and decided through democratic participation, embodied such principles of radical equalization of organization assets. Once in power, as we know, the Bolsheviks were either unable or unwilling seriously to attempt the elimination of organization exploitation. Upon that failure, a new class structure emerged and was consolidated.³⁴

The equalization of organization assets and the eradication of

class relations rooted in organization exploitation would not in and of itself eliminate exploitation based on skills/credentials. Such exploitation would remain a central feature of socialism.

In this conceptualization of socialism, a socialist society is essentially a kind of non-bureaucratic technocracy. Experts control their own skills or knowledge within production, and by virtue of such control are able to appropriate some of the surplus from production. However, because of the democratization of organization assets, the actual making of planning decisions would not be under the direct control of experts but would be made through some kind of democratic procedure (this is in effect what democratization of organization-assets means: equalizing control over the planning and co-ordination of social production). This implies that the actual class power of a socialist technocratic-exploiting class will be much weaker than the class power of exploiting classes in previous class systems. Their ownership rights extend to only a limited part of the social surplus:

This much more limited basis of *domination* implied by skill-based exploitation is consistent with the classical claim in Marxism that the working class—the direct producers—are the 'ruling' class in socialism.³⁵ The democratization of organization assets necessarily means that workers effectively control social planning. Another way of describing socialism, then, is that it is a society within which the ruling class and the exploiting classes are distinct.

Indeed, one might even want to make a stronger claim, namely that 'experts' in socialism are not really a proper class at all. Unlike in the cases of capital assets, labour power assets and organization assets, it is not at all clear that one can derive any relational properties from the ownership of skill assets as such.³⁶ To be sure, if skill assets are a criterion for recruitment into positions within organizational hierarchies, then individuals with skills or credentials may be in a particular relation to people without such credentials, but this is because of the link between skill and organization assets, not because of skill assets themselves. The most one can say here is that experts and non-experts exist in a kind of diffuse relation of dependence of the latter on the former. This is a considerably weaker sense of 'social relation' than is the case for the other three types of class relations.

It seems therefore that, while skills or credentials may be a basis for exploitation, this asset is not really the basis of a class relation, at least not in the same sense as labour power, capital and organization assets. In these terms socialism (in contrast to statism)

could be viewed as a society with exploitation but without fully constituted classes.³⁷ Such a characterization of socialism is also consistent with the spirit, if not the letter, of Marx's claim that socialism is the 'lower stage' of communism, since classes are already in a partial state of dissolution in a society with only skill-based exploitation.

'Communism' itself would be understood as a society within which skill-based exploitation had itself 'withered away', i.e., in which ownership rights in skills had been equalized. This does not mean, it must be stressed, that all individuals would actually *possess* the same skills as each other in communism. It is ownership rights in the skills that are equalized. This is quite parallel to what it means to equalize ownership over physical assets: different workers may continue to work in factories with different capital intensities, productivities, amounts of physical assets. Equalization does not mean that everyone physically uses the same means of production, but simply that there are no longer any ownership rights that are differentially distributed with respect to those means of production. No one receives a higher income (or controls a larger part of the social surplus) by virtue of using more physical assets. Similarly the equalization of ownership rights in skills implies that differential incomes and control over the social surplus cease to be linked to differential skills.³⁸

THE MIDDLE CLASSES AND CONTRADICTIONARY LOCATIONS

The point of elaborating the rather complex inventory of forms of exploitation and corresponding class relations in Table 3.2 was not primarily to be able to give more precision to the abstract mode of production concepts (feudalism, capitalism, statism, etc.), but rather to provide the conceptual tools for analysing the class structures of contemporary capitalism at a more concrete level of analysis. In particular, as was stressed in chapter two, this means providing a more coherent and compelling way of theorizing the class character of the 'middle classes'.

Two different kinds of non-polarized class locations can be defined in the logic of this framework:

(1) There are class locations that are neither exploiters nor exploited, i.e. people who have precisely the per capita level of the relevant asset. A petty-bourgeois, self-employed producer with average capital stock, for example, would be neither exploiter nor

exploited within capitalist relations.³⁹ These kinds of positions are what can be called the 'traditional' or 'old' middle class of a particular kind of class system.

(2) Since concrete societies are rarely, if ever, characterized by a single mode of production, the actual class structures of given societies will be characterized by complex patterns of intersecting exploitation relations. There will therefore tend to be some positions which are exploiting along one dimension of exploitation relations, while on another are exploited. Highly skilled wage-earners (e.g. professionals) in capitalism are a good example: they are capitalistically exploited because they lack assets in capital and yet are skill-exploiters. Such positions are what are typically referred to as the 'new middle class' of a given class system.

Table 3.3 presents a schematic typology of such complex class locations for capitalism. The typology is divided into two segments: one for owners of the means of production and one for non-owners. Within the wage-earner section of the typology, locations are distinguished by the two subordinate relations of exploitation characteristic of capitalist society—organization assets and skill/credential assets. It is thus possible to distinguish within this framework a whole terrain of class-locations in capitalist *society* that are distinct from the polarized classes of the capitalist *mode of production*: expert managers, non-managerial experts, non-expert managers, etc.

What is the relationship between this heterogeneous exploitation definition of the middle class and my previous conceptualization of such positions as contradictory locations within class relations? There is still a sense in which such positions could be characterized as 'contradictory locations', for they will typically hold contradictory interests with respect to the primary forms of class struggle in capitalist society, the struggle between labour and capital. On the one hand, they are like workers in being excluded from ownership of the means of production;⁴⁰ on the other, they have interests opposed to workers because of their effective control of organization and skill assets. Within the struggles of capitalism, therefore, these 'new' middle classes do constitute contradictory locations, or more precisely, contradictory locations within exploitation relations.

This conceptualization of the middle classes also suggests that the principle forms of contradictory locations will vary historically

TABLE 3.3
Typology of Class Locations in Capitalist Society

<i>Assets in the means of production</i>			<i>Non-owners [wage labourers]</i>			+
<i>Owners of means of production</i>						>0
1 Bourgeoisie	4 Expert Managers	7 Semi-Credentialed Managers	10 Uncredentialed Managers	2 Small Employers	5 Expert Supervisors	8 Semi-Credentialed Supervisors
Owns sufficient capital to hire workers and not work	4 Expert Managers	7 Semi-Credentialed Managers	10 Uncredentialed Managers	2 Small Employers	5 Expert Supervisors	8 Semi-Credentialed Supervisors
Owns sufficient capital to hire workers but must work	5 Expert Supervisors	6 Experts non-managers	9 Semi-Credentialed Workers	11 Uncredentialed Supervisors	12 Proletarians	Organization assets
Owns sufficient capital to work for self but not to hire workers	6 Experts non-managers	9 Semi-Credentialed Workers	12 Proletarians	11 Uncredentialed Supervisors	12 Proletarians	-
	+	>0	-	>0	-	-
		<i>Skill/credentialed assets</i>				

depending upon the particular combinations of exploitation relations in a given society. The historical pattern of principal contradictory locations is presented in Table 3.4. In feudalism, the critical contradictory location is constituted by the bourgeoisie, the rising class of the successor mode of production.⁴¹ Within capitalism, the central contradictory location within exploitation relations is constituted by managers and state bureaucrats. They embody a principle of class organization which is quite distinct from capitalism and which potentially poses an alternative to capitalist relations. This is particularly true for state managers who, unlike corporate managers, are less likely to have their careers tightly integrated with the interests of the capitalist class. Finally, in statist societies, the 'intellegentsia' broadly defined constitutes the pivotal contradictory location.⁴²

TABLE 3.4
Basic Classes and contradictory locations in successive modes of production

<i>Mode of production</i>	<i>Basic classes</i>	<i>Principal contradictory location</i>
Feudalism	Lords and serfs	Bourgeoisie
Capitalism	Bourgeoisie and proletariat	Managers/bureaucrats
State bureaucratic socialism	Bureaucrats and workers	Intellegentsia/experts

One of the consequences of this reconceptualization of the middle class is that it is no longer axiomatic that the proletariat is the unique, or perhaps even universally the central, rival to the capitalist class for class power in capitalist society. That classical Marxist assumption depended upon the thesis that there were no other classes within capitalism that could be viewed as the 'bearers' of a historical alternative to capitalism. Socialism (as the transition to communism) was the only possible future to capitalism. What Table 3.4 suggests is that there are other class forces within capitalism that have the potential to pose an alternative to capitalism.

Alvin Gouldner and others have argued that the beneficiaries of social revolutions in history have not been the oppressed classes of the prior mode of production, but 'third classes'. Most notably, it was not the peasantry who became the ruling class with the demise

of feudalism, but the bourgeoisie, a class that was located outside the principal exploitation relation of feudalism. A similar argument could be extended to manager-bureaucrats with respect to capitalism and experts with respect to state bureaucratic socialism: in each case these constitute potential rivals to the existing ruling class.

In the case of capitalism, it might seem rather far-fetched to claim that managers and state bureaucrats constitute potential challengers to the class power of the bourgeoisie. At least in the advanced capitalist countries, corporate managers are so closely integrated into the logic of private capital accumulation that it seems quite implausible that they would ever oppose capitalism in favour of some sort of statist organization of production. As critics of the 'managerial revolution' thesis have often argued, whatever special interests or motives corporate managers have, the realization of those interests is contingent upon the profitability of their firms and they will therefore adopt strategies consistent with the interests of capital. And even for state managers, who arguably have a power base that is at least partially independent of capital, it still seems very unlikely that they would ever become consistently anti-capitalist because of the multiple ways in which the interests of the state are subordinated to and co-ordinated with the interests of capital. Since in a capitalist society state revenues depend upon privately generated profits (because the state itself does not organize production), the state is systematically constrained to act in a way that supports the profitability of capital and thus capitalist exploitation. Regardless of their personal preferences, therefore, state managers cannot afford to act in anti-capitalist ways.⁴³ It therefore seems completely unrealistic to treat managers and bureaucrats as even potential class rivals to the bourgeoisie.

Behind each of these claims about the effective integration of managers and bureaucrats into the capitalist social order is the assumption that capitalism is successful as a system of exploitation and accumulation. So long as firms, in general, are able to make profits, they are able to integrate their managers into a logic of capital accumulation; and so long as capitalism reproduces a revenue base for the state, state managers will have their interests tied to the interests of capital. But what happens to these interests and strategies if capitalism permanently stagnates? If profits can no longer be assured in the long-run? If the career prospects for large numbers of managers became very insecure and precarious?

Would statist appeals for greater direct state involvement in controlling investments and flows of capital become more attractive to corporate management? Would statist options be seen as more realistic for state managers? I do not want to suggest that statist solutions that undermine the power of the capitalist class would automatically be pursued by managers and bureaucrats under such economic conditions. There would also have to be a range of political and ideological conditions to make such strategies viable, and there is no necessary reason why such political and ideological conditions would be forthcoming even in situations of chronic stagnation.⁴⁴ The important point in the present context is not that there be any inevitability to the emergence of such conditions, but that one can imagine historical conditions under which managers and bureaucrats even in the advanced capitalist countries (let alone third world countries) would find anti-capitalist, statist solutions attractive.

The historical typology of contradictory locations in Table 3.4 does not imply that there is any inevitability to the sequence feudalism-capitalism-statism-socialism-communism. There is nothing which implies that state bureaucrats are destined to be the future ruling class of present-day capitalisms. But it does suggest that the process of class formation and class struggle is considerably more complex and indeterminate than the traditional Marxist story has allowed.⁴⁵

This way of understanding contradictory class locations has several advantages over my previous conceptualization:

- (1) Certain of the specific conceptual problems of the earlier analysis of contradictory locations within class relations disappear: the problem of autonomy, the anomalous situations where positions like pilots are considered more proletarianized than many unskilled workers, etc.
- (2) Treating contradictory locations in terms of relations of exploitation generalizes the concept across modes of production. The concept now has a specific theoretical status in all class systems, and has furthermore a much more focused historical thrust as represented in Table 3.4.
- (3) This way of conceptualizing 'middle-class' locations makes the problem of their class interests much clearer than before. Their location within class relations is defined by the nature of their material optimizing strategies given the specific kinds of assets they own/control. Their specific class location helps to specify their

interests both within the existing capitalist society and with respect to various kinds of alternative games (societies) to which they might want to withdraw. In the previous conceptualization it was problematic to specify precisely the material interests of certain contradictory locations. In particular, there was no consistent reason for treating the material interests of 'semi-autonomous employees' as necessarily distinct from those of workers.

(4) This exploitation-based strategy helps to clarify the problems of class alliances in a much more systematic way than the previous approach. In the case of contradictory locations it was never clear how to assess the tendencies for contradictory locations to ally themselves with workers or non-workers. I made claims that such alliance tendencies were politically and ideologically determined, but I was not able to put more content into such notions. In contrast, as we shall see in chapter four, the exploitation-based concept of contradictory locations helps to provide a much clearer material basis for analysing the problem of alliances.

Once Again, Unresolved Problems

The process of concept formation is a continual process of concept transformation. New solutions pose new problems, and the efforts at resolving those problems in turn generate new solutions. Thus, the conceptual apparatus elaborated in this chapter has generated a new set of difficulties. Ultimately, of course, these difficulties may prove 'fatal' to the proposed concept; at a minimum they call for further clarifications and refinements.

Four such problems seem particularly pressing: (1) the status of 'organization' in organization assets; (2) the relationship between skill exploitation and classes; (3) causal interactions among forms of exploitation; (4) non-asset-based mechanisms of exploitation. While I will suggest possible strategies for dealing with these issues, I regard them as genuine problems for which I do not have entirely satisfactory solutions.

THE STATUS OF 'ORGANIZATION' IN ORGANIZATION ASSETS

Even if one accepts the claim that managers and bureaucrats are exploiters, one might still be rather sceptical of the argument that the basis of their exploitation is the control—let alone the 'owner-

ship'—of organization assets. Two alternatives should be considered: first, that these are really just a specialized type of skill asset—managerial ability; and second, that this is just a special case of a more general problem that might be termed 'positional' exploitation.

It is certainly plausible that whatever claims managers are able to make on the surplus is a function of the specialized skills they possess. These may be quite firm-specific, acquired through experience as managers with the organization itself; nevertheless, it could be argued that skills are the basis of managerial exploitation, not the organization assets which they control.

It is difficult to know how one would refute this argument empirically. My claim is that the responsibility attached to a position by virtue of its control over organization assets gives the incumbent of such a position a claim on the surplus that is distinct from any claims rooted in skills/credentials, but since firm-specific skills will co-vary with such control/responsibility, it is hard to establish this in an unambiguous way. There is some evidence, however, which at least is consistent with the view that organization assets are not just proxies for skill or experience. If exploitation linked to managerial positions were entirely the result of skill and experience, then it would be expected that the income differences between managers and non-managers would disappear if we statistically controlled for these two variables. This is simply not the case: managerial incomes remain substantially higher than non-managerial incomes even after adjustment for education, age, years of experience on the job and occupational status.⁴⁶ Such results, of course, do not resolve the issue definitively, since it is always possible that the remaining income differences between managers and non-managers could be the result of unmeasured differences in skills. Nevertheless, they do provide some support for the analysis of organization assets proposed in this chapter.

A more serious problem revolves around the possibility that it is not the organization assets as such which are the basis for exploitation, but a more general property of these positions, the property of their 'strategic' importance within organization. 'Strategic jobs' can be defined by the intersection of two dimensions: first, the extent to which the tasks in a job are well-defined and can easily be monitored continuously; and second, the extent to which variability in the conscientiousness and responsibility with which individuals carry out those tasks can affect the overall productivity of the organization. Managerial positions, in these terms, are one

instance, but by no means the only instance, of jobs which are difficult to monitor but are highly sensitive to differences in conscientiousness.

Strategic jobs pose a serious social-control problem to employers. The absence of easy, ongoing monitorability makes it difficult to rely on repressive sanctions as a strategy of social control, but the potential impact on productivity of job performance makes such social control necessary. The solution to this problem is a heavy reliance on positive rewards, particularly positive rewards built into career trajectories, as a way of eliciting the necessary responsible, conscientious behaviour. The exploitation transfers commanded by managers, therefore, should be viewed as a 'loyalty dividend'. While control over organization assets may be the most important example of such jobs, they are nevertheless a special case of a more general problem. The exploitation in such jobs, therefore, should be characterized as 'positional exploitation', rather than organization exploitation.

There are attractive features of this alternative. It pre-empts the problem of managerial, firm-specific skills by saying that it is unimportant whether the privileges managers enjoy are rooted in skills or organization assets so long as the positions pose the social control dilemmas that require loyalty dividends. In terms of skills themselves, this social control view makes it possible to distinguish skill-based exploitation that works through mechanisms involved in restricting the supply of particular kinds of skilled labour power, and skill-based exploitation that revolves around the organization of work itself. Finally, this alternative makes it possible to define certain positions which may involve neither organization assets nor skill assets and yet occupy strategic jobs requiring 'loyalty dividends'.

One might ask: why should we retain the concept of organization assets in the face of these apparent advantages of the strategic-job conception? The central reason is because of the way control over organization assets constitutes the basis for a particular structure of social relations—the relations between managers and workers. The objective of the analysis is not simply to identify possible mechanisms of exploitation, but to elaborate the exploitation-class nexus. We cannot derive any clear class relations from the analysis of strategic jobs as such: the incumbents in such jobs have no intrinsic social relation to incumbents in non-strategic jobs. It is therefore difficult to identify such positions as having a distinctive class character, in spite of the fact that they may consti-

tute the basis for a form of exploitation. Thus, while effective control over organization assets remains only one possible basis for incumbency in strategic jobs, it is this specific kind of strategic job that is simultaneously the basis for a class relation.

SKILLS AND CLASSES

The issues raised by the analysis of strategic jobs relate to the more general problem of the relationship between skill and class. This issue has already been alluded to in the discussion of experts in a socialist society. While the ownership of skill assets may be the basis of exploitation mediated by market exchanges and internal labour-markets, it is much less clear that it is the basis of a class relation, except insofar as skills or talents enable one to gain access to other kinds of assets. Experts may have distinct interests from non-experts, but they are not clearly constituted as a class in relation to non-experts.

In spite of this, I have continued to retain skill assets in the analysis of class structures. In particular, skill/credential assets play an important role in the analysis of the problem of middle classes in capitalism. This link to the concept of class, has not, however, been theorized satisfactorily.

One possible strategy for dealing with this situation may be to treat skill exploitation as the basis of internal divisions within classes. Indeed, this may be the proper way rigorously to define class 'fractions', to use a classical Marxist term. Class fractions could be defined as positions which share common locations within class relations but occupy different locations with respect to exploitation. I will not pursue the problem of exploitation-based strata within classes, but this may be the most appropriate way of dealing with these kinds of complexities in a coherent manner.

INTERACTIONS AMONG FORMS OF EXPLOITATION⁴⁷

Even if we grant that the ownership of organization and skill assets constitutes the basis for mechanisms of exploitation, there is still an important potential problem in linking these mechanisms to class structures. Let us suppose that there are significant and systematic interactions between mechanisms of exploitation. For example, it could be the case that the ability of a 'controller' of organization assets to make claims on the social surplus is greater in a society with capitalist exploitation than in a society without

capitalist exploitation. Capitalist exploitation could enhance the exploitation-capacity of organization (or skill) assets. Under such a situation, even though an individual manager or expert may own no capital assets at all, they would be worse off if those assets were equally distributed. In effect, then, even though managers are not in the capitalist class in relational terms, they effectively partake in capitalist exploitation and accordingly share basic class interests with capitalists by virtue of the way capitalism enhances their organization exploitation.

Throughout this chapter I have assumed that the different mechanisms of exploitation had strictly additive effects. The efficacy of any one mechanism of exploitation was independent of any of the others. Empirically, this is not a very plausible assumption.

If we drop the assumption that forms of exploitation do not reinforce each other, then the relationship between the map of class locations defined with respect to assets and objective class interests becomes much more problematic. This does not necessarily destroy the usefulness of the basic strategy of analysis proposed in this chapter, but it does add considerably to the complexity of the analysis of the inter-relationship between assets, exploitation and classes. While some of the implications of this added complexity will be addressed in the discussion of class alliances in the next chapter, I will generally continue to adopt the simplifying assumption that forms of exploitation are independent of each other.

NON-ASSET BASES OF EXPLOITATION

Throughout the analyses of this chapter I have self-consciously limited the discussion to exploitation rooted in control or ownership of productive forces, i.e. the various kinds of inputs used in production. But there may be other mechanisms through which individuals or groups may be able to appropriate part of the social surplus. Control over the means of salvation may give Churches an ability to exploit believers. Control over military violence may give the state an ability to appropriate part of the surplus whether or not it is also involved in controlling aspects of the forces of production. Male domination within the family may enable men to appropriate surplus labour in the form of domestic services from their wives. Racial domination may enable whites as such, regardless of economic class, to exploit blacks.

The issue then becomes: why should property relations be

privileged in the analysis of classes? Why should the analysis revolve around ownership/control of the productive forces and the exploitation and class relations that are built on that ownership? Why not talk about religious classes, or military classes, or sex classes, or race classes?

To begin with, it should be noted that if the mechanism which allows priests, officers, men or whites to exploit others is their ownership/control over productive assets, then there is no particular challenge posed to the strategy of analysis proposed in this chapter. While these non-asset social criteria would be important in explaining the social distribution of productive assets, it would remain the case that class and exploitation would remain defined in terms of property relations.

The difficulties arise when various kinds of non-productive categories have direct, enforceable claims on the surplus, unmediated by their relationship to the system of production. Men, for example, may appropriate surplus labour from women simply by virtue of being men within the gender relations of the family and not by virtue of the gender distribution of productive assets. Such possibilities pose a more serious challenge to the approach I have been pursuing.

There are basically two reasons why I think the concept of class should be restricted to exploitation rooted in production relations and not extended to encompass all possible social relations within which exploitation occurs. First, the concept of class is meant to figure centrally in epochal theories of social change, theories of the overall trajectory of historical development. In such epochal theories, the development of the productive forces—of technology and other sources of productivity—play a pivotal role.⁴⁸ Even if we do not accord the development of the productive forces an autonomous, trans-historical, dynamic role in a theory of history, nevertheless it can be argued that whatever directionality historical development has is the result of the development of the productive forces.⁴⁹ If we grant this, then the effective control over the productive forces and the exploitation which such control generates has a particularly important strategic significance in the theory of history. Such control—property relations broadly conceived—defines the basic terrain of interests with respect to historical development. For this reason, it can be argued, it is appropriate to restrict the concept of class to property relations.

Even if we reject the thesis that the productive forces play a pivotal role in the theory of history, there is still a second argument

for restricting the concept of class to production relations. If exploitation rooted in production relations has a distinct logic from exploitation rooted in other relations, then one would be justified in treating property-based exploitation and the associated social relations as a distinct category, that of a 'class'.

What is this 'distinct logic'? Above all, production relations are a distinctive basis for exploitation because of the way they are systematically implicated in the basic subsistence of the exploited. Property relations not only determine mechanisms by which surplus is appropriated; they simultaneously determine mechanisms by which the exploited gain access to subsistence, to their means of existence. Other mechanisms of exploitation are essentially redistributive of a social product already produced within a set of property relations; property-based exploitation is directly bound up with the social production of that product in the first place. We are justified, therefore, in considering production-based exploitation a distinct category from non-production exploitations because of the specific type of interdependency it creates between the exploited and the exploiter.

This distinctiveness does not, in and of itself, say anything about the relative importance of class exploitation over other forms of exploitation. Military exploitation or gender exploitation could be more fundamental for understanding social conflict than class exploitation (although I do not in fact think that this is the case). The distinctive form of interdependency constituted by production based exploitation, however, does provide a rationale for restricting the usage of the concept of 'class' to that kind of exploitation.

I do not feel that my responses to any of these problems have been entirely satisfactory. Nevertheless, at some point in any process of concept formation it is necessary to suspend the pre-occupation with conceptual coherence and logical refinement and forge ahead in order to actually use the concept theoretically and empirically. This will be the objective of the rest of this book. In the next chapter we will explore a range of theoretical issues using the framework elaborated in this chapter. This will be followed by three chapters which use the concept to investigate a variety of empirical problems.

Notes

1. I would like to express my particular thanks to Robbie Manchin for an intense Sunday afternoon's discussion of the problem of class and exploitation which led to development of the core ideas in this chapter. His ideas in that discussion were particularly important for developing the concept of 'organization assets' discussed below.

2. John Roemer is a Marxist economist engaged in a long term project of reconstructing what he calls the 'microfoundations' of Marxist theory. His most important work is entitled *A General Theory of Exploitation and Class*, Cambridge, Massachusetts 1982. A debate over this work in which I participated, appears in the journal *Politics & Society*, vol. 11, no. 3, 1982.

3. If the poor are able to force a partial redistribution of income from the rich through political means it might seem that by this definition this could be construed as a situation of the poor exploiting the rich: the poor become less poor at the expense of the rich. It is important, therefore, to examine the total causal context before assessing exploitation relations. In the case in question, if the rich obtained their incomes through exploitation, then a redistribution should be viewed as a reduction in exploitation rather than counter-exploitation.

4. While Roemer's work should not be viewed as an example of the 'Sraffian' critique of the labour theory of value, he shares with Sraffian economists like Ian Steedman (*Marx After Sraffa*, London 1977) the thesis that the labour theory of value should be dismissed entirely. It is, in Roemer's view, simply wrong as the basis for any theoretical understanding of exchange and unnecessary for an understanding of capitalist exploitation.

5. The technical form of the argument involves constructing general equilibrium models based on relatively simple maximizing behaviours of the actors. As in all general equilibrium models, these models depend upon the specific assumptions adopted concerning preference structures and production functions. Recently, Roemer has shown that it is possible to construct models in which the outcomes violate the logic of the concept of exploitation. For example, if the preference for leisure over labour declines as ownership of assets increase, then it can happen that labour transfers will flow from the rich to the poor under certain institutional arrangements. See Roemer, 'Should Marxists be Interested in Exploitation', University of California, Davis, Department of Economics, working paper no. 221, 1983. For the purposes of the present analysis, I will ignore these complications.

6. The important property of this demonstration is that both class and exploitation are derived from the initial ownership of means of production (property relations). Classes need not be initially defined in terms of exploitation; it is a discovery of the model that class relations are exploitative.

7. The claim that labour-market island and credit-market island are isomorphic is equivalent to the neo-classical economist's claim that it does not matter whether capital hires labour or labour rents capital. Roemer agrees with the neo-classical argument, but adds one crucial observation: in both cases it is capital that exploits labour. In neo-classical economics, of course, the identity of the two situations is described in terms of the identity in income returns rather than exploitation relations.

8. John Roemer, *A General Theory of Exploitation and Class* (GTEC), p. 194.

9. *Ibid.*, p. 195.

10. An alternative criterion is to say 'S' would be worse off if S simply stopped

producing'. This solves the problem for the two island case, since the welfare of the rich island would not be affected by the activities on the poor island, and it conveys the idea that there is a causal relationship between the payoffs to the two coalitions. But it does not handle the handicapped case, since the handicapped would be worse off if the able-bodied stopped producing. Because of this, I will rely more on the domination criterion in this discussion.

11. See Roemer, *GTEC*, p. 206. In effect, personal bondage prevents market mechanisms from operating in ways which bring wages in line with the value of the marginal product.

12. Roemer introduces what he terms 'needs exploitation' as an additional concept for understanding the transition from socialism to communism. If people have different real needs, then a perfectly equal distribution of income would be a situation of 'needs exploitation' in which the more needy are exploited by the less needy, *GTEC*, pp. 279–283. Since the concept of need exploitation has a distinctively different logic from the other types of exploitation and since it does not correspond to a class relation—the needy are not in a social relation of production to the less needy—I will not discuss it further here.

13. Roemer is an economist and the use of the word 'status' is not meant to evoke the meanings generally attached to this word in sociology.

14. John Roemer, *GTEC*, p. 243.

15. This is not to imply that domination in the labour process is *institutionally* unimportant, or indeed, that such domination does not in practice intensify capitalist exploitation and reinforce the capital-labour class relation. Roemer's point is simply that it is not the actual criterion for class relations; that criterion is strictly based on property relations as such.

16. See Erik Olin Wright, 'The Status of the Political in the Concept of Class Structure', *Politics & Society*, vol. 11, no. 3, 1982.

17. This position is most forcefully staked out in Roemer's essay, 'Why Should Marxists be Interested in Exploitation?' The illustrative example discussed here comes from this essay.

18. Two technical points: first, I use the expression 'the fruits of labour' rather than 'labour' since the definition is meant to be independent of the tenets of the labour theory of value. (For a specific discussion of the distinction between viewing exploitation as appropriation of the fruits of labour rather than the appropriation of labour values, see G. A. Cohen, 'The Labour Theory of Value and the Concept of Exploitation', in *The Value Controversy*, Steedman *et al.*, London 1981). Second, 'surplus' is notoriously hard to define rigorously once the labour theory of value is abandoned, since its magnitude (i.e. its 'value') can no longer be defined independently of prices. Throughout this discussion, when I refer to transfers of surplus or claims on the surplus I am referring to the surplus *product* which will be appropriated by an exploiting class.

19. Roemer has recognized that there is a difference in capitalism between the exploitation of workers and the exploitation of the unemployed. He has captured this difference by introducing the additional criterion mentioned in footnote 10 above: capitalists would be worse off if workers stopped producing, but not if the unemployed stopped producing. When Roemer introduces this additional criterion, he refers to the unemployed as 'unfairly treated' rather than exploited, where unfair treatment is essentially equivalent to what I am here calling 'economic oppression'. While I cannot prove this formally, I believe that the criterion Roemer adopts in this instance is equivalent to what I term 'appropriation of the fruits of labour by the exploited': to say that capitalists would be worse off if workers stopped produc-

ing (or, equivalently, if they left the game of capitalism with their personal assets, which in this case would only be their labour power) is the same as saying that in fact there is a transfer of surplus occurring from workers to capitalists.

20. Indeed, in many practical cases, the oppressor would be better off if the oppressed died, since oppression typically imposes costs on the oppressor in the form of social-control expenses, and sometimes even subsidies to the oppressed (as in the welfare-state provisions of minimum standards of living for the poor). In the example of the rich and poor peasant above, the rent paid to the poor peasant is like a welfare-state payment by the rich peasant: the rich peasant would be better off if he simply killed the poor peasant and took over the poor peasant's land.

21. It follows from this that, except under peculiar circumstances, exploiters would not have material interests in the genocide of the exploited, whereas non-exploiting oppressors might.

22. The awarding of credentials can restrict the supply of skilled power in a variety of ways: there may be straightforward restrictions on the numbers of people admitted to the schools which confer the credentials; cultural criteria (based on what some sociologists like to call 'cultural capital') may be established for admission to schools which effectively restrict the number of admissions even when no formal limit is imposed; the immediate costs of obtaining a credential may be prohibitively high, even though the ultimate returns would more than compensate for them. For the present purposes it does not matter a great deal which precise mechanisms explain the restrictions on the supply of skilled labour power. For a discussion of the importance of credentials in contemporary structures of stratification, see R. Collins, *The Credential Society*, Orlando 1979.

23. The distinction between the value of a commodity and its price is, of course, one of the cornerstones of the labour theory of value. But even if we abandon the labour theory of value because of the various technical problems which it encounters when dealing with heterogeneous labour and other issues, it is still possible to define a kind of value, distinct from empirical prices, which accounts for the kinds of transfers we are talking about. The 'value' of a commodity is the price it would have if there were no barriers to entry for labour or capital. When the price is above this value, then an appropriation takes place.

24. See G. A. Cohen, *Karl Marx's Theory of History*, pp. 409–41, for a discussion of why labour power should be considered part of the forces of production (i.e. a productive asset).

25. Slavery should thus be viewed as a limiting case of feudal exploitation, where the slave has no ownership rights at all in his or her own labour power, while the slave owner has complete ownership rights in slaves. In this formulation the common practice of lumping all pre-capitalist class societies together under a single heading—'precapitalist'—has some justification since, for all of their differences, they rest on a similar logic of surplus extraction.

26. In this logic, once peasants are free to move, free to leave the feudal contract, then feudal rents (and thus feudal exploitation) would be in the process of transformation into a form of capitalist exploitation. That transformation would be complete once land itself became 'capital'—that is, it could be freely bought and sold on a market.

27. In this formulation it might be possible to regard various forms of discrimination—the use of ascriptive criteria such as race, sex, nationality, etc., to bar people from certain occupations, for example—as a form of feudal exploitation. In effect there is not equal ownership of one's own labour power if one lacks the capacity to use it as one pleases equally with other agents. This view of discrimina-

tion corresponds to the view that discrimination is antithetical to 'bourgeois freedoms'.

28. Roemer, *GTEC*, p. 243, acknowledges the similarity between feudal and status exploitation, but treats this just as an interesting parallel rather than a problem.

29. The term 'statist societies' is somewhat awkward, since 'statism' is politically associated with a generic opposition to the expansion of state interventions rather than more narrowly with the problem of centralized, authoritarian state control over production as such. Other terms, however, have greater drawbacks. The expressions 'state bureaucratic socialism' or simply 'state socialism', for example, contribute to the conflation of socialism with authoritarian state controlled production. With some trepidation, therefore, I will employ the expression 'statism' in this exposition.

30. This 'control of the surplus', it must be noted, is *not* the equivalent of the *actual* personal consumption income of managers and bureaucrats, any more than capitalist profits or feudal rents are the equivalent of the personally consumed income of capitalists and feudal lords. It is historically variable both within and between types of societies what fraction of the surplus effectively controlled by exploiting classes is used for personal consumption and what portion is used for other purposes (feudal military expenditures, capitalist accumulation, organization growth, etc.). The claim that managers or bureaucrats would be 'worse off' under conditions of a redistribution of organization assets refers to the amount of income they effectively control, and which is therefore potentially available for personal appropriation, not simply the amount they actually personally consume.

31. It is because capitalism at one and the same time both largely eliminates one form of exploitation and accentuates another that it is difficult to say whether or not in the transition from feudalism to capitalism overall exploitation increased or decreased.

32. It should be noted that this claim is logically independent of the labour theory of value. There is no assumption that commodities exchange in proportions regulated by the amount of socially necessary labour embodied in them. What is claimed is that the income of capitalists constitutes the monetary value of the surplus produced by workers. That is sufficient for their income to be treated as exploitative. See G. A. Cohen, 'The Labor Theory of Value and the Concept of Exploitation', for a discussion of this treatment of capitalist exploitation and its relation to the labour theory of value.

33. This, it should be noted, is precisely what leftist critics within 'actually existing socialist societies' say is the core problem on the political agenda of radical change in those countries.

34. For a discussion of the problem of the democratization of organizational control in the context of the Russian Revolution and other attempts at workers democracy, see Carmen Sirianni, *Workers Control and Socialist Democracy*, London 1982.

35. Or, to use the expression that is no longer in favour in 'polite' Marxist circles, that socialism is the 'dictatorship of the proletariat'.

36. Stated somewhat differently, a table of correspondences between asset ownership and relational location similar to table 3.1 could be constructed for both labour-power assets and organization assets, but not skill assets. Although the form of the derivations involved would be different from the one for capital assets, in each case it would be possible to 'derive' a set of relational properties directly from the ownership of the assets. In the case of organization assets the derivation would

be of the authority relations that would be attached to positions by virtue of the organizational assets controlled by incumbents of the position; in the case of feudal assets there would be a direct correspondence between ownership of a labour-power asset and personal control over the biological possessor of that asset.

37. In the case of capitalist societies this might imply that skill or credential differences should be regarded as the basis for class segments or fractions among workers and among manager-bureaucrats, rather than a proper dimension of the class structure. I will continue in the rest of this book to treat credential-exploitation as the basis of a class relation, as reflected in table 3.2, but this characterization should be treated cautiously.

38. One can imagine three possible degrees of equalization: (1) equalization of actual possession of an asset; (2) equalization of the control over the acquisition and use of the asset; (3) equalization of the income generated by the asset. Eliminating exploitation requires, at a minimum, the satisfaction of (3) for each asset. It may or may not require (1). In the case of the transition from feudalism to capitalism, for example, actual possession of labour power was basically equalized as well as effective control. In the transition from socialism to communism it seems implausible that actual possession of skills could be equalized, but probably control over the use of socially productive skills could be.

39. Note that *some* petty bourgeois, in this formulation, will actually be exploited by capital (through unequal exchange on the market) because they own such minimal means of production, and some will be capitalist exploiters because they own a great deal of capital even though they may not hire any wage-earners. Exploitation status, therefore, cannot strictly be equated with self-employment/wage-earner status.

40. This is not to deny that many professionals and managers become significant owners of capital assets through savings out of high incomes. To the extent that this happens, however, their class location begins to shift objectively and they move into a bourgeois location. Here I am talking only about those professional and managerial positions which are not vehicles for entry into the bourgeoisie itself.

41. The old middle class in feudalism, on the other hand, is defined by the freed peasants (yeoman farmers), the peasant who, within a system of unequally distributed assets in labour power own their per capita share of the asset (i.e. they are 'free').

42. Theorists who have attempted to analyse the class structures of 'actually existing socialism' in terms of concept of a 'new class' generally tend to amalgamate state bureaucrats and experts into a single dominant class location, rather than seeing them as essentially vying for class power. Some theorists, such as G. Konrad and I. Szelenyi, *Intellectuals on the Road to Class Power*, and Alvin Gouldner, *The Future of Intellectuals* . . . , do recognize this division, although they do not theorize the problem in precisely the way posed here.

43. For discussions of the ways in which the capitalist state is systematically tied to the interests of the bourgeoisie, see Claus Offe, 'Structural Problems of the Capitalist State: class rule and the political system', in C. von Beyme ed., *German Political Studies*, vol. 1, Russel Sage, 1974; Göran Therborn, *What Does the Ruling Class Do When it Rules?*, London 1978. For a contrasting view which gives the state much greater potential autonomy from capital, see Theda Skocpol, 'Political Response to Capitalist Crisis: neo-Marxist Theories of the State and the Case of the New Deal', *Politics & Society*, vol. 10, no. 2, 1980.

44. While it has become very fashionable on the left to criticize any hint of 'economism' in social theory, I nevertheless believe that the emergence of the kinds

of political and ideological conditions necessary for the development of anti-capitalist postures by managers and state bureaucrats are more likely under conditions of chronic stagnation and decline than under conditions of capitalist expansion and growth.

45. For a fuller discussion of the implications of the arguments presented here for the Marxist theory of history, see chapter four below.

46. For a detailed analysis of the differences between incomes of managers and workers, see Erik Olin Wright, *Class Structure and Income Determination*, especially pp. 134–138. In that study, managers earned on average \$7,000 more per year than did workers (1970 data). When the income figures were adjusted for differences between managers and workers in education, age, seniority, occupational status and several other variables, the average manager still earned over \$3200 more per year than the average worker.

47. I would like to thank Robert van der Veen for bringing this specific issue to my attention.

48. This is not the place to enter the debates on the theory of history in general, or the role of the productive forces in such a theory in particular. For a discussion of these problems, see Andrew Levine and Erik Olin Wright, 'Rationality and Class Struggle', *New Left Review*, 123, 1980, and Erik Olin Wright, 'Giddens's Critique of Marxism', *New Left Review*, 139, 1983.

49. The argument is basically that technical change creates a kind of 'ratchet' in which movement 'backward' (regressions) become less likely than either stasis or movement 'forward'. Even if the occurrence of technical change is random and sporadic, therefore, it will generate weak tendencies for historical change to have direction.

Implications and Elaborations of the General Framework

Chapter three proposed a general strategy for systematically rethinking the concept of class structure in terms of exploitation relations. In my earlier work and in the work of many other Marxists, the concept of class had effectively shifted from an exploitation-centred concept to a domination-centred concept. Although exploitation remained part of the background context for the discussion of class, it did not enter into the elaboration of actual class maps in any systematic way. That shift undermined the coherence and power of the concept of class and should now be replaced by a rigorous, exploitation-centred conceptualization.

The task of this chapter is to explore in greater detail the theoretical implications of the reconceptualization which was summarized schematically in table 3.2. In particular, we will examine the following problems:

- (1) The relationship between Marxist and various non-Marxist class theories;
- (2) Mode of production and social formation;
- (3) The traditional Marxist theory of history: historical materialism;
- (4) The problem of legitimation and incentives;
- (5) Class structure and the form of the state;
- (6) The relation of class structure to class formation;
- (7) The problem of class alliances;
- (8) Women and class structure.

In each case my comments will be suggestive rather than exhaustive, indicating the basic lines of inquiry that can be followed from this starting point.