CHAPTER II

DETERMINANTS OF THE NEW MIDDLE CLASS:

SOME MORE THEORETICAL ISSUES
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In addition to an examination of the prelusive theorization on the new middle class, the last chapter provides a critical assessment of certain theoretic concerns pertaining to the renewed debate on this class in mainstream sociology. In continuation with the preceding discussion, attempted in the present chapter is, a critical evaluation of some other determinants of the new middle class and their attendant theoretical issues. These theoretical stances in the main have been propounded by 'surplus class', 'new-petty bourgeoisie', 'New class', Professional-Managerial-class (PMC), 'contradictory class locations' and 'service class' theorists. On the whole, the effort is to develop a comprehensive critique of the prevalent theories of the new middle class.

NEW MIDDLE CLASS AS A SURPLUS CLASS

The fundamental economic and sociological principles basic to the emergence and growth of the new middle class, propounded Martin Nicolaus,¹ are to be found in Marx's analysis of capitalism. The solution is inherent in his labour theory of value - rise in the surplus value creates in between capitalist and worker, an entirely new class of unproductive workers for its consumption i.e. the 'Surplus Class'.

The specific nature of capitalist mode of production is the creation and appropriation of surplus value. While capitalist has ever greater desire for appropriation, only labour is capable of producing the surplus value. Under fully developed capitalism a shift occurs towards the creation and appropriation of relative surplus value from that of absolute surplus value. At this stage surplus value can be seen as broadly constituted by two main components i.e. capital and revenue. Capital forms that part which needs to be reinvested in the form of machinery etc: 1) to decrease that moment of labour which is equivalent to its reproduction, and consequently to increase that moment which is surplus labour; 2) due to increase in investment rate of profit will tend to fall*, mass of profit will rise and both the 'rate' and 'volume' of surplus must rise.2

Revenue is that part which capitalist pays out besides land rent, taxes and interests etc., to himself and to a large number of persons other than productive workers, for the services rendered to his enterprise. According to the law of the increasing surplus, the volume of disposable revenue must also tend to rise; and a part of it, insists Nicolaus, must be


Cf. Baran, P. and Sweezy, P., Monopoly Capital, London: Monthly Review Press, 1966. They consider the 'law of the rising surplus' a substitution for Marx's law of the tendential fall of the profit rate (p.72). However, Nicolaus maintains that the law of the rising surplus is really no substitution at all, but merely another aspect of Marx's law.
expended for unproductive labour:

1) The increase in productivity is accompanied by the emergence of a number of unproductive workers whose services become essential to the growing enterprise. They fulfil the functions of banking (other than bankers who own capital), finance, maintenance, exchange and distribution of commodities etc. Hence the growth of clerks, secretaries, salesmen, lawyers and engineers etc. who must consume a part of the revenue.

2) Surplus production is conditional on surplus consumption. Capitalist extracts more value than what he permits the worker to consume. Increase in the surplus product requires someone other than capitalist, who can afford to consume it. System would collapse were there not a class which consumed more than what it produced. Both these corollaries of Marx's theory of the surplus value constituted what Nicolaus termed the 'law of the surplus class' i.e. 'the law of the tendential rise of the new middle class'.

Thus the emergence of the new middle class is a necessary logical consequence of Marx's theory. Nicolaus argued that Marx's theory of the increasing polarization of class structure was not the only theory consistent with the main core of his economic thought. The polarization thesis dates back to

3 ibid., pp.243-44.
'Communist Manifesto' before Marx had only vague notions of the political economy of capitalism. As he gradually freed himself from 'Hegelian choreography' (movement of Hegel's dialectical categories) and brought both the 'context' and 'content' of dialectics down to earth; he developed a theory that fully anticipated the necessity of the growth of the new middle class in the course of capitalist development. If it remained in embryonic form it was because Marx chose not to develop it further or was prevented from developing it by time.

The textual evidence cited consists of: a few quotes from Marx concerning Malthus; Marx mentioning of nonproductive persons in various contexts, viz. paupers, flunkeys, bootlickers, retainers and servants etc.; and particularly a single quote from the Theories of Surplus Value: "What he (Ricardo) forgets to emphasize is the constant increase of the middle classes.... who are for the most part supported directly by revenue...." 4

The 'surplus class' thesis has not found much currency in academics rather scathing criticisms 5 have been levelled against it. The contention that surplus is a sufficient condition for the emergence of the new middle class is both unpersuasive and incomplete. The factors responsible for the

4 ibid., p.247.

entry of 'technology' within the production process only to decrease the 'labour moment' necessary for reproduction remain unexplained. Thus link between the 'technological' and this 'underconsumptionist' argument is not clear. The capitalist commodification has turned many sectors of the new middle class, which for Nicolaus are unproductive, into producer services, linked them to the production of surplus value and made them directly relevant to the capitalist mode of production. Such class positions are no more just luxury services for consumption and soaking up the surplus value.

Adam Przeworski demonstrates that Marx's "servants" were certainly not Nicolaus' 'middle class'. Such people are unable to find any productive employment and resigned to fate, are left out to 'eke out a miserable existence'. So as to survive they can become nothing but 'servants' only, and for Marx 'from whore to pope, there is a lot of such rubble'. The fact of the matter is that capitalist system of production in the course of development and under the indirect impact of class struggles generates large quantity of labour power, that is not used in the processes either of material production or of reproduction of social relations. This is equivalent of

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Marx's 'surplus labour'. However capitalism does not structure the forms of social organization of this surplus labour, and this surplus labour assumes forms that are a direct effect of struggles. 8

CLASS DETERMINATION OF NEW PETTY BOURGEOISIE

The question of the new petty bourgeoisie, according to Poulantzas, 9 is one of central importance in the Marxist theory of social classes. Thus he attached deep significance to the class determination of those places in the class structure which are strictly speaking neither bourgeois nor proletarian. Poulantzas is mainly interested in the structural determination of classes i.e. the manner in which determination by the structure (relations of production, politico-ideological domination/subordination) operates on class practices - for classes have existence only in the class struggle. 10 The economic is the principal but not the sufficient criterion, since political and ideological criteria also have an important role in determining social classes.

8 ibid., p-90.

9 In his voluminous work, Poulantzas, in the main, is interested in the forms of reproduction of class power and the relations between classes and political structure (the State). We will limit ourselves to his analysis of the new petty bourgeoisie provided in Nicos Poulantzas, Classes in Contemporary Capitalism, London: NLB, 1975.

The process of production and exploitation is at the same time a process of reproduction of the relations of political and ideological domination and subordination.\textsuperscript{11} Basic to the analysis are the distinctions of productive and unproductive labour; and the division between manual and intellectual labour.

\textit{Economic/Political/Ideological Determinations}

Productive labour relates directly to the division between classes in the relations of production. Thus at the economic level separation between proletariat and new petty-bourgeoisie is effected by the performance of productive or unproductive labour. He modified the Marx's conception of productive labour to that labour in the capitalist mode of production, "which produces surplus value while directly reproducing the material elements that serve as the substratum of the relations of exploitation: labour that is directly involved in the material\* production by producing use-values that increase material wealth."\textsuperscript{12}

\begin{itemize}
  \item \textsuperscript{11} Poulantzas, Nicos, \textit{op.cit.}, 1975, p.21.
  \item \textsuperscript{12} ibid., p.216.
  \item \textsuperscript{*} For Marx material content of commodity was immaterial, e.g. a singer if engaged by an entrepreneur who makes her sing to make money is equally a productive worker, e.g. see Gough, Ian, \textit{Productive and Un-Productive Labour in Marx}, NLR, 76, Nov.-Dec. 1972. Gough contends that many unproductive workers such as teachers are indirectly productive because they reduce the cost of socially necessary labour and/or enhance the productivity of unproductive labour.
\end{itemize}
Employing this modified definition he argued that wage earners in commerce, banks, advertising agencies, service industries etc. cannot be included among productive workers; since some of them belong to the sphere of circulation, while the rest do not produce the surplus-value, but merely contribute to its realization. However, transport workers are productive workers, belonging to the working class, because a commodity does not exist until it appears on the market, and in the definition of productive labour, the important factor is the commodity.

The structural determination of new petty bourgeoisie also operates at the political level (domination/subordination) within the production process. The relations of power in production (supervisor/supervised) are a political criteria of class determination. The category of productive worker becomes extended with the growth of 'collective-worker' in industry. As the production process consists of the unity between the labour and relations of production: within this unity the relations of production (which relate directly to the capitalist social division of labour) have dominance and primacy over the labour process (including 'technology' and 'technical process') and the productive forces. Thus "technical division of labour is dominated by the social division."\(^{13}\)

\(^{13}\) Poulantzas, Nicos, op.cit., 1973(a), p.32.
The supervision tasks of collective worker (coordination and cooperation) within the labour process are no doubt integral to the production process, but they acquire the despotic dominant character from the capitalist social division of labour. In this sense supervisors and foremen are agents of direct political domination over the working class, ensuring extraction of surplus-value from direct producers - hence must belong to the new petty bourgeoisie as they are simultaneously being dominated and exploited by the capitalist. The foremen/worker relations of domination/subordination are to be seen as replica in miniature of the global political domination of bourgeoisie over the proletariat.

At the ideological level the domination of new petty bourgeoisie over the working class is manifest in the exclusion of direct producers from the knowledge of the production process; which is characteristic of division between mental and manual labour. This is not to be seen as simple division between 'handwork' and 'brainwork'. Further it is not only a technical division but also a social division of labour. This mental/manual labour must be defined not by reference to the 'content of labour' but by reference to the structure of ideological and social relations of production:

".....every form of work which takes the form of a knowledge from which the direct producers are excluded, falls on the mental labour side of the capitalist production process,"
irrespective of its empirical/natural content.\textsuperscript{14}

**Economiico-Technical Stance**

From the economiico-technical viewpoint the ensemble of engineers and technicians contributes to the production of surplus-value but is simultaneously entrusted with a special authority in overseeing the labour process and its despotic organization (stemming from capitalist social division of labour). Being agents in the maintenance of the monopoly of knowledge, engineers and technicians as a whole, can not be considered as belonging to the working class, hence by implication belong to the new petty bourgeoisie. This is still the structural determination (place in the politico-ideological relations) of the technician class and is not reducible to their class position in conjecture. The politico-ideological behaviour of this ensemble may seem to be contradictory since in class struggles they may take at times the working class' side or the opposite side.

Poulantzas cautions that this is not to be alluded\textsuperscript{*} to the class position in conjecture and insists "that even when engineers and technicians take the working class' side they are not workers."\textsuperscript{15} Further all the work involved in accounting,

\begin{itemize}
  \item \textsuperscript{14} Poulantzas, Nicos, *op.cit.*, 1975, p.238.
  \item \textsuperscript{15} Poulantzas, Nicos, *op.cit.*, 1973(a), p.35 (see Section III: Political and Ideological Criteria, pp.34-43.).
  \item \textsuperscript{*} Because this would undermine the objective definition of classes in Marxism.
\end{itemize}
banking, insurance, services of various kinds, "office-work" and the greater part of the civil service falls clearly on the mental labour side. Manual labour gets restricted to the productive industrial proletarians. Hence all wage labour that does not fall into the categories of proletariat or bourgeoisie (delimited by reference to 'real economic ownership') should be considered as constituting the new petty bourgeoisie.

**Traditional vs. New Petty Bourgeoisie**

Different positions of traditional petty bourgeoisie (small-scale producers, small traders, artisans etc.) and new petty-bourgeoisie (non-productive wage earning workers), in production and economic sphere do, in fact have the same effects at the political and ideological level - hence they constitute a class, the petty bourgeoisie. The contention is that if dissimilar economic class positions in essence generate similar effects at the political and ideological levels, the agents occupying those positions may be considered as fractions of the same class. The work-conditions of new petty bourgeoisie - i.e. non-productive wage earners working in atomised bureaucratic organizations having possibilities of career advancement - provide the material basis for petty bourgeois' politics and ideology. In this sense new petty bourgeoisie must be seen as constituting a fraction of the otherwise relatively unified petty bourgeois class.
Criticisms\textsuperscript{16} of Poulantzas' analysis are numerous. The analysis retains the class-in-itself/for-it-self problematic but the factors effecting transformation of one into the other are not elaborated. Despite introducing political and ideological criteria, the exercise does not escape economism since his class determinations are mainly limited to the sphere of production. Even the distinction class determination/class position employed to avoid economism becomes meaningless as conditions determining the class position are not further elaborated. So much advocacy of class struggle - i.e. classes have existence only in class struggle - is redundant because there is no inkling how such struggles may influence Poulantzas' structures. It may be noted:

"Classes are formed as effects of struggles; as classes struggle, they transform the conditions under which classes are formed."\textsuperscript{17}

Classes by Poulantzas are simply seen as derived from capitalist relations of production, economically determined; thus leaving out an entire area of class struggles within the civil society.


\textsuperscript{17} Przeworski, A., op.cit., 1985, p.92.
as unexplored. Ideology is narrowed down to capitalist social division of labour leaving no scope for a broader definition of ideology covering other areas viz. nationality, race and sex etc. Whether different economic locations really produce the same ideological effects is unclear e.g. whether the meaning of careerism as an ideology is the same to traditional petty bourgeoisie and new petty bourgeoisie can not be ascertained. Throughout the analysis the mental/manual division shows a continuous tendency to fall into the traditional meaning of the distinction i.e. 'hand-work' vs. 'brain-work'.

Further Poulantzas has been criticised for making use of a restrictive definition of both the manual labour and productive labour - as he insisted on the material form of the product. This has no basis even in Marx. Surplus value may be materialized in singing or lecturing etc. if such workers serve towards the expansion of capital. 18 It has been argued that while discussing the spheres of 'production' and 'circulation', Marx was addressing only to the problem of the functioning of different fractions of capital in the global process of accumulation and not at all to the question of the class membership of commercial employees. Marx's concept of productive labour is not in itself relevant to the question of class determination and there is no evidence that Marx

intended the concepts of productive and unproductive labour as definitive of a class division. In the last, missing are also the analyses of concrete work process and the mode of subordination to capital - a vital process since it is linked to the new petty-bourgeois consciousness.

THE NEW CLASS AND THE PROFESSIONAL-MANAGERIAL-CLASS (PMC) THESSES

The New Class

Alvin Gouldner contended that bourgeoisie 'was born with a legitimation crisis'. As this class ruled indirectly it needed to hire persons for the enforcement and legitimization of its dominance. Over a period these employees of bourgeoisie acquired control over ideology and used it simultaneously to legitimize their own positions - ultimately in place of the bourgeoisie. These political and cultural employees of the bourgeoisie emerged as the 'new class' - constituted mainly by a secular intelligentsia. For Gouldner this new class is the product of a series of historical 'episodes' only one of which was the development of markets. Otherwise most of the key historical advances were cultural and scientific generated


* Other related works are: Bruce-Briggs (ed), The New Class?, New Brunswick, N.J., 1979; Konard, G. and Szelenyi, I., Intellectuals on contd..
by intellectuals transcending changes in political economies.

The power of the new class does not lie in its contribution to production. "It is not true that education necessarily increases productivity." This power can be determined as far as means of production are concerned, in terms of the concepts of 'cultural capital' or 'human capital' - the capacity of the new class to generate a 'culture of critical discourse'. The new class has created conditions conducive for the transformation of its 'command over critical discourse' into cultural form of capital by establishing credentials, which means, "incomes are set aside for those possessing culture or certain forms of it, while denying these incomes to those lacking it."22

The enhanced capacity of the new class to claim incomes for their credentials i.e. increasing value of its cultural capital, is basically a function of the weakness of the old dominant class i.e. bourgeoisie and not by any means reflective

* (contd.)


21 ibid., p.21.
22 ibid., p.25.
of the strength of the new class. The separation of economic
dominance from cultural legitimation under capitalism has
created social space for the establishment of this new class
and has set its course to embark upon a campaign to capture
political power. In essence, the new class is striving to-
wards political power. On the whole, the new class is a strong
class, even a class-for-itself, but not a coherent one and not
without contradictions.

Gouldner has been criticised\textsuperscript{23} for attaching prime
importance in his generic definition of capital to the acquisi-
tion of incomes (and political power is given secondary
importance). But this notion of capital as the capacity to
earn incomes has only limited significance in defining class
relations. The intellectuals are thought of as a rising cultural
bourgeoisie since the basis of their special privileges and
powers lies in the control of valuable cultures i.e. because
they can capitalize upon their credentials and cultural
competence. However Gouldner remains enigmatic\textsuperscript{24} about the
meaning of 'individual control' or the 'private appropriation'
of culture; the sources and mode of initial accumulation:

\textsuperscript{23} Szele\textsuperscript{ny}i, I., 'Gouldner's Theory of Intellectuals
as a Flawed Universal Class', \textit{Theory and Society},
Vol.11, 1982.

\textsuperscript{24} Dick, Pels, \textit{op.cit.}, 1986, pp238. See also,
Chap. 8, Intellectual Closure and the New Class.
valorisation of cultural capital and the ways in which this 'capital stock' may be withheld and serve as a basis of enforceable claims to class incomes.

**Professional-Managerial-Class (PMC)**

In the PMC thesis Barbara and John Ehrenreich suggested a 'three-way polarization' class model - the capitalist class, the working class and a third formation i.e. professional-managerial-class (PMC). It is not a 'residual' class like the petty-bourgeoisie that lies outside the polarity of capital and labour. Contrariwise PMC is employed by capital and it manages, controls and has authority over labour; and is specific to the monopoly stage of capitalism. In essence it is constituted by:

"salaried mental workers who do not own the means of production and whose major function in the social division of labour may be described broadly as the reproduction of capitalist culture and capitalist class relations."  

Included in this class are a large number of loose categories and disparate occupations viz. engineers, managers, professionals, university employees, civil-servants, social workers and reporters etc. - educated wage labour characterized by a common culture and lifestyle. Two essential conditions

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26 ibid., p.12.
for the existence of PMC are: the accumulation of sufficient surplus to sustain this class and its necessity for the reproduction of capitalist class relations.

Taylorization of production, emergence of mass institutions of social control and the commodification of working class' lifestyle did not simply 'develop', but had required the efforts of more or less conscious agents. The expropriation of productive skills posed the need for the intervention of scientific management experts; and the destruction of autonomous working class culture led to the emergence of new culture producers. Thus PMC came into existence by virtue of the expropriation of the skills and culture indigenous to the working class.27 In this process PMC developed contradictory interests to that of working class. Hence the relationship between PMC and the working class is objectively antagonistic and their functions being mutually contradictory.

On the other hand members of PMC are not to be seen as simply 'passive recruits' performing various roles under monopoly capitalism. As the social surplus accumulated and the struggle between bourgeoisie and proletariat intensified, PMC visualized its own self-interest as linked to the reformation of capitalism. They argue, that 'efficiency', 'order' and 'rationality' were not in themselves the visions

27 ibid., pp.16-17.
of the capitalist class. It was PMC which struggled to achieve these goals, mediated the fundamental class conflict between the proletariat and the capitalist and thereby created a rational reproducible social order. 28

Throughout its historic struggles, PMC nurtured strong antagonistic interests against the capitalist class over such issues as academic freedom, professional independence, role of the expert, progressive reforms and consumer issues etc. Since the conflict between capital and all types of wage-labour (including PMC), still remains unresolved, this antagonism has turned PMC into an enduring reservoir of radicalism (from progressivism, socialist ideology to the radicalism of the New Left). Like working class there exists an objective antagonism between PMC and capitalist class. On the whole the possession of specialized knowledge ensures that PMC can control its own reproduction.

The class status of PMC has been questioned. 29 The analysis particularly built as a critique of the 'new working class'* thesis, resists stubbornly to take note of any

28 ibid., p.19.

29 For different opinions concerning the PMC thesis, by Al Szymanski, David Noble, Erik, Olin Wright, Stanley Aronwitz and others, see Pat, Walker, op.cit., 1979.

proletarianizing tendencies within the PMC. Despite the admittance that class boundaries of PMC with the working class and capitalist class are fuzzy, authors refuse to attach any significance to this aspect. The existence of fragmentation within PMC has been noted and it is pointed out that its members have no common unifying class interest. According to Ehrenreichs PMC creates under capitalism a 'reproducible social order'. This aspect can be viewed as conducive and compatible to the growth of both the PMC and the capitalist class. However the authors have preferred to draw the opposite conclusion in an a priori fashion while maintaining that there exists an objective antagonism between PMC and the capitalist class. Lastly, there in the analysis, are made certain flimsy suggestions about the possible political alliances between the PMC and the working class - a true reflection of the superficiality of American Marxism.

'DOMINATION' OR 'EXPLOITATION': CONTRADICTORY CLASS LOCATIONS

Structural Relations of Domination/Subordination

Eric Olin Wright30 in an earlier analysis maintained that determined in terms of structural relations of dominance and subordination within production; there can be identified either

basic class locations or locations that are simultaneously in more than one class - positions which he characterized as "contradictory locations within class relations". The underlying theoretical assumptions are:

1) simultaneous existence of different modes of production; 2) increasing differentiation of economic ownership and possession, in the organization of complex enterprise and within managerial and supervision hierarchies, and 3) the recognition that relations of appropriation within production are at the same time relations of domination.

The relations of domination/subordination are derived from control/lack of control, over three types of resources: investments and process of accumulation; physical means of production; and labour power. However these dimensions of control are in no way equivalent to each other. The bourgeoisie has control over all the three resources, while proletariat has over none of these. These are basic class locations. In between bourgeoisie and proletariat there are wage-earners (managers, engineers, supervisors etc.) who exert control in varying degrees over these resources - these positions are contradictory locations within a mode of production.

Further, there are contradictory locations in between different modes of production. Small employers occupy a contradictory class location between bourgeoisie and petty
bourgeoisie (petty bourgeoisie being a social formation specific to another mode of production). Semi-autonomous employees form a contradictory class location between the petty bourgeoisie and the proletariat. Thus in this analysis, new middle class as such is not a class, rather there exists a variety of contradictory class locations in the class structure. Criticisms\textsuperscript{31} of this formulation will not be discussed here, since very recently, Wright has himself retracted and abandoned this theoretical position.

Restoration of Exploitation in Class Analysis

Over a period Olin Wright grew critical and dissatisfied with the concept of "contradictory locations within class relations" that rested almost exclusively on relations of domination within production. He felt the need to restore "exploitation" at the centre of class analysis\textsuperscript{32} to accommodate the empirical complexities of the 'middle class'. The impetus for such a reconstruction of exploitation-centered concept of class came to him from the recent work of John Roemer.\textsuperscript{33}


Roemer insisted that domination within production is not a central part of defining class relations. Classes must be defined as positions within the social relations of production derived from the relations of exploitation. Two strategies are adopted to elaborate exploitation:

1) the 'labour transfer approach' i.e. the flows of "surplus labour" from one category of actors to another in the course of various exchange relations, 2) the 'game theory approach' adopted to specify and compare different forms of exploitation.

The centrality of analysis is that the material basis of exploitation is specific to inequalities in distributions of productive assets (referred to as property relations). While inequalities of assets are sufficient to account for transfer of labour process, however different forms of asset inequality specify different systems of exploitation. In essence he establishes the linkage between the distribution of productive assets of various sorts and exploitation. Different mechanisms of exploitation are subject to the 'withdrawal rules' of different kinds of assets, i.e. alienable assets (physical assets) and inalienable assets (skill assets).

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Roemer's analysis does not rely on the labour theory of value. He shares the thesis that labour theory of value should be dismissed entirely - it is simply wrong as the basis for any theoretical understanding of exchange and unnecessary for an understanding of capitalist exploitation.
With suitable modification and extension of this general premise, Olin Wright attempted to redefine the concept of exploitation in terms of control over various types of 'assets':

1) control over the means of production corresponds to the exploitation of wage-labour by capital; 2) control over 'organization assets' corresponds to the type of exploitation found in bureaucratic state socialism (but also present embryonically in capitalism); and 3) control over skills and credentials corresponds to the exploitation of the unskilled by the skilled. 34

While treating these as distinct dimensions he suggested that certain positions in the class structure are simultaneously exploiters and being exploited in terms of control over one or the other dimension. Such positions are contradictory, hence form the ambiguous middle class. "The central argument in the reconceptualization of the 'middle class' is that such positions are simultaneously exploiters and exploited. This is precisely what defines the complexity of their class interests and puts them into ....'contradictory locations within exploitation relations'. 35

Wright has been criticised 36 because whole approach tends to boil down to the notion of exploitation of one

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35 ibid., p.285.
individual by another. It looks as if Roemer and Wright measure exploitation in terms of each individual's comparisons of relative advantage under existing and hypothetically different social conditions. The phenomenon of collective-worker—constituted by a diverse group of workers, has been ignored in the treatment of exploitation. Following Wright one might conclude that a part of collective worker exploits the other part of it. Further he designates certain assets as important largely because they have income consequences. This is vivid in his empirical investigations while examining relationship between class structure and income inequality. The notion of 'exploitation' is reduced to inequalities of income, skill and position etc. raising the possibilities of arbitrary demarcations within the class structure.

THE SERVICE CLASS

Theory of Delegation

The notion of the service class was initially formulated in the work of Karl Renner. With the development of

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37 Wright, E.O., op.cit., 1985, see Chap.6.


* Roemer's analysis of exploitation is built on hypothetically constructed societies on imaginary islands.
capitalism, capitalist delegates to paid-assistants certain functions of capitalist economy. Renner argued that capital took the cue from the functioning of the state. State required personnel to perform the functions (other than production) of internal and external security and administration of law (viz. police, military, legislature and judiciary). Initially paid in kind, however with the development of money economy, these personnel acquired the salaried status. They are paid not for the direct contribution to the production process but for the maintenance of law and order; and salaries flow from the taxes and duties extracted from the 'economic process' by the government. Similarly the capitalist made use of the services of various personnel both within the economic enterprise (production) and in associated fields e.g. in circulation to dispose of the values that have been produced.

At the outset, this 'employee relationship' functioned on the basis of 'contract', but through time 'trust' became firmly established in the form of 'service relationship'. "The code of service as a more or less hierarchical norm replaces ... the labour contract. The position is officially confirmed and dismissal is only possible in specific circumstances ..."39 The extension of this legal relationship led to an enormous growth of the service class in the form of economic service (managers etc.), social service (distributive agents etc.).

39. ibid, p. 114.
of welfare services), and public service (public, official agents).

"The service class has emerged alongside the working class in the strictly technical sense". 40

In the beginning this new social strata was propertied having generally bourgeois middle class origins, materially and intellectually opposed to the working class and had caste-like qualities. However, with the passage of time and due to nationalization etc. as the gap between public services and private employment narrowed down, these caste-like qualities of service occupations gradually faded into a distinct class character. The majority of its members grew propertyless and the bridge between the situation of the employee and that of the worker got established. In life style the service class became closer to the rising working class, the distinct boundary lines showing signs of disappearance.

Fritz Croner 41 further developed this functional definition of the salaried employee and defended the 'theory of delegation' by arguing that white-collar occupations have, at least historically, grown out of the once entrepreneurial tasks. The rudimentary functions of supervision, planning, administration and commerce were initially fused in the entrepreneur proper. Over a period some of these functions got first distributed among the family members, and then were delegated to assistants employed from outside. Later on the enterprise required the services of ever increasing large number of subordinates, as these executive functions got further subdivided into specialized jobs and occupations. Ultimately due to increasing

40. Ibid.
division of labour, the functions of supervision within produc-
tion were completely separated from the functions of adminis-
tration and managerial authority.

Croner has been criticised for this simplistic and
functional approach; and for the construction of an hypothetical
original employer. Moreover all the jobs may not necessarily
have the supervision, administrative and commercial functions.
This singleminded theory of delegation from employer to
employee ignores also the shift of responsibility from one
group of workers to another group within the division of labour.

Authority Relations

Dahrendorf\(^\text{42}\) observed that according to Renner this theory
of delegation is even more clearly applicable to 'Beamte' --
the public bureaucrat. Retaining the essential idea of
'delegation', however rejecting the notion that it performs the
services for the capitalist; he rather situated the service class
within the context of bureaucracy. Service class is constituted
by all the bureaucrats (from lowest to highest rank) serving
in well defined hierarchies and having possibilities of promotion
and social mobility. It is committed to ruling norms and
through delegation of authority performs the functions of the
administration of laws (public or private, formal or sanctioned).

Social outlook of service class is conditioned by the

occupational context of bureaucracy i.e. "authority relations

(Summary of Croner's original work Die Angestellten in der
modernen Gesellschaft, Frankfurt, 1954 is available in
this volume)

42. Dahrendorf, R., 'The Service Class', in, Burns, T.(ed.)
between positions which are ordered systematically; appointment and promotion which are regulated and based on contractual agreement; technical training (or experience) as a formal condition of employment\textsuperscript{43} are translated into a hierarchical image of society. Since it administers and thereby defends the values of social order, this class acts as a strong conservative force both as an obstacle to and vehicle of social change. In essence it furnishes a bridge between the rulers and ruled.

For Dahrendorf its members are reasonably well off and there are no visible signs of proletarianization. The fact that they are torn by individual competition, in no way rules out the possibility of collective action under certain historical circumstances. The existence of a large gap between top and bottom of hierarchies of course results in substantial differences in outlook among various employees. Dahrendorf, however, maintained that the very fact that all these positions are rungs on the same bureaucratic ladder, is a sufficient condition to lump them under the service class. To be specific service class is not a class but an appendage of the ruling groups. "In one possible usage of the term 'class' ruling groups plus 'service class' might be called the ruling class of a society".\textsuperscript{44}

Must we note that there is no dearth of such arbitrary usages of class, which are, if to insist on Dahrendorf's

\textsuperscript{43} ibid., p.146., (see for Attributes of Bureaucracy by Max Weber, Wirtschaft und Gessellschaft, Tubingen, 1956. (4th ed.)).

\textsuperscript{44} ibid., p.148.
phrasiology, "extremely confused as well as confusing." 45
For Goldthorpe, 46 e.g. the upper part of Dahrendorf's service
class, plus independent businessmen and 'free' professionals
constitute the service class. In this seven class schema,
service class is placed at the top of class structure.
Included in it are big proprietors, company directors and
managers of big industrial houses, higher officials and
administrators (of central and local governments, public and
private concerns), higher professionals (both independent and
salaried).

Thus in this analysis service class can no more be seen
as an 'intermediate class' unified by virtue of performing
services for the capitalist class or as located exclusively
within bureaucracies, rather it turns out to be an arbitrary
conglomeration of disparate occupations. However in a
later study 47 Goldthorpe has adopted a definition akin to the
notion of 'delegation' by arguing that service class has
grown apart from other managerial groups for the simple
reason that the bourgeoisie has to delegate some of its
authority and requires specialized knowledge and expertise.

45. ibid.
46. Goldthorpe, J.H., Social Mobility and Class Structure in
47. Goldthorpe, J., 'On the Service Class: Its Formation
and Future', in, Giddens, A., And Mackenzie, G.,(eds.),
Social Class and Division of Labour, London: Cambridge
University Press, 1982.
Recent Theorization on the Service Class

A more recent impetus to the theory of service class comes from Abercrombie and Urry. For them social classes are:

1) sets of social relations connecting together places within the social division of labour;
2) conceptualized in terms of market and work situations;
3) seen as involving important processes of recruitment which in part affect the structuring of such places.

The analysis further takes into account the development of capitalist social relations, the assignment of capitalist functions to class places and the relationship of such functions to market and work situations. Within this general framework they have analysed the significance of knowledge and educational credentials, separation of mental and manual labour, growth of educated labour and more particularly the 'socialization of unproductive labour' under capitalism.

The transformed relationship of 'labour' and knowledge has resulted in the increasing divorce between 'conception' and 'execution' and in maximising the educational requirements of places within the social division of labour. The credentialization of both places and persons has concentrated capital functions within the service class while deskilling the white-collar labour process: the capital

49. ibid., p.152.
functions are siphoned up into the service class and the routine white-collar workers are proletarianized.

"... the service class performs the functions of control, reproduction and conceptualization -- necessary functions for capital in relation to labour."50

In contradistinction to Renner, the service class performs functions delegated from capital and not for a distinct capitalist class. However similar to Dahrendorf it is situated within the context of bureaucracies. In terms of market and work situations:51 service class is not a class 'in the middle'; service class and capitalist class are becoming less distinguishable from each other (due to impersonalization of capital)*; service class and small capitalists (combined ownership and control) are classes placed side-by-side rather than hierarchically arranged; small capitalist places are marginal to the working class since they may any time lose the capacity to employ labour power; and independent professionals are marginal to the service class and small capitalists.

Further deskilled white-collar workers' position is similar to the traditional manual working class i.e. low pay, poor mobility, extreme subordination and routinized jobs. In contrast service class positions have relative freedom and autonomy from control, a degree of participation.

50. ibid., p.122.

51. ibid., pp.111-125.

* For the separation of ownership and control, referred to e.g. as the 'impersonal capital', see also, Cottrell, A., op.cit.,1984.
in the exercise of authority, better financial condition and prospects of career mobility. The salient features of the service class are: 52

1) it consists of non-propertied, dominant places within the social division of labour;

2) is located within institutions and performs 'services' for 'capital';

3) enjoys superior work and market situations;

4) recruitment is regulated by differential possession of credentials; and

5) its composition is subject to variation because of capital/labour conflicts, gender conflicts and struggles over issues concerning credentialism, professionalism, state and national economy etc.

The service class places are not automatically produced by developments within the capitalist mode of production and accumulation, and must not be viewed as directly determined by economic laws. They are also the product of struggles within and between classes. The process of reorganization of knowledge involved various kinds of economic, political and social struggles producing significant consequences within the class structure; 53 increasing the development of the 'socialization of unproductive labour';


separating mental and manual labour further apart; credentia-
izing both places and persons; concentrating capital functions
within the service class while deskilling the labour process;
effecting separation between service class and routine white-
collar workers and ultimately transforming the political
position of labour.

Thus the diverse forms of 'middle class' struggles
and certain other changes in contemporary capitalism (e.g.
depersonalization of capital etc.) weakened the powers of
'capital' and 'labour', while significantly enhancing the
'causal powers' of the service class. Consequently a causally
powerful 'third force' has emerged within the interstices of
organized capitalism i.e. the service class, which has a dislo-
cating effect on the relationship between capital and labour.54
To be specific the service class, according to this analysis,
should be seen as a class-in-struggle.

The analysis suggests that a 'line' can be drawn
between deskillled white-collar-workers and the service class
of privileged bureaucrats, technocrats, professionals and
administrators working in various organizations. While
noting differentiation within the middle strata (described in
the service class) on the basis of 'allocative control' and
'operational control' Carter has argued that,

"organic unity of management and capital has been


* Johnson e.g. has also argued for a similar type of polari-
ization -- i.e. erstwhile 'middle classes' of modern
capitalism -- constituted among others, by semi-autonomous
employees, service professionals and middle level adminis-
trators are being polarized by developments within the capi-
talist mode of production. Johnson, D., Class and Social
Development: A New Theory of the Middle Class, California:
ruptured ... the management has polarized to the extent that it is possible to identify a clearer coalescence of the new middle class". 55

Even while carrying out the functions of capital, this type of polarization within management poses an ever increasing need for the new middle class to defend itself against the corporate capital. Moreover strategies of capital have alternated between 'integration' and 'deskilling' and there is no justification to give primacy to only one necessary tendency of 'control' and centralization as argued by Abercrombie and Urry. The proposition of diminishing differences between service class and capitalist class 56 due to depersonalization of capital is illusory and only a mystified surface-form of capitalism. Research reports indicate that number of real economic owners (makes of vital policy-decisions) remains small and limited, despite the expansion or growth of a capitalist corporation. 57 The tendency to equate skill levels with class distinctions has also been questioned.

56. The capitalist class is evolving into a cohesive, well organized group at the top of large corporations concentrating control over economic resources in a few hands; see e.g. Nichols, Theo, Ownership, Control and Ideology, London: 1969 and Scot, J., Corporations, Classes and Capitalism, New York: 1979.
Meiksins has noted that the basis of 'conflict' and 'exploitation' between the skilled and deskilled, 'is hardly the same thing as the irreconcilable long term conflict of interest implicit in the exploitation of the proletariat by the bourgeoisie'.

Crompton and Jones have argued that there exists a strictly situational commission relation that varies depending upon the importance of the services and the loyalty of servants. They have criticised the service class theory for the lack of a clear 'line' of demarcation (as assumed) between routine white-collar tasks and administrative, professional and managerial work; and for the not so stable position of the service class vis-a-vis the 'master class', the bourgeoisie.

The critique of the prevalent theories of the new middle class, as developed in this as well as in the last chapter has revealed the complex and inconclusive nature of the ongoing debate in this area of class structure. A large number of competing theories have attempted to resolve the problematic of the new middle class since the turn of this century. However the diversity of solutions to the problem of the class nature of the new middle class suggests that there are wide range of disagreements about the exact composition of this class, the basis of its class formation, and its location within the class structure.


From the very outset the debate remained centrally concerned with the class structures of capitalist societies and was heavily influenced by the developments within capitalism. The prelusive theorization fluctuated corresponding more or less with the political turmoils in Germany. This earlier debate, no doubt had generated valuable insights, but the whole effort did not materialize towards the construction of a correct and coherent theory of the new middle class.

The later debate in mainstream sociology was met both with an unnatural enthusiasm or stubbornly neglect. Theorists following Weber often held up this social formation as a refutation of Marxist theory of class. Their overconcern with empirical descriptions of socio-economic nature, devoid of any historical perspective bogged down the whole issue to heterogeneity — amounting almost to the abandonment of the notion of class. Marxist scholars in the beginning considered this class nothing but a new working class and the whole exercise remained limited to cast it in the political role of the traditional proletariat. Later on even while recognizing its social distinctiveness, a perverse kind of optimism still prevails to somehow contain the problematic within the Marxist theory of polarization.* Most of the theories have tried to split the new middle class and forced

60. While discussing the theories of new middle class conventional distinction in terms of Weberian and Marxist perspectives becomes hazy, and we have not adhered to it in our analysis; however here we mean only in general sense.

* There are exceptions like that of Wrights' 'contradictory class locations'.
the analyses to the side of either capital or labour.

Bottomore has noted that Marxist analyses are devoted mainly to the conceptual level or when dealing with empirical matters are not located clearly in the general structure of class relations; and one notable common feature of all the analyses is their profoundly unhistorical* (and, in a wider sense, insufficiently sociological) character. Przeworski notes:

"In sum, the recent attempts at reinterpretation of Marx's theory of the 'middle class' point to a new direction for the development of Marxist theory. Yet thus far they do not advance much beyond Kautsky's analysis". 62

Marxist theory of class is still confronted with serious difficulties to build an adequate analysis of the new middle class.

Recently the Weberian theory has increasingly recognized the importance of production relations, and Marxist theory while not solely limiting itself to the 'mode of production' has taken note of good many other significant developments within capitalism. Thus both neo-Marxist and neo-Weberian theorists have found a converging ground in this

* One sound contribution is a recent exception that employs the historical perspective, see, Carter, B., op.cit., 1985.
area of class structure between labour and capital. However, despite this development, most of even such analyses have only notoriously slipped in and out of market and work situations -- the effort is far from concrete theorization of the new middle class.

In sum: there is no dearth of disparate solutions to the problematic of this class, employing a variety of arbitrary criteria. The more general problem of the interests of the new middle class and its political orientation remains unresolved. The social and political significance of this class is yet unclear. The epistemological potential of the paradigms involved seems to have exhausted. The etymology of 'class', 'class struggle', 'exploitation', 'civil society' etc. and the very 'social' needs to be liberated from the morass of this debate.

An adequate theory of the new middle class must:
1) locate its class essence;
2) determine the objective basis of the genesis of this class;
3) successfully integrate the 'subject' of history with the 'objective-basis' of its social existence;
4) explain historically the processes of its structuration and class formation in society;
5) furnish a concrete and clear statement about the 'social' and 'political' project of this class.
The contention here is that such a theory of the new middle class can only be constructed beyond the parameters of the existing debate.

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