

# Power: Interpersonal, Organizational, and Global Dimensions

Monday, 24 October 2005

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**TOPIC:** How do power differentials arise: Lessons from classical social theory, continued.

review of last time: **MAX WEBER**

- *Class, Status, and Party* distinguishes different ways groups organize on basis of shared lifestyle (status), shared opportunities in market (class), to gain power explicitly (party)
- Weber **explicitly defined power** – Dennis Wrong and other analysts use and develop it
- *Where do power differential come from?* Weber gives no clear answers but argues that the bases of power may differ and vary on social context – may depend on class/status, historical circumstances – his was an **empirical inquiry**.
- In *Class, Status, and Party*, he encourages us to recognize that power may be sought for a variety of reasons – for enrichment, for own its sake, for symbolic reasons, for status. There are **various bases of power and authority**
- **His recognition and description of increasing rationalization of human action suggests that the bases of power may be increasingly located in expert knowledge, ability to understand and manipulate the processes of rationalization.**

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**KARL MARX** (1818-1883) German,

- born to Jewish family that became Protestant in Trier, Rhineland, Germany, just east of
  - Luxembourg
- upper middle class family but spent most of life as outcast from family and Germany

Marx's contributions to social science are enormous. It is difficult to overestimate the consequences of his work in relation to how we think of ourselves, our modern lives, and the present state of world economy, e.g. the resurgence of **unregulated capitalism**, which was the subject of Marx's work.

1991 – with the dissolution of USSR, many Marxist scholars (not communists but those who thought that Marx had a persuasive account of social life) thought that Marxism was dead as an interpretive framework, showing how they were more ideological than sociological/theoretical.

- why should the USSR matter? Marx wrote an analysis of *capitalism*, not what the *state* should be like (that interpretation was Lenin's doing)
- people called themselves Marxists but Marx himself didn't give a blueprint for a new society

Yet, suggest that they were quite wrong and the evidence is persuasive: example, 1992 – major program on national public TV celebrating 500<sup>th</sup> anniversary of Christopher Columbus' "discovery" of America; presented a history of global trade routes that had been functioning in 13<sup>th</sup>/14<sup>th</sup>/15<sup>th</sup> centuries; only *after* this several hour history was Columbus introduced– how he was engaged in looking for new markets for European goods.

The standard Columbus account is now an *economic* account, not about tyranny or a search for freedom – he was employee of the Spanish crown and Italian merchants, a salesman – this was a *Marxist* account because Marx gives us an account of **social relations driven by economics** –

today called **neo-liberal capitalism**. Marx claims it drives social relations, not individual desire/will/preferences.

Marx was truly an original thinker. He tried to **synthesize** in a new and critical way the entire legacy of social knowledge that had heretofore been recorded.

### Marx's two purposes

- achieve better understanding of human development, of historical change – how history came to be the way it was
  - take this understanding of how social relations and human development works, how history develops, and *use* this to accelerate the actual process by which history developed
- Concisely, *Marx wanted to understand what constituted the foundations of social life and then use that understanding to engineer it.*

This dual purpose is essential to understanding what he was about, the nature of his thought, his contributions to social life, and why he had such difficulties as he did. Marx was both a **philosopher and a man of action** – a rare combination! He was equally committed to *understanding* the human condition and *using* this understanding.

**Praxis = observation/understanding + theorizing + action -> new understanding->change in theory-> test in action... etc.**

Marx wanted to change life as well as understand it and this caused him trouble his whole life and made him an outcast. He was a journalist who wrote controversial pieces and was exiled from both Germany and France but finally found a home in England. Marx was supported by **Friedrich Engels** (son of an English mill owner) who co-wrote the *Communist Manifesto* with him.

Marx's goal to understand ourselves and use that understanding to transform society was a new idea in the 19<sup>th</sup> century. It fed the social sciences, propelling sociologists (e.g. Auguste Comte and Emile Durkheim). He argued that **social science should be used for social transformation.**

### Marx's main ideas about society

- Human society should be envisioned as a whole, a system in which **groups and institutions were interrelated** and had to be studied in terms of relationships rather than treated in isolation – how did these subsystems (e.g. law, economy, agriculture, family) work *together*?
- Societies were inherently mutable, malleable – were changing and *could be* changed. The change took place *not* as a linear progression (the “Darwinian” view was developing at same time). **Change occurred through contradiction and conflict.**
  - Contradiction and conflict that emerged were vehicles of historical development.
  - If we observe such contradiction and conflict in large enough numbers of instances, we see a degree of regularity, a pattern, so as to allow the formulation of a general statement. We could have a **science of society** (similar to Weber), laws of social

change and the consequences of change.

- Concisely, *everything is interrelated and change occurs through contradiction and conflict.*

Like Simmel and Pareto, Marx was looking for essential **basic units of social action**: lay out his theory using these concepts/ themes:

- *primacy of work*
- *organization of work*
- *historical materialism (dialectic)*
- *classes and class struggle*
- *wage labor and capitalism*
- *commodity fetishism*

Marx made the observation that human beings are living organisms requiring sustenance, protection from and harmony with nature and the physical environment. He noticed that this is also true of animals. Humans were different because we are conscious of our own activity:

“First Premises of Materialist Method” from *The German Ideology*

Men can be distinguished from animals by consciousness, by religion or anything else you like. They themselves begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence, a step which is conditioned by their physical organization. **By producing their means of subsistence men are indirectly producing their actual material life.**

The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. **This mode of production must not be considered simply as being the production of the physical existence of the individuals.** Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a **definite mode of life** on their part.

As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce. **The nature of individuals thus depends on the material conditions determining their production.**

full text available at: <http://www.marxists.org/archive/marx/works/1845/german-ideology/>

For instance, imagine you were a farmer: you reproduce the social relationships of gardening, tilling, herding, family structure, labor, property distribution. Your constraints are set by the seasons and the land, the needs of the animals, size of the family. You have some room for maneuver in terms of what tasks are done when, not complete freedom but some scheduling leeway. But if you worked in a factory: you don't necessarily organize your daily hours, you have less freedom. Your constraints are imposed by others. The demands on your body may vary, and so your health.

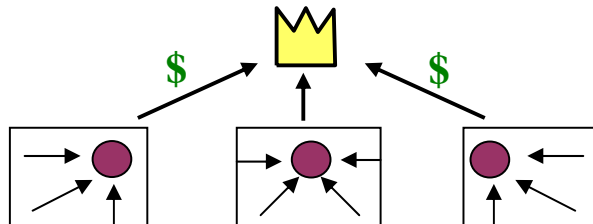
- Concisely, *the ways in which we work establishes the relationships among people – we reproduce those relationships through our activities of simply doing our work everyday.*

**Work was the essential condition of human life.** Societies needed to be understood in the ways in which they organized work. This organization of work was critical to understanding the differences between societies – e.g. it would account for why the USSR was the way it was, why the United States is the way it is.

## MODE OF PRODUCTION

- **Forces of production** = raw materials which go into producing the necessities of life
  - e.g. land, labor, technology
- **Relations of production** = arrangement of the forces of production
  - infinite number of ways of arranging production (around interests, in time, in space)

e.g. Medieval Europe/Japan – system of **feudalism** where there was no individual ownership of land (the king owned all land) There was a *contractual relationship* between king and nobles whereby nobles gave military service to the king in exchange for a piece of land. The noble parceled out the land to peasants to farm, and the peasants performed military service for and paid tithes to the noble. The noble provides land and protection (Hobbes!) to the peasants – he ensures peace, he constitutes *governance* – he is the judge, mayor, and market. He pays taxes to the King (which he collects from peasants) and provides military service to the king (again from the peasants).



(Nowadays in England, they still maintain this fiction that land belongs to the sovereign, as pieces of land are called “leaseholds.”)

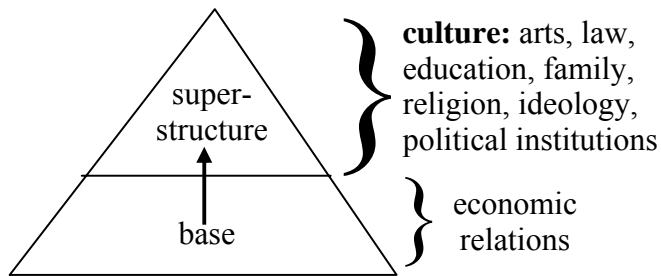
*When land and labor turn into things for sale rather than life positions (implicitly, not explicitly contracted) – that’s when the world changed!*

**Production has to be arranged.** Who would farm the land? Who would provide the tools? The cloth, barrels, candles? A division of labor emerges from the surplus that is generated through the farming. Relationships and patterns that emerge among people in a form of production (today what we call the “economy”). This arrangement is a *social process*, a process of interaction. We have this material phenomena – but how they are arranged is a human invention.

Marx said the key to understanding all aspects of society is this **organization of production!**

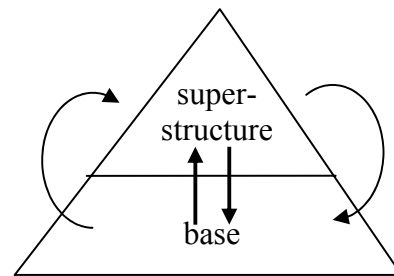
**mode of production = forces** (material capital, labor) + **relations** (style/type of society, culture)

model I – “vulgar” Marxism



different forms of economic relations  
produce different kinds of culture  
*causality went from base to superstructure*

model II – more sophisticated Marxism



feedback loop  
*causality runs in both ways*

The **superstructure** functions to protect the means of production.

In **capitalism**, individual has desires that he pursues in the marketplace. Each individual is viewed as a packet of interests/wants/preferences/**utilities**, and the "function" (work: purpose and consequence) of the market is to give the freest possible range for the **exchange** of these desires. (The perfect relationship between supply (of goods and services) and demand (desires for goods and services) is the definition of efficiency. The market supposedly produces efficiency, efficiency is the normative/ valued goal.)(This is a contested claim in many respects, for another discussion.)

The **legal system** in capitalism conceives of the **individual as a bundle of rights**; 'liberal legal systems' take as basic premise the inalienability of individual rights - persons who exist prior to the state (recall Hobbes, Locke, social contract notions); further liberal legal systems based on notion that government is instituted to protect these rights. Concisely, the law is supposed be a set of procedures that gives **maximum protection to individual rights**.

Marx (and Weber too!) shows that these ideas of “**liberal law**” grew up at just about the same time as did **capitalism**. (note Weber’s *The Protestant Ethic and the Spirit of Capitalism*)

- *How did we get both simultaneously? What do they have in common?*

Say you lived in **feudal** England, in world of **subsistence, not surplus**. There were no markets. *The materialist account says that changes in the means of production produce a different kind of superstructure*. Technology (a force of production) changed: they eventually got surplus by rotating the crops. Surplus led to little markets. But before these market towns, there were laws that didn’t allow people to trade. Not only did they not have surplus, there were actual laws prohibiting free pricing and constitution of goods. Profit making had been defined by the Catholic Church as evil, wrong. Thomas Aquinas writes extensive treatises on "the just price."

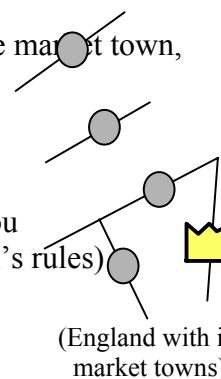
1603 – first case in which a court says *caveat emptor*

- before that, law restricted what they could buy, sell, charge, what the product had to be (e.g. # ounces of hops, barley etc in ale; proportions of wheat and whey in bread...)
- laws originated *not* from economic theory, but from **religion** – Catholicism. Rules were

written on the basis of what the Church thought was ethical/just/right and consistent with Catholic dogma. Weber says that with the **rise of Protestantism**, we start to get capitalism. The Catholic Church in Rome loses the monopoly on the definition of “good” – now they had **competition** from Protestantism. (Excursus: Weber's great treatise: *Protestantism and the Spirit of Capitalism* argues that Protestantism provided a moral account of why doing well in this life, on this earth, was holy and good.)

Medieval law didn't simply topple all at once – laws stated that *within* the market town, there was freedom to trade.

- Germany: *stadt cuft macht frei* = “**city air makes you free**”
- the walls of European towns were built to prevent military conquest but they became the **legal boundary for free economic exchange** with in the city – outside the city, it was the terrain of the noble and you had to follow his rules (which were usually consistent with the Church's rules)



The move **from feudalism to open capitalistic exchange** was through the **intermediary of the growing network of market towns.**

- Changes in economics produced changes in the laws!
- What we value/what we think is beautiful or right – i.e. our culture – develops to **protect these economic relations**
- this notion of being a “free thinker” is consistent with being a **free agent in market**  
Rights expressed as desires in the market and political rights to protect that market capacity.

□ *How do law and market come to look so much alike?*

□ There was the move **from contractual relationships to a world of exchange**

- why invest in building a factory if the king or noble can come along and take it all away?
- “**liberal law**” and **capitalist investment went in hand in hand - law restrained the power**
  - **of the king/and the nobles - creating a space for individual action**
    - that the decision has to be binding in the future is necessary if people are going to invest and only get their profits in the future
    - capitalist investment required freedom from the complete power of the nobles

- *history of liberal law* = creation of set of ideas/responsibilities/obligations that allow for people to invest, reap benefit, and be protected from arbitrary authority if inherited aristocracy
- *history of European law* = struggle between slightly wealthier peasants who wanted to invest their little accumulated wealth and to seek freedom to escape the control of their nobles – this was the history of parliamentary reform, of legal processes, resources for development of *capitalism!*

Ideas were feeding possibilities of investment and investment was feeding ideas of what was thought of as “good” – so now we move **from a simple directional (model I) to a more circular (model II) dialectic.**

There is a combination of economic base + institutions + the social practices that support them.

□ *So, what does it suggest about power differentials and where they come from?*

Marx would say that power differentials are the result of a particular organization of work. A

particular mode of production produces different possibilities of power. **Power differentials come from the forces and relations of production.**

□ *How do power differentials change?* Marx's theory of history – **historical materialism!**

Historical materialism talks about how society is organized and how the parts are connected but it is also a theory of history that analyzes how societies change.

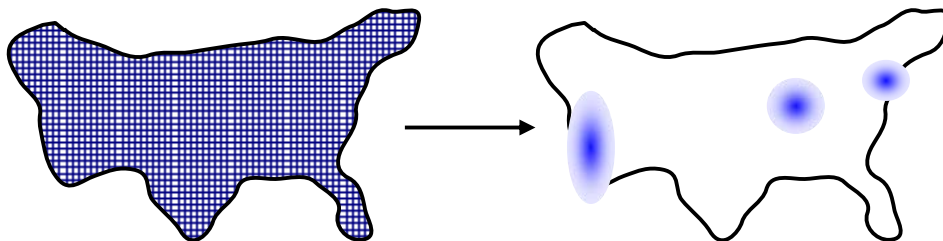
There are two **agents of change:**

- dialectic
- classes/class struggle

Marx is the only author who is **optimistic** about possibilities of **power sharing**, with regard to the vision of history and human nature. Other authors were fairly pessimistic about possibilities of human equality. While Marx is optimistic, he's not *entirely* optimistic, because **history progresses through a dialectic**, it works in two directions at once, full of **contradictions**. (Role of superstructure/culture to smooth out the contradictions, the role of ideology).

The **materialist vision of history** sees society as a reflection of the ways in which production is organized and traces the development of human efforts to master forces of production. But any one of these societies is likely to show **characteristics of more than one mode of production**. Though, one mode of production is likely to be dominant.

- e.g. there were pockets of capitalism in market towns nestled in feudal society
- pattern persists even until now, such that urban areas are the nexus of social change
- until the 18<sup>th</sup>/19<sup>th</sup> centuries, feudalism dominated – not until 19<sup>th</sup> century did the culture of cities get to radiate throughout society
- History is the success of **changes in the mode of production** (mode = forces + relations). There is a **development of productive forces** such that established relationships of production become no longer applicable or workable – they become **unstable**. Laws become constraints and there is **transformation** – and ultimately the **economic structure changes**.
- e.g. by end of 19<sup>th</sup> cent in US, we had industrialization with enormous productive capacity
- 1900 = 75% lived on farms, 1950 = 75% lived in cities, now 95% live in cities/suburbs



- transformation in location and the way work is done
- up until end of 19<sup>th</sup> century, we were still living with laws written for an agricultural society which imagined society as comprised of equal farmers (e.g. students don't go to school in the summer, needed to work on the farms...# of hours in school during the day because of chores at home, only later became institutionalized because of teacher's

unions).

Example: **Lochner vs. New York** (1905) – courts enforced laws that imagined individuals as equals:

- NY established 3¢ minimum hourly wage in bakeries. Bakeries sued, claiming it was a violation of the Constitution (the freedom to contract).
- **Freedom to contract** was one of the legal principals that was a product of the movement from feudal to capitalistic society. The freedom to contract, originally, was contract between the capitalists and duke. Now, bakery owners claimed to be able to contract with each baker for whatever the baker would take to work – because both were **free individuals**.
- The vision of America as everyone as an individual was enshrined in legal decisions. NY State in passing the minimum wage law argued that some actors are bigger/more powerful than others (i.e. owners have more power than bakers, greater ability to negotiate favorable terms of the contract) – and we must **balance the relationship between labor and capital**. Did not make this argument necessarily in this language, talked about health of workers, better working conditions, preventing poverty....
- But the Supreme Court turned this down, saying all were equal actors in the market and before the court and that NY State had overstepped power (Dissent by O.W. Holmes to the effect that the US Constitution does not embody Herbert Spencer's economics. Point: Holmes was saying that this interpretation of the freedom to contract was a particular understanding of economics and liberty that was promoted by "Social Darwinists" who claimed that the organization of society - including economic conditions - were an expression of natural law of survival of the fittest. If the bakery owners had more power than the bakers, it was simply the outcome of natural justice. State should not interfere by creating rights not found in nature or the constitution and the constitution protected the freedom to contract. Holmes: it also protected equality.
- we have a minimum wage now, but it's still below poverty level
- 1933: Lochner decision overturned by the Supreme Court under pressure from New Deal and FDR. It was followed by lots of laws regulating the conditions/wages of work. After WWII, there were even more laws not only about wages, but air quality, ergonomics, etc.
- 20<sup>th</sup> century: laws came to reflect the transformation in production and the recognition between the inequality between capital and labor, the economic production not only of goods, services but health, working conditions, air quality, environmental degradation, but as Marx said, *no mode of production is entirely one thing and not another*. Two different views were warring in these modern capitalist economics: law must create more equitable conditions and protect deficiencies/externalities that the market can't take care of – e.g. cleaning the air.

- **Marx's point:** *Any mode of production has within it forces/relations/ideas that are contradictory; neither the relations of production nor the culture will be homogeneous.*

By the end of the 20<sup>th</sup> century, there had been 60 years of law designed to regulate/contain dysfunctions of capitalism. But since Reagan, American federal policy has been pushing the other way – now saying the market must be free to develop. These are **ideological contests** – contests going on in the *superstructure* to protect different conceptions and organizations of the *base*.

Marx believed that – despite contradictory/conflicting relations/ideas in superstructure – the



material base changes in a way that can be analyzed with **the precision of science**.

- Changes in ideological/political aspects are in the superstructure
  - Superstructure goes through the human mind
  - The human mind and will varies
  -
- There are interests and desires – therefore different interests and different interpretations come to play in interpreting what our forces of production really are – that’s where **ideological struggle** takes place.
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- There are **competitive interpretations**, but ultimately, the cause of change comes from the economic base to the top. But we can change the economic base through new laws, new technologies (model II, the feedback loop!).

e.g. **Globalization** – it is the transformations in technology (transportation, communication) that have created global economy. Technological change and the global market are challenging the legal regime that was set in place in the mid-20<sup>th</sup> century in most European and American nations (and South American and some Asian nations too) to protect the workers’ conditions so that their lives were not bare necessity.

- *Is globalization to be understood as freedom?*
- *As distant locations participating in the same culture/market?*
- *Or is it domination in production and finance by those with the most capital?*
- *What would Marx say and what are the alternatives?*
- *Is globalization a way of organizing production so that the protections for labor created within can be avoided?*