

CLASSES IN ADVANCED CAPITALIST SOCIETIES

(THIRD CLASS ISSUE)

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I. INTRODUCTION

In this paper, the question of whether there is a "third class" in advanced capitalism or not will be examined. Marx's and Weber's framework will be employed in order to analyze advanced capitalism and its class structure. Before doing this, I will first work on Marx and Weber's theories on classes in detail.

Class and class relations in industrial and advanced capitalist societies have been subject to a big debate among Classical Marxist, Neo Marxist, Neo Weberian and the other sociological school representatives. As far as the existence of the third class issue is concerned, the debate becomes more complex. Therefore, I will look at Classical Marxism and Weber's classic study on classes, status groups, and parties. I will not employ any neo Marxist and new Weberian perspectives in this study. Within these constraints, I am limiting my choice to some of the class issues but not all inclusive. Indeed, a more comprehensive study requires a lot more research and time than this study entails.

II. THE CLASS THEORY OF MARX

In Marxism, class is the main theme next to forces of production and relations of production. Class is the agent of the social change and all written history, for Marx, is "the history of class struggle". "Capitalism is the last class society, human beings will have a classless society when socialism is realized by the working class. To Marxism, if this revolution does not take place, the civilization will end and humanity will come face to face with Barbarism (Kelly 1985: 64). Throughout history each epoch of social-economic development has different class types and class struggles between them. In this process all types of societies have in common a surplus and its extraction that also differentiates societies in history. Therefore, it is vital to analyze how surplus is created and extracted and this can be understood by examining class relations in societies. In

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short, class struggle has been between the ruling class which owns the means of production and property and the producing class which has no property but labor-power.

In order to analyze societies and classes, Marx uses abstraction models. He classifies societies according to their developments in his study: slavery, oriental despotism, feudalism, and capitalism; that they are class societies and in the future, socialism—classless society. Each of these societies has a production model but their production model is not always pure. Different production systems could exist in each of these particular societies. Here, from a methodological point of view, Marx and Weber come close to each other. Weber's "ideal type" abstraction refers to "pure" situations of societies or institutions but Weber also says in reality a society or institution could have more than one ideal type feature concurrently.

Co-existence of different production systems—relations of production—is seen precisely in transitional societies. When the old production system is disappearing, the new production system grows up in this period. With Marx's own words ". . . [n]o social order ever disappears before all the productive forces for which there is room in it have been developed" (McMurtry 1978: 193 n4). ~~Co-existence of different production systems can also be seen in societies which~~ follow the advanced capitalist societies in order to provide a rapid social and economic development.

The relation between the type of society and production system is threefold: first, there is a base factor; forces of production or technology; second, there is a determined factor; that is, relations of production; and third, the relations of production corresponds to the base factor or it does not exist. These relations are very strong in Marx's framework. He says that "[t]he hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist" (McMurtry 1978: 190). So it is clear that for Marx, change in relations of production changes the society and its class structure. This is opposition to Weber who says "Changes in culture changes society." Marx employs relations of production not only to explain the formation of classes but also society as a whole and institutions in it.

For Marx, the relations of production in a society overlap its division of labor. With division of labor, Marx is referring to "a principle form of the ruling class economic oppression" and does not refer to division of task: "a principle technique of advanced productive forces" which has been used since Adam Smith. He further says that in Communist society, division of task will remain while division of labor will be eliminated.

From this perspective, division of labor is a mediating category between technological relations and economic relations and individual's position in division of labor depends on his or her effective ownership of production forces (McMurtry 1978: 80, 80 n14, 81).

Relations of production also involve power that gives a higher position to relations of production than to legal or political relations which involve merely rights. Indeed, power and rights could be together, but usually they are not. Also, power, in contrast to rights always requires material enablement. Further, property owners use the power to exploit forces of production and exclude others from doing so. Therefore, relations of production are relatively more "real, basic, or essential" than legal or political relations (McMurtry 1978: 78,81).

Relations of production have been subject to change from stage to stage. This is due to:

1. Its relation with force of production that mostly determines economic structure, and
2. It is laws of motion which are related to laws of exchange and surplus extraction and changes from age to age so that when forces of production change, the laws of motion and relations of production also change. These sequence changes form a new type of society.

The laws of motion, in general, refer to "...every exchange between the ruling class and the productive classes yields surplus value to the ruling class" (McMurtry 1978: 82, n16). The laws of motion of relations of production are directly related to the ruling class patterns and exchange of productive forces which characterize the economic structure. For example, in capitalist economic structure, exchange of labor power and wages between capitalist and working class is a continuous process. This exchange must be unceasing in order to remain the capitalist as capitalist and to remain workers as productive. Laws of motion in capitalism reveal capitalist ruling class patterns by specifying constant qualities, standard modes and regularities of circuit of productive forces, in repetitive and structure-confirming exchange between capitalist and working class. In capitalism, the laws of motion have an important place for Marx because only in capitalism, money is no longer a medium for exchange (use-value --- money --- use-value), but money itself is an end (money --- use-value --- money). This situation for Marx leads to systematic dehumanization of society's production processes (McMurtry 1978: 90-91).

In Marxist's framework, there are two essential classes in a society, There has always been a third category between these two extreme classes. The main

criteria that defines classes is the ownership of forces of production. The ruling class has the ownership of forces of production while the producer class does not. Ruling and producer classes are in slavery societies: slave owner and slave; in feudal societies: feudal lord and feudal serf; in capitalist societies: capitalist and working class, respectively. The relations and surplus extraction between ruling and producing classes are very clear in ancient slavery and feudal societies due to their "personel dominant" characters. In a capitalist society, these relations, particularly surplus extraction, are not seen easily because of its impersonal character.

To Marx, classes must have another attribution in order to be counted as a real class besides the criteria of ownership of forces of production. This second criteria is to be "historically significant; that is, there must be a contradiction between classes. For Marx, when classes have these two criteria, they are real economic classes and when there is no contradiction between them, they are classes only in name". In the same token, classes in an economic structure are only classes "in itself" and when they are aware of themselves as class and organize as a result of class consciousness, classes turn themselves class "for itself". This process is not an economic issue but a political issue that leads to political struggle (Mc Murtry 1978: 95, 96). So that even if class consciousness does not exist, the class itself is still existing but this is an objective situation rather than a subjective one. In capitalist societies, the ruling class is capitalist class and the producer class is working class. While "[m]embers of the ruling class own enough productive forces other than their personel labor-power that they can exploit them to yield ...-all the revenue that is required and more for subsistence above the social standart, ...[m] embers of the productive worker class own insufficient productive forces other than personal labor -power to subsist at anly level without exchanging the later for the means to stay alive" (McMurtry 1978: 85-86). These classes are further divided into subclasses. Ruling class' subdivisions are determined according to the criteria of "what sort of surplus-value-yielding external productivve sources are owned, such as landed property, machinery or fluid capital"; working class' subdivisions are determined according to the criteria of "what sort of personal labor-power is owned such as skilled or unskilled labor-power". Subdivisions within these two classes are not important for Marx because contradiction among subclasses is rare. Therefore, Marx takes subclasses into account when there is contradiction among them, but for Marx such conflict is secondary and derivative (McMurtry 1978: 86-87). Besides capitalist and working classes, Marx considers two other groups "petty bourgeoisie" and "ideological classes". Petty bourgeoisie such as independent producers, small masters, and shokeepers have some ownership of forces of production but this ownership is relatively very small and the mode of

exchange of such productive forces is relatively independent of the surplus-value-extracting and laws of motion of the capitalist economic structure. Ideological classes such as lawyers, soldiers, priests, personal servants, salesman, bureaucrats, police, entertainers, judges, lumpen proletarians do not own any significant productive forces. Therefore, they are not considered as economic classes. They are of importance for Marx because (1) they are "parasites" –they live off the surplus value extracted by the ruling class from the productive working class- and (2) they protect the capitalist (ruling) class economic order due to their ideological roles in the system (McMurtry 1978: 88,89).

The ruling class pattern in capitalist societies reveals the basic contradiction between the capitalist class and the working class. In this relation capitalist class not only tries to protect but also to increase its monopoly in the system. Therefore, even though there could be some changes in relations of production, the economic structure itself and its Laws of Motion do not change. For example in the course of time in capitalism, petty bourgeoisie is being reduced to wage-laborers; wage-laborers are being reduced to lumpen proletarians; and individuals change their economic positions. Even the number of capitalist class is reduced. In this whole process, the extraction of surplus labor remains constant (McMurtry 1978: 84-85, 96).

III. WEBER: CLASS AND STATUS GROUPS

In Weber's analysis of social stratification power is the central theme other than class, status groups and parties. Social stratification reveals distribution of power in society. Weber defines power as "... the chances which a man or a group of men have to realize their will in a communal activity, even against the opposition of others taking part in it" (Weber 1992a: 43). In this definition, it is clear that men's fate in society greatly depends on how much power they have. Classes and status groups and parties only reveal the distribution of power; therefore, class and status groups are not two dimension of stratification, but they represent two possible and competing modes of group formation (Giddens 1980: 44).

Weber classifies societies as status societies and class societies. While a status society is mainly structured by status groups, a class society is structured by classes (Weber 1992b:61). To him, status societies had prevailed in Ancient and all Middle Ages. In these societies, privileged status groups structure the whole society and its institutions. Here, it is possible to think a simillarity between the role of Weber's privileged status groups hegemony and Marx's ruling class functions in society. With capitalism, classes became dominant in societies. For Weber, capitalism is a class society because, first, capitalism

extends the range of market operations and, second, it is based on the relationship between capital and free wage-labor (Giddens 1980:50).

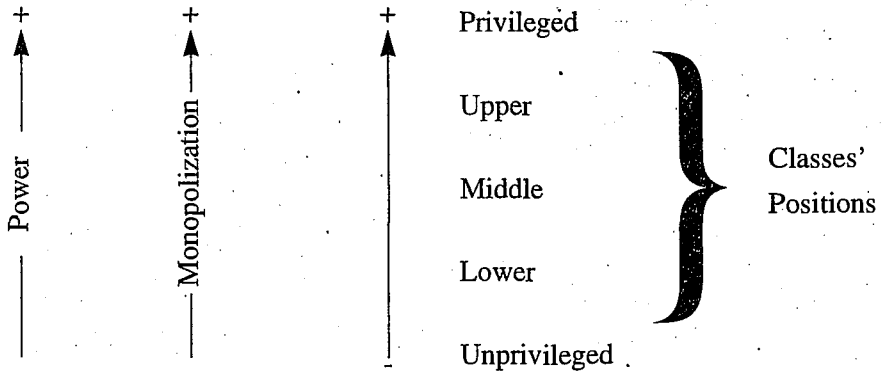
The weakness position of classes in the past could be explained by development of markets. For Weber, classes are formed in market situations in which the nature of chances as the common factor determining the fate of individuals take place (Weber 1992a:45) and different market structures existed in different ages: in Ancient Rome: credit market, in Middle Ages: commodity market, and in capitalism: labor market. In capitalism, labor contract also became the predominant type of class relationship (Giddens 1980: 43, 45). That is, the number of people whose fate is determined in market has been increasing so that now more people are subject to being a member of classes than in the past. In advanced capitalism, we have a cumulative structure of these three market structures. In each market structure, individuals are trying to have a good powerful position in order to get what they want. Status groups, for Weber, are one of the biggest obstacles of free market.

Although classes are formed in market situations, a class for Weber is "any group of human being which shares a similar class situations" and a class situation exists when "(i) a large number of men have in common a specific causal factor influencing their chances in life, insofar as (ii) this factor has to do only with the possession of economic goods and the interests involved in earning a living, and furthermore (iii) in the condition of market in commodities or labor (Weber 1992b: 57; Weber 1992a: 43-44).

Under market conditions, by applying marginal utility theory, Weber says that those who have property increase their power against those who have no property; therefore, property and propertylessness as the basic categories are underlying all class situations. However, class situations are further differentiated by the nature of the property as a source of income, the nature of the services offered on the market and individuals preferences and interests. The interest of individuals are not always in the same direction even when they are in the same class. Their personal directions are greatly determined by their native abilities, qualifications for occupations and institutions such as unions also affect their chances and directions (Weber 1992a:44-45).

Weber uses three criteria in order to classify classes in capitalism: property, income, and social mobility. While a property class is primarily determined by property and an income class is primarily determined by the chances of utilizing goods and services on the market, a social class is formed in a observable social mobility which occurs in intrageneration or intergenerations (Weber 1992b: 57). Each class category is further differentiated by Weber as privileged, unprivileged and middle classes. Some of these subclasses and

middle classes, particularly middle income, middle property and social classes, overlap each other (Weber 1992b: 58-59). All type of middle classes' positions are somewhere between privileged and unprivileged classes. The classes that are close to privileged position have more power and chances to monopolize their interests than that of classes which are close to unprivileged position. The positions of classes could be shown as below:



Although, for Weber, existence of classes in a society does not necessarily lead to class struggle and particularly revolution, class conflicts have existed throughout history. Classes can co-exist and can ally with each other against a third one, for example, slave owners and peasants were allied against unfree laborers in the past (Weber 1992b: 58). The subject of conflict among classes has been changed and is directly related to the development of markets. For instance, in the Ancient World, struggles were primarily between debtor and creditors (credit market). Conflict over wages were not an issue in the Ancient World and in the Middle Ages. It was always of second degree importance, but today, in capitalist societies, the central issue is the determination of the wages (labor market) (Weber 1992a: 47-48).

In contrast to classes, status groups are communities and are formed in status situations. The fate of members of status groups is not determined in market conditions. "Status situation" for Weber refers to "a position of positive or negative privilege in social esteem which in the typical case is effectively claimed on the bases of (a) style of life, (b) formal education,... and (c) the prestige of birth or occupation" [and] ... "status groups mainly emerge and flourish through supplying the requirements of associations..." (Weber 1992a:45; Weber 1992b: 60, 61).

Besides differences between classes and status groups, there are some

similarities which also exist between them. For example, "social classes" is most similar to status group while income is furthest removed. Further relations exist when the role of the status groups on the free development of the market is considered. It is clear in the history that privileged status groups restricted development of free market competition throughout history. When status differentiation permeates in a society, status societies are formed and are regulated by convention. Status society creates economically irrational conditions of consumptions, and with its monopolistic appropriations and elimination of the individual's free choice of a means of livelihood, so that the formation of free market is hindered (Weber 1992a: 53-54; Weber 1992b: 61). Yet free market conditions require rationalized individual behavior and free competition among the actors in the market.

In final analysis, as far as society as a whole is concerned, the realms of classes, status groups and parties are different. "Classes" are properly at home of the economic order, "status groups" are in the social order, that is in the sphere of distribution of status: starting from this point, both reciprocally influence each other and influence the legal order and are in turn influenced by it. Parties, on the other hand, are primarily at home in the sphere of power (Weber 1992a:55).

~~IV. CLASSES IN ADVANCED CAPITALISM~~

In order to find out classes in advanced capitalism, it is necessary to distinguish the differences between industrial capitalism and advanced capitalism. These differences make us reconsider its class structure. By identifying the basic features of advanced capitalism, we can reevaluate Marx's and Weber's frameworks in order to make a decision about classes in advanced capitalism.

In advanced capitalism, capitalism is no longer entrepreneurial capitalism as it was in nineteenth century, it is monopoly or corporate capitalism. As a result of this big change: (1) Production has been concentrated in large corporations and small producers have been compelled to merge with these large, giant corporations: (2) Organizational structure of production and corporations became bureaucratic: and (3) as far as human side is considered, fragmentation and specialization of labor has been increased (Geoff 1980: 225-226). Some other developments must also be added as features of advanced capitalism: the shift from goods producing to service producing industries: and the developments of electronics and the growth of automated, computer and communication technologies: the increasing role of scientific knowledge: the growing concern with leisure and quality of life (Badham 1986: 72). In order to emphasize the characteristics of advanced capitalist societies, a number of different names are used such as "active" society, "service" society,

"technetronic" society, "leisure" society, "post-modern" society, Post-civilized" society, "post-cultural" society (Giddens 1980: 225; Badham 1986: 72).

According to some interpretations of developments in advanced capitalism, it has been said that the advance of industrialism created a structurally diverse, politically institutionalized and culturally integrated work force within a fragmented class structure. These theses are particularly contradictory to what Marx said. To him, class conflict in capitalism would create the formation of a structurally homogenous, politically organized, class-consciousness, and a revolutionary working class within a highly polarized class structure. New theories also say that working class has not turned itself from class "in itself" to class "for itself". In contrast to this expectation, for them, working class has become integrated with capitalism and has become "middle class" (Badham 1986: 61-62).

Middle class is the key issue in this debate. Traditionally, it has been said that middle class has been increasing and diversifying. Particularly, as a result of increased and prevailed education and formation of new professions. Usually, "income" and "life-style" are employed together in order to determine the middle class. New developments within middle class like the embourgeoisment of the "affluent worker", the "de-alienation of increasingly skilled technological workers, and the professionalization of the work force through the increasing predominance of "service" occupation created the concept of "new middle class" (Badham 1986: 62-63).

Besides new middle class, another term has also been introduced into the debate: the new class. There is no consensus about its definition. It has been defined as benign technocrats, master class, old class ally, servant of power, and flawed universal class. In these definitions, almost, the subjects and the features of the new class are different. Gouldner calls the new class as flawed universal class and it is composed of intellectuals and technical intelligentsia. "The new class, "for him," is elitist and self-seeking and uses its special knowledge to advance its own interests and power and to control its own work situation" (Gouldner 1979: 1, 6-7).

There is no question about the existence of capitalist and working class regardless of their definitions in advanced capitalism. The problem is whether or not there is a third class. Indeed this issue is to some extent directly related to theoretical frameworks by which social structure and, particularly, its class structure is analyzed. In other words, theoretical framework gives us measurements to classify the social structure of society. Therefore, without looking at the theoretical frameworks, a study on society does not make much sense.

Through the classical Marxist perspective, there are only two real economic classes in capitalist societies: working and capitalist classes and the criteria being used to determine those classes are the ownership of forces of production and contradiction between classes. In advanced capitalism, although there have been many ways introduced to eliminate the conflicts between capitalists and working classes, the laws of motion of capitalism have not changed. Further, there are some evidences that show the law of motion of capitalism in action, for example, the number of petty bourgeoisie has been declining and the members of ideological classes have become salaried employs working for large organizations. On the other hand, management has become more "scientific" and rational, various specialized work tasks have become institutionalized as occupations. On the other hand, due to the development of capitalism, the new occupations including professional and supervisory have become a part of the expanding system of wage labor. In other words, they are becoming "proleterianized" and are simply service agents for owners of capital, the higher administrators in government departments etc. (Esland 1980: 226, 231).

When we change our perspective from Marx to Weber, we could interpret society and its class structures differently. For Weber, classes are formed in class situations in market conditions; therefore, the number of classes are not limited particularly when we consider status, party, and also power as some of the sources of class formation. His income and social classes fit well with the middle class, in general, and with the new middle class in particular. From this perspective, the formation of middle classes is mostly determined by their income and prestige (social status). Within traditional middle classes, a new middle class has emerged. According to Barbara Ehrenreich who implicitly uses Weberian framework in her study, the new middle class and their social and economic status is based on education, rather than on the ownership of capital or property. She terms this new class as the professional middle class and includes a broad range of people such as school teachers, anchorpersons, engineers, professors, government bureaucrats, corporate executives, scientists, financial managers, and architects. Within this broad framework, professionals and managers are two major subgroups. The percentage of the professional middle class in the U.S. is around 20% of total population (Ehrenreich 1990:12).

More precisely she uses four main criteria in order to define the new middle class: occupation, defining experiences, income, and lifestyle and tastes. The number of professional middle class must work for a living. A small group of the class is self-employed, but the majority has been employed for large organizations and this trend has been increasing. The members of professional class, particularly professionals and managers, have more autonomy in their

work and are expected to be fairly self-directing much of the time. Clearly, their job is to conceptualize and to command the others work. These characteristics of their occupations require a lengthy education and apprenticeship – a long socialization process for their occupations. Their income is relatively higher compared to working class and take place within “upper-middle” class income. These earnings are enough to live in a higher standard and to create a different life style. Differences in life style and tastes provide the professional class recognition of each other outside of the occupational settings. Their interaction in social life increases their chances in life and provide another source and opportunity to reproduce the class. In final analysis, she points out that the professional middle class is an elite compared to the working class due to their power, influence, and authority but they are well below the ultimate elite of wealth and power. The professional middle class has capital but it is not a real capital, it is based on knowledge and skill. Unlike the real capital, the capital based on knowledge and skill can not be preserved for hard times; can not be acquired by inheritance, it is an ephemeral capital and must be renewed (Ehrenreich 1990: 13-15). These last differences separate the professional middle class from the capitalist (ruling) class because the new class has no capital in a real sense. Therefore, they also subject to the laws of motion of capitalism (in Marxist sense).

As we pointed out earlier, differences in terminology and assumptions of the theoretical frameworks lead to different conclusions on the same subject. For example, Gouldner, although he is a left Hegelian sociologist, suggested his new class concept is not against Marx’s theory. He takes Marx’s concept of class and says that “there are certain commonalities in the new class’s relationship to the means of production” (Gouldner 1979: 7-8). In the same token, it is suggested that “science itself becomes a productive force” (Giddens 1990: 262). In these two examples, the definition of capital and production forces are questioned and interpreted contradictory to Marx’s definitions. But if we follow their arguments, those who have human capital and those who obtain science should consist of new classes.

At this level, we should add some other factors into debate which have affected the class structures and created some questions about class theories. First of all, state is not a certain representative of the ruling class as Marx pointed out. In advanced capitalism, state is relatively autonomous. Besides this, ideological hegemony of the ruling capitalist class and the developments in democracy helped to integrate the working class with capitalism. Nationalism and imperialism have integrated the working class with capitalism. With imperialism, the capitalist class has made concessions with workers in center at the expense of exploiting workers in periphery, Particularly, this process has

been accelerated by increasing international competition among the capitalist countries.

Although the state became relatively autonomous, it has not been far away to create a popular culture and to convince people that there are no classes particularly in the Marxist sense. For instance, Ehrenreich clearly points out that how the middle class myth was created and how the poor had been forgotten in the United States (Ehrenreich 1990: Ch 1). Some other sociologists also alleged that capitalism intentionally created new divisions within the working class by producing new economic, social, and political policies (Wood 1988: 100-101, 182). These situations can be seen as the dimensions of class struggle. We should not forget that for both Marx and Weber, classes exist even if the class members are not aware of it.

V. CONCLUSION

In advanced capitalism, we are realizing some new, important developments that make us rethink about class theories. This problem is mostly related to Marxism because some of Marx's postulations about the future of Capitalism have not taken place. In contrast, there have been some opposing developments. In addition to this, misreadings and misinterpretations of Marx have created more confusion regarding the classical Marxism perspective. However, as far as Marx himself is concerned, it can not be said that "there is a third class" in advanced capitalism. It can be said only by redefining forces of production like Gouldner does, and by using eclectic theories like New True Socialists do.

From Weber's perspective, there is a third class in advanced capitalism. To him, classes are formed in market situations and market conditions permit the new class formations such as professional middle class or professional managerial class. Further, when Weber's bureaucratization and rationalization of capitalism thesis is taken into account, the new class structures are compatible with his framework.

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