

# Erik Olin Wright: Analytical Marxism

Have you ever wondered why sociologists still study Marx if he was wrong? I mean, he predicted a revolution and it didn't happen, right? This problem of Marx's failed revolution is one that every contemporary Marxist encounters. There are a number of ways in which this issue is handled. One way is to use Marx as an inspiration.

A good example of this approach is Pierre Bourdieu. Bourdieu's theory is clearly not a direct elaboration of Marx's ideas. In fact, Bourdieu overturns one of the ideas that Marx cherished most—the material base of consciousness and social relations. Nevertheless, we can say that Bourdieu is Marxian in that he is centrally concerned with the replication of class structure and inequality. Another way to counter the problem of predictability in Marx's theory is to raise the level of analysis. A good example here is Immanuel Wallerstein's work. In Wallerstein's theory the dynamics of capitalism are played out on the world stage.

Analytical Marxism approaches the issue by focusing on the scientific explication of Marx's analytical concepts, especially class. As laid out by Wright (1994, pp. 181 – 182), there are four characteristics of Analytical Marxism: commitment to conventional scientific norms, emphasis on systematic conceptualization, explication of the steps and links between concepts within the theory, and importance given to the intentional actions of individuals. Most of these characteristics can be found in Wright's theory of class. First, commitment to scientific norms means that Wright values empirical research and is open to having his ideas and concepts modified by research. There are thus changes in the way Wright talks about class in the twenty years plus years he has been writing and his work is always a mixture of theory and research.

Along with this emphasis on the scientific approach, Wright's work is explicitly involved in the almost painful explication of concepts. As Wright (1997) puts it: "I have worried endlessly about the optimal way of conceptualizing the 'middle class' which would both be coherent (i.e. be consistent with more abstract principles of Marxist theory) and empirically powerful" (p. xxviii). One of the reasons for such care is that many of Marx's concepts (and those of many classical theorists) are difficult to scientifically measure because they are either philosophically based or exceedingly broad.

Along with the explication of concepts comes specification of theoretical models. In the social sciences, concepts must be defined explicitly because they are just that: concepts rather than physical entities. It's easy to see where a rock begins and ends, but where does class or gender begin and end? So the definitions of concepts must be very clear and specific. Scientific theories must also be dynamic; that is, they must explain how something *works*. For example, most of us are aware that there is a relationship between gender and annual salary: women are typically paid less than men for the same work with

equivalent qualifications. But how does it *work*? It's a gloss to simply say that it is due to the structure of patriarchy. Such an explanation begs another one: how does patriarchy work? In this sense, scientific theory ought to read like a manual for an automobile motor. The manual explains every step from getting the gasoline to the fuel injectors to the exhaust coming out the tailpipe. Analytical Marxism takes this mechanistic, scientific approach to class. They seek to explain every step in the causal chain.

I've found that this idea of theory as how things work is difficult for many to grasp. So, I'm going to give you an example. The following two quotes come from Marshall Bain's *How Car Engines Work*. What I want you to see is that he talks about car engines in two ways: descriptive and theoretical (in the sense we are using it here). Notice that the second statement actually tells you how the engine works, rather than simply describing some features of it, as the first statement does.

The purpose of a gasoline car engine is to convert gasoline into motion so that your car can move. Currently the easiest way to create motion from gasoline is to burn the gasoline inside an engine. Therefore, a car engine is an **internal combustion engine**—combustion takes place internally.

Here's what happens as the engine goes through its cycle:

1. The piston starts at the top, the intake valve opens, and the piston moves down to let the engine take in a cylinder-full of air and gasoline. This is the intake stroke. Only the tiniest drop of gasoline needs to be mixed into the air for this to work.
2. Then the piston moves back up to compress this fuel/air mixture. Compression makes the explosion more powerful.
3. When the piston reaches the top of its stroke, the spark plug emits a spark to ignite the gasoline. The gasoline charge in the cylinder explodes, driving the piston down.
4. Once the piston hits the bottom of its stroke, the exhaust valve opens and the **exhaust** leaves the cylinder to go out the tail pipe.

One of the things that Analytical Marxism includes in this chain that traditional Marxian approaches leave out is the strategic actions of individuals. Most Marxian approaches are cast at the macro-level and are concerned with large-scale historical processes. But Analytical Marxism recognizes that structural processes are played out at the micro-level: "Whatever else one might want of a social theory, if we want to understand the mechanisms through which a given social cause generates its effects, we must try to understand why individuals act the way they do" (Wright, 1994, p. 190). As a micro-level concept, Wright sees class as a set of locations that are filled by individuals. "To be in a class location is to be subjected to a set of mechanisms that impinge directly on the lives of individuals as they make choices and act in the world.... To develop a concept of class structure at the micro level of analysis is to elaborate the concepts in terms of such mechanisms" (Wright, 1989, p. 275).

*Specifying Marx*: As we've noted, one of the goals of Wright's form of Marxism is to render Marx's concepts analytical. An important part of what this means is that Wright increases the specificity and variability of Marx's ideas. For example, in Marx's hands, exploitation is a structural feature of capitalism. In other words, all workers are exploited. The only variation has to do with how much exploitation is occurring. Exploitation is defined as the difference between the amount of money the workers gets paid and the amount of product the worker produces. Thus, if we compare two workers employed by

the same company to do the same labor but living in two different economies like the United States and Mexico, we can say that the level of exploitation is higher for the Mexican worker than the American.

In contrast to Marx, Wright's use of the idea is much more complex and contains higher variability. Wright argues that exploitation is based on three criteria: the inverse interdependence principle, the exclusion principle, and the appropriation principle. The first principle says that exploitation occurs when the material welfare of one class is causally dependent upon the material deprivation of another. For the capitalist-class to be the capitalist-class it must deprive the working-class of some level of material welfare. The capitalist-class is thus dependant upon exploitation; it can't exist without it. The exclusion principle states that the inverse interdependence of capitalists and workers, found in the first principle, depends on the exclusion of workers from access to certain productive resources. This exclusion usually depends on some form of property rights, but this isn't necessarily the case. Finally, the appropriation principle states that the mechanism through which both the interdependence and exclusion principles work is the appropriation of the labor effect of the exploited.

There are two important ramifications of seeing exploitation in this more robust way. First, exploitation varies qualitatively and may not exist at all. Economic oppression may exist without exploitation—"The welfare of the exploiter depends upon the *effort* of the exploited, not merely the deprivations of the exploited" (Wright, 1997, p. 11, emphasis original). The clearest example of this is the case of Native Americans. The economic and political advancement of the United States occurred despite the efforts of the indigenous population, not because of them. Exploitation may also vary in kind. For example, situations may exist where the second principle, exclusion, varies. Some managers and workers may participate in profit sharing and stock options, or, the company may give employees a part in decision making through collaborative or group management. These people have a certain kind of access to the means of production that others do not; thus, the kind of exploitation changes, not simply the level. On the other side, the state may limit the rights that owners have over the means of production—as with environmental restraints—thus changing the type of exploitation.

The second significant ramification of Wright's expansion of exploitation is that together the principles form "a particular type of *antagonistic interdependence of material interests* of actors with economic relations, rather than the injustice of those relations as such" (Wright, 1997, p. 10, emphasis original). This, of course, was inherent in Marx's formulation but Wright makes it explicit. Capitalists need workers: the exploiter *needs* the exploited since the exploiter depends upon the effort of the exploited" (p. 11, emphasis original). This dependence of the capitalist upon workers is the source of worker power. Workers can go on strike; or, they can incite a worker slowdown. Marx saw this, but what he didn't see is that because exploiters are dependent upon the exploited, and because direct social control is costly and counterproductive, capitalists are very likely to grant concessions to workers. Because of the capitalists' dependence upon exploitation, exploitation ironically gets translated into higher wages, benefits, and better working conditions.

*The problem of the middle classes:* As you can tell, specifying the concept of exploitation allows us to see something Marx did not: there are groups of people who do not possess their own means of production, who do sell their labor, but who do not seem part of the working-class (Wright, 1997, p. 19). Marx basically divided society into three classes: capitalists, workers, and the petite bourgeoisie (small business owners who do not hire workers). Marx predicted that the classes would eventually become bi-polarized, due to periodic business crises wherein capital would become centralized and the working-

class would grow in size. Obviously, this hasn't happened. One of the reasons this hasn't happened is that the class structure is more complex than Marx first imagined. We've seen some of that complexity in the elaboration of the concept of exploitation. For example, because of the peculiar properties of exploitation there are some workers who are not workers in the traditional Marxian sense of the word—they own some portion of the means of production or they participate in the control of production.

To further explain this complexity, Wright introduces two additional elements to Marx's idea of class. The first element that Wright gives us is authority. In the true sense of the word, capitalists don't simply own the means of production; they also hire, fire, train, and manage employees. Production doesn't simply require economic capital; it needs human capital as well. Again, Marx saw this, but he didn't see that in exercising authority over workers, managers partake in some of what makes a capitalist a capitalist. Managers thus occupy a contradictory class location. They are part capitalist and part worker. Another issue that Marx didn't foresee in the exercise of authority is that managers end up making salaries that supersede the costs of producing and reproducing their labor. Another way to put this is that high level managers make more money than they directly produce. As we saw earlier, the basic definition of exploitation is the difference between what the worker produces and what the worker gets paid. Profit depends on the worker getting paid less than she or he earns. Managers, on the other hand, get paid more than they earn, rather than less. The reason for this is "loyalty rent." Owners cannot force upper level management to supervise and direct their employees; it would be counterproductive. So, there must be some way of creating real commitment from the managers to the company. Their belief, loyalty, and full dedication are purchased through exorbitant salaries. There exists, then, within and because of capitalism a class that Marx did not foresee.

Wright also uses skills and expertise to elaborate class position. There are two reasons why Wright adds these to class. The first is that knowledge and skills are scarce resources, limited by talent and the acquisition of credentials. As a result, people with expertise and skills are able to command a wage in excess of the cost to produce and reproduce their labor, just like high level managers. The second reason Wright includes these in class is that expertise and knowledge are extremely difficult to monitor and control. This difficulty makes "loyalty rent" the most reasonable option.

Figure W.1: Wright's Class Typology

		Relation to means of production					Relation to authority
		Owner	Employees				
Number of employees	Many	Capitalists	Expert Managers	Skilled Managers	Nonskilled Managers	Managers	
	Few	Small Employers	Expert Supervisors	Skilled Supervisors	Nonskilled Managers	Supervisors	
	None	Petite Bourgeoisie	Experts	Skilled Workers	Nonskilled Workers	Non-management	
			<b>Experts</b>	<b>Skilled</b>	<b>Nonskilled</b>		
		Relation to scarce skills					

Adapted from Wright, 1997, p. 25

I've replicated Wright's typology in Figure W.1. As you can see, this rendering of the class structure is much more complex than Marx's. Marx's definition of class is at the top: the relation to the means of production. Note that there is the typical Marxian demarcation between owners and employees. This becomes more complex, however, as the number of employees and relations to authority and scarce skills are added in.

Wright argues that the class structure is more complex than even this typology intimates. There are at least three additional features that add complexity to his model. First, people can hold multiple class locations. For example, a woman may be a receptionist during the day and at night and on weekends she may run her own business that may have temporary or part-time employees. This situation would mean that the woman would hold dual and, in some ways, contradictory class positions: she would be a non-skilled worker and small employer. People may also have mediated class locations. So, for example, in Wright's scheme I would occupy the class position of expert, but one of my good friends owns his own business with many employees and another is a carpenter. I thus have mediated class positions through my friends. And, because they are my friends, I share their class concerns. The third complexity is that people often change class positions. Having a more complex and nuanced class typology allows us to see that social mobility often does occur across class positions. A friend of mine, for instance, just purchased a health spa. He now owns his own business and has a few employees working for him. Prior to owning the gym he was a machinist, a skilled worker. The amount of money he makes may not change drastically, but his class based concerns have altered dramatically.

One of the important ramifications of Wright's analytical and empirical reworking of Marx's class theory is its affect on our understanding of class formation. While Wright lets us see the complexity of the issue, he is not arguing that class formation is either fragmented or haphazard. Remember that Wright's purpose is to analyze class using an elaborated Marxian model. So, Wright uses his typology to begin to understand the patterns in class formation and consciousness. In a massive international study, Wright (1997) explored three hypotheses regarding procapitalist ideology (p. 412):

*Hypothesis 1.* The working-class location in the matrix should be the most anticapitalist, the capitalist-class location the most procapitalist.

*Hypothesis 2.* Within the owner portion of the matrix, the attitudes should monotonically become more procapitalist as you move from the petty bourgeoisie to the capitalist-class.

*Hypothesis 3.* Within the employee portion of the matrix attitudes should become monotonically more procapitalist as you move from the working-class corner of the matrix to the expert-manager corner table along both the rows and the columns.

I've replicated Wright's results in Figure W.2. The numbers in the cells correspond to scores on an anti/procapitalist scale. The higher is the number, the more anticapitalist is the cell, and the lower the number, including negative numbers, the more procapitalist is the cell. As you can see, each of his hypotheses is confirmed. The most anticapitalist cells are found in the right hand corner of the table, which correspond to the working-class location in the class structure. There is also a sharp distinction among owners, with capitalists scoring almost three points difference compared to the petite bourgeoisie. And we can see the gradation from the lower right corner, the unskilled non-management workers, to the upper left corner of the employee section, expert managers.

Figure W.2: Class Structure and Consciousness in the United States

	<b>Owner</b>	<b>Employees</b>			
<i>Capitalists</i>	-2.17	-2.62	-0.68	-1.09	<i>Managers</i>
<i>Small Employers</i>	0.35	-0.73	1.30	2.28	<i>Supervisors</i>
<i>Petite Bourgeoisie</i>	1.08	0.16	2.67	2.66	<i>Non-management</i>
		<b>Experts</b>	<b>Skilled</b>	<b>Nonskilled</b>	

Adapted from Wright, 1997, p. 418

As with all of our theorists, I am only able to give you a hand-shaking acquaintance with their work. I particularly feel this limitation with Wright's work. Wright has taken seriously the challenge to understand and use Marx's theory from a scientific point of view. His work, then, is filled with empirical data and in-depth discussions of Marx's ideas. In our short time that we have Wright, I've been able to only introduce you to his general program and a couple of his ideas. I think his approach has great potential. If Marx was anywhere near correct in his estimation of the importance of class, then a detailed analysis of precisely how class works is in order and will tell us much about the future of capitalism and our world as we know it. I encourage you then to read Wright for yourself. You will find that his work is fairly easy to read and it will make you think about the ideas and concepts surrounding class in new and insightful ways.

## Summary

Wright's work takes seriously the importance Marx gave to class by making his concepts more specific and robust and by subjecting the ideas to empirical tests. In particular, Wright explicates the three criteria of exploitation: the inverse interdependence principle, the exclusion principle, and the appropriation principle. This elaboration allows us to see that exploitation varies qualitatively and that exploitation creates an interdependent yet antagonistic relationship between the capitalist and worker. In the long-run, this interdependence creates better working conditions and wages for the working-class, thus alleviating some of the bifurcating pressures that Marx talked about. Wright also argues that the class structure is much more complex than Marx allowed. In addition to the ownership of the means of production, class also includes authority and expertise. Adding these features to class results in a twelve-cell typology. Even though there are additional complexities to class, such as multiple or mediated class positions, the twelve-cell typology accurately predicts the formation of class ideologies and alliances.

## References

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