The Iron Fist and the Velvet Glove

An Investigation of the Power of the New Petit-Bourgeoisie in Capitalist Formations

by Margaret Cachilla Bulbeck

Thesis submitted for the Degree of Doctor of Philosophy of the Australian National University.

May 1979
The empirical investigations undertaken in Chapters Six and Seven represent my own original work.

ACKNOWLEDGEMENTS

It is difficult once the final process of giving birth to a thesis is completed to release it to the critical world. However, that moment has come and I would like to acknowledge the help of this thesis' other "parents."

First my trio of supervisors who gave their different kinds of contributions to this work. Without the continual inspiration of Stephen Mugford, I have sometimes wondered if this work would have been completed. I would also like to thank Larry Saha for his patience with my sometimes abrupt literary style and his painstaking care with the final drafts. Andrew Hopkins' contributions helped make the empirical chapters more lucid. Finally a number of staff at the Industries Assistance Commission, including the Library staff, happily gave me help and information when it was needed.
Abstract

This thesis attempts to make general theoretical statements about the power of classes in advanced capitalist societies. For reasons outlined briefly below the new petit-bourgeoisie are the centre of concern. In order to arrive at a general statement about the new petit-bourgeoisie this thesis takes two routes. The first is a theoretical route through mainstream sociology's discussion of power (Chapter One) and its analysis of the power of occupational and organizational members (Chapter Three) to a discussion of Marxist conceptions of class power (Chapter Four). The second route is empirical and discusses the power of a particular group (professionals in a state bureaucracy) in relation to the Marxist analysis of class power developed in this thesis. This empirical analysis unveils the specific role that the new petit-bourgeoisie play as a "supporting" class in capitalist societies and shows how the Marxist theory informs analysis of such empirical groupings.

After a critique of the basic inadequacies of traditional conceptions of power in Chapter One, Chapter Two introduces the research site. This is a governmental advisory body, the Tariff Board and later renamed the Industries Assistance Commission, responsible for advising the government on the forms and extent of assistance which should apply to industries in Australia. This site was
chosen because it is marked by a change in the power of a professional group, or a new petit-bourgeois group, the economists, located within it over its history. The economists gained prominence in the sixties at the same time that the institution gained autonomy from the Department of Trade and began to espouse a free trade policy in relation to tariffs.

Chapter Three demonstrates that classical organization theory cannot explain this rise to prominence in terms of its theory of organizational power. This inability arises both from its adoption of the badly placed definitions of power critiqued in Chapter One and its assumptions about the correct site of analysis – the organization.

Chapter Four introduces the materialist dialectic problematic of power. Poulantzas' work has been drawn on mainly within this problematic. It is suggested that power is a phenomenon not of individuals or of organizations but of classes. The determination of classes gives a structural base to the explanation of power which situates and explains the surface phenomena of power acts. In Chapter Five it is suggested that the most problematic class in relation to a definition of relations of power is the new petit-bourgeoisie. This is because the new petit-bourgeoisie can only meet their class interests by forming an alliance with either the working class or the bourgeoisie. This problem is further complicated for those
sections of the new petit-bourgeoisie located in the state, due to the specific role of the state in capitalist formations and its so-called "relative autonomy".

Chapter Six explores Poulantzas' notion of relative autonomy of the state as it applies to petit-bourgeois groupings located in the state. It is demonstrated that Poulantzas' theoretical explanation of this notion is inadequate. For the state to have relative autonomy from the classes outside it, some role (by this time the term power has been replaced with a more precise definition of presence) must be attributed to the new petit-bourgeoisie located in the state.

Chapters Seven and Eight explore the relationship between the classes located in the state and the "hegemonic" fraction of the dominant class. The hegemonic fraction is identified as that fraction of capital which has its economic interests met by state policies. Analysis of data for the Australian formation suggest that the hegemonic fraction of capital changes over Australia's post-war history from domestic monopoly capital to an unstable balance between the comprador bourgeoisie (basically "agents" for foreign capital - e.g. importers) and the internal bourgeoisie (representatives of multinationals located in Australia - e.g. the motor vehicle industry). In Chapter Eight data on Australia's assistance policy over the same period shows a shift in support from domestically
located monopoly capital to the two fractions of international capital. This data not only supports Poulantzas' thesis but also explains the increased prominence, or presence, of the economists of the Industries Assistance Commission after the sixties, not in terms of their own power but in terms of the changes in the hegemonic fraction of capital. The structural or underlying variables in the social formation which can only be apprehended by theory explain the visible or empirical changes in the formation. The final chapter addresses some of the theoretical and empirical problems that arise from such an identification of the role of the new petit-bourgeoisie and suggests further avenues for sociological research.
Table of Contents

Introduction: Statement of the Problem ........................................ 1

Chapter One: Power in Mainstream Sociology ............................... 5
   1.1. Introduction .................................................................. 6
   1.2. Power as an Individual Act of Doing ......................... 7
   1.3. The Structural Functionalist Problematic of Power ........ 12
   1.4. The Relationship Between Individuals and Structures .... 15
   1.5. The Marxist Problematic - Class Power .................... 21

Chapter Two: The History of the Tariff Board - Industries Assistance Commission .................................................. 25
   2.1. The Research Site ......................................................... 26
   2.2. The Biography of an Institution ..................................... 28
   2.3. The Self-Conception of the Tariff Board - IAC Economists 39

Chapter Three: Classical Organization Theory and the History of the Tariff Board - Industries Assistance Commission 53
   3.1. Classical Organization Theory's Explanation of Power .... 54
   3.2. Modes of Commitment of the Professional ................... 65
   3.3. Summary and Critique .................................................. 77

Chapter Four: The Materialist Dialectic Problematic Class and Power ................................................................. 90
   4.1. Introduction ................................................................ 91
   4.2. The Regions in a Social Formation ............................ 92
   4.3. The Relations of Domination and Subordination ........ 98
   4.4. The Concepts Determining Power .............................. 106

Chapter Five: Power and the New Petit-Bourgeoisie ...................... 119
   5.1. Ambiguities in the Determination of the New Petit-Bourgeoisie 120
   5.2. The Privileges of the New Petit-Bourgeoisie ............... 128
5.2. The New Petit-Bourgeoisie and Alliance 143

Chapter Six: The State and the Social Classes 151

6.1. Introduction 152
5.2. The State and The Social Classes 156
6.3. The New Petit-Bourgeoisie and the State Apparatuses 169
6.4. Conclusions and Hypotheses 177

Chapter Seven: The Hegemonic Fractions of Capital in the Australian Formation 183

7.1. Introduction 184
7.2. Parameters of the Model 178
7.3. The Empirical Measures of the Fractions of Capital 199
7.4. Identifying the Hegemonic Fraction of Capital 208

Chapter Eight: The Australian State and the Hegemonic Fraction of Capital 233

8.1. The Interests of the Hegemonic Fraction of Capital 234
8.2. Tariff Policy and the Interests of Productive Capital 248
8.3. The Economic Effects of Assistance Policy 251
8.4. The Ideology Mongers of the IAC 277

Chapter Nine: Conclusions and Beginnings 289

9.1. Power in Theory: Conclusions 290
9.2. Conclusions and New Directions 303

Bibliography 315

Index 338
## List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.</td>
<td>Contribution to GDP by Sector</td>
<td>29</td>
</tr>
<tr>
<td>2.2.</td>
<td>Content Analysis of TBIAC Annual Reports</td>
<td>42</td>
</tr>
<tr>
<td>2.3.</td>
<td>Growth in Average Size of Report and Index of GDP</td>
<td>43</td>
</tr>
<tr>
<td>2.4.</td>
<td>Number of Industry Reports Signed and Changes in Tariff Levels</td>
<td>46</td>
</tr>
<tr>
<td>3.1.</td>
<td>Academic Qualifications of TBIAC Staff</td>
<td>70</td>
</tr>
<tr>
<td>3.2.</td>
<td>Backgrounds of TBIAC Commissioners</td>
<td>75</td>
</tr>
<tr>
<td>5.1.</td>
<td>Income and Prestige of Occupations</td>
<td>133</td>
</tr>
<tr>
<td>5.2.</td>
<td>Income and Prestige of Class Groupings</td>
<td>136</td>
</tr>
<tr>
<td>5.3.</td>
<td>Unemployment Rates of Occupational Categories</td>
<td>139</td>
</tr>
<tr>
<td>7.1.</td>
<td>Distribution of Size of Factories as Measured by Number of Hands Employed</td>
<td>209</td>
</tr>
<tr>
<td>7.2.</td>
<td>Indices of Concentration in Manufacturing Industry</td>
<td>211</td>
</tr>
<tr>
<td>7.3.</td>
<td>Indicators of Capital Investment</td>
<td>214</td>
</tr>
<tr>
<td>7.4.</td>
<td>Capital Raisings by Companies in Australia</td>
<td>215</td>
</tr>
<tr>
<td>7.5.</td>
<td>Extent of Foreign Control of Australian Manufacturing Industry</td>
<td>218</td>
</tr>
<tr>
<td>7.6.</td>
<td>Foreign Control of 200 Largest Enterprise Groups in Manufacturing Sector 1972-3</td>
<td>219</td>
</tr>
<tr>
<td>7.7.</td>
<td>US Investment Overseas 1950-70</td>
<td>221</td>
</tr>
<tr>
<td>7.8.</td>
<td>Direction of Sales of Overseas Affiliates of US Companies as Percentage Total Sales</td>
<td>223</td>
</tr>
<tr>
<td>8.1.</td>
<td>US Investment in the Pacific Region 1960-75</td>
<td>239</td>
</tr>
<tr>
<td>8.2.</td>
<td>Australian Exports to and Imports from Asia by Commodity Classification</td>
<td>242</td>
</tr>
<tr>
<td>8.3.</td>
<td>Allocation of Government Assistance by Sector 1974-5</td>
<td>249</td>
</tr>
<tr>
<td>8.4.</td>
<td>Correlation Matrix: Class Power and Assistance Levels - 1969-70 N = 40</td>
<td>256</td>
</tr>
<tr>
<td>8.5.</td>
<td>Concentration and Measures of Power 1973-7 Controlling for Profitability</td>
<td>265</td>
</tr>
<tr>
<td>8.6.</td>
<td>Foreign Control and Measures of Power 1973-7 Controlling for Profitability</td>
<td>268</td>
</tr>
<tr>
<td>8.7.</td>
<td>Reasons Given for Assistance Recommendations</td>
<td>280</td>
</tr>
<tr>
<td>8.8.</td>
<td>IAC Effects on Assistance Levels</td>
<td>283</td>
</tr>
</tbody>
</table>
List of Figures

3.1. Perrow's Organization Typology .......................... 61
3.2. Backgrounds of Commissioners of TBIAC ............. 76
3.3. Relationship Between Variables Used in Organization Theory .................. 77
4.1. The Concepts Determining Class in Poulantzas' Formulation .................. 117
5.1. Schematization of Class Determination .................. 129
6.1. Class Power - Long Term Interests ....................... 178
6.2. Class Power - Short Term Interests ....................... 178
6.3. Class Power in Relation to Assistance Levels .............. 180
7.1. Changes in the Economically Dominant Fraction of Capital in the Twentieth Century .......................... 198
7.2. The Fractions of Capital ................................ 201
8.0. Assistance Rates for Industry Reports ................... 261
Note on Referencing

Throughout this text a referencing system now common in many sociological journals (e.g. Sociology) will be used. Thus instead of:


in the text the following notation is used:

(Clegg, 1975, p26).

There are some writers, however, who are referenced extensively in the text and for whom a number of works are being referred to. In order that the reader may easily follow which text is being referenced, the initials of the book or article will be used rather than the year of publication. Thus for Marx's Capital, Volume I, instead of (Marx, 1976, p456) the reference will be (Marx, CI, p456). Two other authors, Poulantzas and Althusser, will be treated in the same way.
Introduction: Statement of the Problem

All theses have a personal history and a written history. Rather like the problem Marx (CI, p102) posed when he stated that the process of empirical observation does not conform to the process of thought, a thesis' personal history may be quite different from its order of exposition in the final form. I initially asked the question "Why do different occupations have different amounts of power?" At this stage I was unsure what power meant but thought of it as the ability to define the parameters of one's work and to secure varying sorts of compensation for that work. In pursuing the answer to this question I first read the classical literature on power. This seemed unable (for reasons outlined in Chapter One) to answer the question and to define power. I turned then to organization theory which attempts to discuss the power of organizational members in work settings. This again seemed inadequate to the task of explaining power although it sometimes described powerful events. The critique of this is dealt with in Chapter Three. Finally I turned to the major alternative problematic in sociology - Marxism - to see how the problem was treated there.

The materialist dialectic does not deal with occupations but classes, it deals not with work organizations but the effects of class forces materialised
in them. For this reason I had to translate my occupational categories into class categories. Some of the difficulties associated with this are explored in Chapters Four and Five. I came to the conclusion that theoretically the Marxist problematic was most obscure when it came to the discussion of the power of the new petit-bourgeoisie or the new middle class rather than the other classes. One of the reasons for this obscurity is that in the last analysis the power of this class can only be ascertained by undertaking research of empirical formations. This is so because the new petit-bourgeoisie only have power (better termed presence due to the specific definition of power employed in this text) to the extent that they form alliances with either the working class or the bourgeoisie.

The thesis moves to the empirical site to analyse the nature of this presence. An additional problem is posed if the new petit-bourgeoisie located in state institutions are discussed because the state has a specific role to fill in the reproduction of the capitalist relations of production. The nature of this role and its effects on the presence of the new petit-bourgeois groupings located in the state is discussed in Chapters Five and Six. Basically it is shown that the state operates in the political interests of the dominant classes and in the economic interests of the hegemonic fraction of capital, while at the same time having a relative autonomy from these and other classes.
In Chapter Two it is shown that the economists in the Tariff Board (later renamed the Industries Assistance Commission), a governmental advisory body responsible for giving advice on the forms and extent of industry assistance, came to prominence (what organization theorists would call power) in the sixties in Australia. In Chapters Seven and Eight, an empirical test is constructed to suggest that this rise to prominence is the direct effect of the changes in the hegemonic fraction of capital over the period of the institution's history.

How can such a theory be tested? Firstly it must be demonstrated how the hegemonic fraction changes. Data on the Australian formation is scanty and obviously not directed to Marxist categories. However it is tentatively shown that the hegemonic fraction does change by the fifties and again in the late sixties or early seventies. It changes from domestic monopoly capital with clear economic interests for high tariff barriers to a contradictory unity of international capital - one segment favouring low assistance rates and the other high assistance rates. The evidence suggests that both these fractions are favoured by assistance policy during the periods in which they are said to be hegemonic. Although it is difficult to translate assistance levels into a reflection of economic interests, the crucial point to note in Chapter Eight is the extent to which changes in assistance levels are explained by changes in the hegemonic fraction of capital as opposed to other
explanations – e.g. that the economists or the government have power. It turns out that the effects of the presence of the economists independently of the hegemonic fraction is quite small (although not nil revealing their relative autonomy) and that the presence of new petit-bourgeois groupings located in the state depends on the hegemonic fraction of capital and the structure of alliances in the power bloc of the dominant classes.

Thus the question of why do different occupations have different amounts of power is answered for those segments of the new petit-bourgeois located in state apparatuses: "To the extent that they represent (form an alliance with) the economic interests of the hegemonic fraction of capital".
Chapter One

Power in

Mainstream Sociology

The problem of power...(is) of supreme importance for political theory...it is furthermore one of the most controversial topics in current political theory (Poulantzas, PPSC, p199).
1.1. Introduction

We feel the phenomenon of power in our everyday lives and read about it in our newspapers. We readily attribute more power to some occupational groups (e.g. doctors) than we do to others (e.g. garbage collectors). Power is so obvious, so ever-present that this may be the reason it is so ill-defined and so absent in the writings of classical sociology. Because everyday discourse is neither innocent nor happy (Hegy, 1974):

Sociologists' attempts at defining power are also embedded in the fabric of our everyday language, so that they merely reflect the seeming circularity of the dictionary, or the unexplicated nuances of our everyday speech (Clegg, 1975, p2).

This thesis attempts to free the concept of power from its guilt (unstated assumptions) and its unhappiness (inability to explain). For this reason the thesis is not about the power of doctors or garbage collectors, nor about inter-personal influence. However, the thesis must start at this point - with a critique of the more commonsense notions of power which apply to everyday categories.

Sociologists have often asked the question "Why do some organization members have more power than others?" Using occupational groups as the unit of analysis they attempt to pose an answer. Within the sociological tradition there appears to be three basic answers to this question. The organization theorists attribute power to factors located inside work organizations - principally the ability to
mediate organizational goal performance. The writers on professions attribute power to the intrinsic nature of professional work - its application of esoteric skills and knowledge. Finally the power of an occupational group could be attributed to its degree of organization as an occupation - unionism or, for professionals, "association". All these answers are more or less canvassed in this thesis. It is shown that as explanations of power, these approaches are inadequate and haphazard. They often describe power relations but fail to explain why power should be distributed in this way. It is shown that the power of organizational or occupational members can, however, be explained in terms of a Marxist paradigm of class power.

In this introductory chapter several views of power will be discussed. These are the individualist-behaviourist approach (Dahl, 1957), the structural functionalist approach (Parsons, 1949, 1951, etc) and the hermeneutic approach (Giddens, 1973, 1976). The final section will deal briefly with the Marxist approach to class power which is in part used to critique the more traditional conceptions of power.

1.2. Power as an Individual Act of Doing

In this first section the behaviourist approach to analysing power is discussed. Dahl's (1957, p202-3) discussion is archetypical of this school:

A has power over B to the extent that he can get B to do something that B would not otherwise do.
Power then is the ability to change the [behaviour] in another person due to that person's dependency on the power wielder in some sense (Emerson, 1962, p34). This power is conceptualised in terms of opposing forces (derived from Lewin's (1952) field theory) and rests on psychological properties:

we define power in terms of influence, and influence in terms of psychological change (French and Raven, 1959, p150).

The means to power are the properties of individuals such as the ability to influence (change another's decision via communication of information - Tedeschi, 1972a, b, c), referent power (feelings of attraction or appeal - Olsen, 1968, p179), and reward power or the control of positive sanctions (French and Raven, 1959, p186-7). Authority is conceived of as power considered legitimate by the recipient (Simon, 1957, p103). Even coercion or force and manipulation are translated into individual properties. Force

seeks to influence choice by creating an unpleasant option for the chooser (Mackenzie, 1975, p119)

e.g. "your money or your life". Manipulation is the ability to control information and cues without the recipient being aware of this (Goldhamer and Shils, 1939, p172).

Comparison of these notions with the definitions of economic, political and ideological power developed by the Marxist problematic pursued in Section 1.5 reveals how the individualist approach ignores power as a general, patterned
phenomenon in society and is able to introduce the notion of "choice" into all power situations.

The second way in which this school diffuses the issue of power is via a behaviourist approach. Power is an act, it requires "concrete, observable behaviour" (Lukes, 1974, p.12). In this way manipulation of values is defined out of the spectrum of power and those acts that remain cannot be compared because each act is distinguished by the scope of issues, the domain of persons influenced, the bases or means used and the extent of change in the recipients. Power must be seen to be done, and done to be seen. Because the real world is multi-variate, power is measured in laboratories (e.g. Horai and Tedeschi, 1969; Solomon, 1960). Apfelbaum (1974) demonstrates that the very structure of the experiments denies rebellion and so legitimates the exercise of power.

Power in this school is not a general phenomenon, not a concept derived from theory but a multitude of unmeasurable and unexplained events:

the consequence of this is to reduce power to the conceptual level of 'nihilism'... Where... a concept, such as Dahl's (1957) goes powerless to the world, the world of power need not fear (Clegg, 1975, p.21).

There is an interesting and recurring contradiction in mainstream sociology. An attempt has been made to marry the neo-classical economics paradigm with the structural functionalist paradigm. As these have somewhat different
assumptions concerning the "nature" of man and of society, ambiguities and confusions develop in the exposition.

Neo-classical economics postulates an "ideal" man, homo economicus. Economic man is rational in the pursuit of insatiable goals, formally free and equal with all others in his ability to bring his goods to the competitive market. Here they will be exchanged for other goods under the aegis of the invisible but benevolent hand of free competition. Free competition occurs because the market consists of innumerable buyers and sellers who cannot influence the price of goods and who have perfect knowledge about the goods on the market. As Mackenzie (1975, p69) points out, in the market "(t)hings are not decided, they happen". He also points out that criticism of this model should not be of the source of the metaphor (neo-classical economics) so much as its application to the social world (Mackenzie, 1975, p72).

This paradigm is used to develop both the exchange-theory models of individual behaviour (Gouldner, 1960; Blau, 1964; Homans, 1966) and the models of conflict which measure power. Exchange-theory postulates that men, like pigeons, emit rewarded activity according to the value and frequency of the rewards. The "open secret of human exchange" (Homans, 1966, p22), as of marginal utility theory in economics, is that the rewards exchanged cost the giver less than they reward the receiver. As will be shown in Chapter Four, neither men (nor pigeons in laboratories)
have free choice or equal resources with which to exchange. Homans (1966,p186) accounts for power, or apparently unequal exchange, as follows:

Fair exchange, or distributive justice in the relations among men, is realized when the profit, or reward less cost, of each man is directly proportional to his investments: such things as age, sex (1), seniority or acquired skill (Homans,1966,p264)

The neo-classical economics model is also used in the analysis of conflict, the "tag" identifying an act of power. Conflict, like power, must also be visible. For this reason notions of "latent" or "potential" conflict, like notions of "manipulation", provide considerable difficulties in an admittedly empiricist (2) approach. This problem also applies to notions of "irrational" conflict (note the dependence on the neo-classical economics model). Bernard (1957a) gives a full exposition of this problem.

Models of conflict behaviour adopt and adapt the neo-classical economics paradigm. Boulding (1957,1962,1966) and Michener and Suchner (1972) discuss conflict in terms of movement between indifference curves or demand and supply curves of power. The prior distribution of resources which

(1) How sex may be conceived of as an investment is beyond this author.

(2) "It is simpler to consider a conflict to exist when people say that it exists" (Beals and Siegel,1966,p18) or conflict occurs when "each party perceives the other as a barrier or a threat" (Stagner,1967,p136,italics mine).
determines the demand and supply curves is not questioned. The prior distribution of power to Caplow's (1968) triad members is not explained. Nor is the distribution of "pay-offs" in Rapoport's (1965) game-theory. Given the assumptions of these models - reward maximising individuals, rational behaviour and the desire to win - it is a simple matter to conclude that the more powerful players win. As Bernard (1954, 1957b) notes, the assumptions are themselves suspect, and disguise the far more crucial issue of explaining how power resources are distributed in society.

It is time to move from the individuals of neo-classical economics to the structures (or so it seems) of society, and to a consideration of the structural functionalist paradigm of power.

1.3. The Structural Functionalist Problematic of Power

The structural functionalists (Parsons, 1951; Merton, 1957; Davis and Moore, 1945) either implicitly or explicitly see society as analogous to a biological system. It is made up of interacting parts, each of which contributes towards the functioning of the whole and benefits from being a member of it.

Parsons (1958, 1964, 1965, 1967a, 1967b) gives the prototypical structural functionalist account of power:

Power...is the generalised capacity to secure the performance of binding obligations by units in a system of collective organization when the obligations are legitimized with reference to
their bearing on collective goals (Parsons, 1965, p. 257).

Power only operates for the good of the collectivity, this being ensured by the collectivity's giving a mandate to the powerholders, akin to the fashion in which depositors trust the creditworthiness of a bank (Parsons, 1964, p. 47). The inadequacies of this definition need no elaboration. Parsons excludes by "definitional fiat" (Lukes, 1974, p. 28) concepts of coercion and force, i.e., he cannot conceptualise power as operating against the will of the people. As Mackenzie notes, the "functional explanation does not explain power, but explains it away" (Mackenzie, 1975, p. 67). The parts in the system have specific parts to fill and they can do no more; they do not exercise choice and make decisions but fulfill allocated functions. (Can the elm choose? Can the heart?). Mackenzie also comments on the ideological masking of the systems approach. A machine postulates a designer, but the structural functionalists ignore that the social system may operate to the advantage of a designer or specific group:

To deny that power as choice exists provides the best possible screen for those who choose (Mackenzie, 1975, p. 68).

Following Simmel's (1955) contention that conflict may be functional for society, the structural functionalist paradigm attempts to justify all conflict. Riots are functional because they compel the community's attention and senseless violence provides a needed release
Dahrendorf (1958) claims to use a Marxist approach to the analysis of conflict. He denies the economic bases of class determination as outdated and introduces Weber's notion of authority to define two interest groups—one which has authority and one which is subordinate to it. There are two groups in society, those which realise their interests consciously (akin to the class for itself) and those quasi-groups which share a common situation (akin to the class in itself). Balbus (1971a, 1971b) works a similar distinction, also claiming a Marxist base. The problem, as Haupt and Liebfried (1972, p38) point out, is that these models have no structural determination of interests and so the class in itself cannot be identified. Thus, as Rex (1960) notes, denial of economic bases of class denies the necessity for conflict and Dahrendorf is merely a sheep (a structural functionalist) in wolf's (Marxist) clothing:

Authority-derived conflict, therefore, was not seen as a disintegrating force, dividing classes and providing the stimulus for structural change but as an adapting one which through institutionalization and democratization contributed towards the achievement of equilibrium within the existing social relations of production (Allen, 1975, p49).

In other words, Dahrendorf locates conflict in the superstructure and denies that conflict may cause revolutionary as opposed to adaptive change.
1.4. The Relationship between Individuals and Structures

The previous sections demonstrate some of the inadequacies of approaches to power based on the resources of individuals or a hypothesis that there are no underlying structural characteristics identifying different powerful or powerless groups in society. The word structures, then, must not be taken at face value but must be assessed for its meaning within the problematic. This problem is further pursued in this section.

Parsons' own work is typified by a disjunction between "alters" and "egos" and the social system. Thus interpersonal power may operate against the will of individuals but collective power does not (Parsons, 1964, 1965). In fact a recent analysis of Parsons' position by Savage (1978) does suggest that the interpretation of collective power does include sanctions and differential distribution of the ability to secure binding obligations. However Savage admits that Parsons' "attempt to transcend the very distinction between conflict and consensus perspectives" (Savage, 1978, p158) does effectively submerge the notion of conflict in society.

The problem of order or the integration of individuals into society is the pressing problem for mainstream sociology. This problem is reflected in a separation of theoretical systems pertaining to societal wholes and
research pertaining to clusters of individuals. C. Wright Mills (1959) and Allen (1975, p73) note the gap as a divorce of theory (structural functionalism) from research (abstracted empiricism) in mainstream sociology. Merton (1957, p5) seeks to close the gap with a call for theories of the "middle range", dealing in limited ranges of data at sub-societal levels - e.g. conflicting group pressures, inter-personal influences (Merton, 1957, p9).

Attempts to make the transition are via notions of roles or statuses, i.e. individuals exist in roles which are defined by the system. The process side of this static analysis suggests that the individuals filling the roles are socialised to do so via inculcation of societal norms. Roles are by definition differentiated and such differentiation may also be on the basis of power resources. Some partial attempts to discuss this possibility are found in the literature.

Bachrach and Baratz (1962, 1963) emphasize the ability of some powerful members to keep issues out of the decision-making arena (i.e. to make non-decisions). Rogers (1974) notes that the system decrees the value of power-giving resources that individuals have at their disposal and draws a distinction between instrumental resources (which measure potential power) and infra-resources (which allow the application of instrumental resources, i.e. the precondition of the power act). Lukes
(1974, p33-4) attempts to insert the concept of system as the creator of "wants" which masks the individual's true "interests", although ultimately he feels that the individual must define his real interests. This seeming contradiction is symptomatic of an approach which has no independent conceptualisation of system apart from the actors in it. These analyses do not explain why some roles have more resources attached to them than others.

A further attempt to resolve this problem is via the hermeneutic approach which, for Giddens (1973, 1976) is based on a marriage of Weberian and ethnomethodological views of society. Giddens (1976, p210) broaches the uneasy "interplay of subject and object", of man and society, in the following way:

practices are the situated doings of a subject, can be examined with regard to intended outcomes, and may involve an orientation towards securing a response or range of responses from another or others; structures, on the other hand, have no specific socio-temporal location, are characterized by the 'absence of a subject', and cannot be framed in terms of a subject-object dialectic (Giddens, 1976, p119).

Giddens is concerned to situate the actions of individuals as not totally free. He uses both a Durkheimian (the "conscience collective" - Durkheim, 1965, p79):

structures appear both as condition and consequence of the production of interaction (Giddens, 1976, p157)

and a Weberian (1947, p81-90) cum ethnomethodological emphasis (i.e. location of explanation in terms of the
meaning it has for actors):

The reflexive elaboration of frames of meaning is characteristically unbalanced in relation to the possession of power, whether this be a result of superior linguistic or dialectical skills of one person in conversation with another; the possession of relevant types of 'technical knowledge', the mobilization of authority or 'force' etc (Giddens, 1976, p113).

Like Weber, Giddens tends to focus on legitimate power:

every cognitive and moral order is at the same time a system of power, involving a 'horizon of legitimacy' (Giddens, 1976, p161).

The emptiness of the structures in Giddens' theory is demonstrated in his analysis of class. He rejects Marx's formulation as unable to account for the diversity of classes in western society and adapts Weber's notion of market capacity combined with 'common life experiences' (the values held and neighbourhoods lived in etc of agents - Giddens, 1973, p107-13):

Class is identified by "market capacity", and market capacity is all forms of relevant attributes which individuals may bring to the bargaining encounter (Giddens, 1973, p103).

The power of the middle class is their

marketable technical knowledge, recognized and specific symbolic skills, and the offering of generalized symbolic competence (Giddens, 1973, p186).

In other words class power reduces to individual recognition of it. Power depends on holding skills that are considered valuable by other social members. Giddens does not address the question of why "generalized symbolic competence" should be considered more valuable than "wage
labour" and so by default accepts a Davis and Moore (1945) type explanation: i.e. the market decides on the basis of costs of acquiring skills and the value of these skills to other market goers.

Marx points out that the apparently equal exchange on the market between labour and wages disguises an unequal exchange at the level of production. The labourer is like someone who has brought his own hide to market and now has nothing to expect but a tanning (MARX, CI, p280).

Giddens' analysis is of the distribution of agents into structural places rather than the genesis of those places, i.e. an analysis of surface phenomena rather than a study of deep structures (Poulantzas, CCC, p32-5).

It would be reification to suggest that structures are not created by social members:

Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves (Marx, Eighteenth Brumaire, p398).

Giddens, like the structural functionalists and the behaviourists, cannot explain those circumstances under which individuals make their history.

We may now make sense of Poulantzas' (PPSC, p198) criticism of structural functionalism, and of Weber (to whom Parsons (1949) acknowledges his intellectual debt):

What links the theories of Weber to those of functionalism (as Parsons noted) is that the global structure is, in the last analysis, considered as a product of a society-subject which in its teleological becoming creates certain
social values or ends.
Structures are no more than "the products of agents" (Poulantzas, PPSC, p110) and interests are expectations (probabilities) of certain conducts on the part of agents as a function of their structural role (Poulantzas, PPSC, p110).

The dilemma between goal maximising individuals (borrowed from the market paradigm) and a society whose parts exist to function for the whole is resolved via a notion of an ideological community, i.e. the socialisation of individuals to have as their interests those of society (Therborn, 1976a, p16-7). This lays bare another contradiction: that of the assumption that individuals are free to choose and act but only free to choose and act for the good of society (Hirst, 1976, p52-5). The suppression of a conceptualisation of objective interests suppresses the possibility that groups in society may have interests in opposition to one another. Only when individuals demonstrate that they are not free, by asserting their freedom (e.g. revolution) does the contradiction surface into an area of social reality that structural functionalists can perceive, i.e. surface phenomena. These phenomena, events and actors' beliefs, may be investigated by the method of positivism ("what counts as 'correct procedure'" - Clegg, 1975, p19) because the paradigm of structural functionalism (decreeing "what counts as 'factual knowledge'" - Clegg, 1975, p19) assumes that all individuals are equal and free, that there are no invisible structures
constraining their actions. This explains the happy marriage of empiricism and structural functionalism.

In Chapter Three below this paradigm will be returned to. It will be seen that its assumptions are adopted by organization theory. This contributes towards the inability of organization theorists to explain the power of organizational members.

1.5. The Marxist Problematic - Class Power

In the previous sections it was shown that mainstream sociology provides an inadequate account of power on three scores. Firstly in being lodged at the level of the individual it fails to perceive power as a patterned phenomenon in society. Secondly, and intertwined with the first problem, societal structures are not seen as providing an independent basis for describing an individual's interests and, by his ability to meet them, his power. Rather structures, if used at all, reduce to the stated or subjective beliefs of individuals. The Marxist problematic overcomes both these problems but is not so successful in dealing with a third - the relationship between individuals and structures.

A critique of the Marxist analysis equivalent to the one pursued above, is elaborated in Chapter Four. At this point its main concepts and assumptions will be dealt with briefly. A society is defined first and foremost by the
mode of production which characterizes it. The mode of production of a society defines two classes. One owns the means of production and the products of the labour and expropriates the labour of the other class which does not control the product of its labour and must supply its labour power to the production process. This, to put it crudely, defines two classes and two sets of class interests which are identified as a result of the classes' relationships to the means of production and not individuals' assessments of those interests. The structures of society are economic relations which exist independently of the wills of actors fulfilling the roles in society.

Poulantzas (PPSC,p104) identifies power as the ability of a class to realize its objective interests. The interests of a class are located in the economic structures, and power is measured by the extent to which these interests are met. In this way power is a patterned phenomenon in society distributed among classes according to their control of the means of production and the product.

Means of production are co-ordinated in economic enterprises. According to Poulantzas (CCC,p230) enterprises are the site for the materialisation of class relations. Enterprises do not distribute power or hold power, they merely reflect the power determined by the relations of production. If one wishes to discuss the power of an occupational group, one should identify the class to which
it belongs and so assess its power. This seems reasonable in abstract. Unfortunately, however, not all members of the working class or any other class have exactly the same amount of power. Is this due to individual differences and not class bases? Or is it due to actual class differences from one empirical group to another?

One attempt to resolve this problem is that of organization theory which locates analysis at the level of members of work organizations. If this problematic already treats with individuals differentiated on the basis of structural variables located in organizations why cannot this problematic be used to analyse occupational power? Because, as will be demonstrated in Chapter Three, this problematic adopts the assumptions of structural functionalism critiqued in this chapter. To lay bare the inadequacies of organization theory a critique of it will be situated in relation to a particular organization, the research site. The organization and its history will be discussed in the next chapter. Chapter Three then probes the ability of organization theory to explain the changes in power of occupational members in that organization.

In organization theory texts the so-called theoretical analysis is usually preceded by a biographical account of the organization under study - its history, functions and mode of operation. Rarely are reasons given for the choice of research site and never is the question asked as to
whether an organization may be studied like a fish bowl as a free floating institution independent of its environment. The institution studied here has been chosen for particular theoretical reasons. These do not apply so much to organization theory as to the Marxist explanation developed in Chapters Four and Five.

This thesis aims at an explanation of class power at the societal level. Organization studies explain the workings of organizations example by example with little attempts at generalisation. For this reason any organization will do, as it is only this particular organization that anything may be said about. The Marxist theory of power on the other hand, attempts to account for power throughout society. There is one class group, the group of the new petit-bourgeoisie located in the state apparatuses (SAs), concerning which the Marxist explanation is obscure and confused. The major theoretical task of this thesis is to unravel that confusion and provide an explanation of the power of these class groupings. For this reason an institution containing such a class has been chosen for study.
Chapter Two

The History of the Tariff Board -

Industries Assistance Commission

The functions of the Commission are to hold enquiries and make reports to the Minister...in respect of matters affecting assistance to industries and other matters that may be referred to the Commission in accordance with this Act (Industries Assistance Commission Act, 1973, Section 21).
2.1. The Research Site

This chapter outlines the history of the organization chosen for study and the changed self-conception of its members over its history. The institution was formed in 1921 as the Tariff Board and reformed in 1974 as the Industries Assistance Commission. For this reason the institution over its whole history will be referred to as the TBIAC. When only those time periods up to 1974 are discussed the abbreviation TB will be used. For time periods after and including 1974 the abbreviation IAC will be used to refer to the Commission.

The TBIAC is a governmental body created for the purpose of advising the government on the forms and extent of assistance that should be given industries in the primary, secondary and tertiary sectors of the Australian economy. Assistance is preponderantly given by way of tariff rates on imports or import restrictions (quotas) although more recently attention has been directed towards assistance for structural adjustment, research, marketing arrangements, grants etc.

The TBIAC does not, and never in its history has had, legislative power. It is an advisory body. Its work falls into two major parts - reporting on the assistance particular industries or commodities should be receiving and, since the creation of the IAC, directing attention to the overall effects of assistance policy in Australia. The
former part of its work is initiated by either the government of its own initiative, an industry seeking assistance or sometimes the IAC itself (especially in relation to the "Tariff Review" of all industries). The TBIAC receives a reference to enquire into the levels and forms of assistance that should be accorded a particular industry. "Interested Parties" (producers, importers, retailers, consumers) are invited to submit evidence on the issue either in writing or at a public hearing held by the Commissioners on the reference. On the basis of this evidence and, particularly since 1973, statistical information and economic models and arguments relevant to the enquiry, a report is prepared. This report describes the industry, its requests, and recommends a certain level and type of assistance to the industry. The report is forwarded to Parliament through an inter-departmental committee (it was forwarded through the Department of Trade in the Tariff Board days) where it is tabled. Parliament makes the final decision as to whether the report will be accepted, rejected, modified or "deferred".

At its inception the TB consisted of three Commissioners who were paid by the hour and a small support staff. It now has nine Commissioners, a number of Associate Commissioners and a staff of about 500 people. The bulk of the staff are located in Canberra, a minority in Sydney and Melbourne. The present staff is divided into three functional groups: the "Projects" staff who do the bulk of
work relating to industry enquiries; the "Economics" staff who are responsible for overall assistance policy, preparation of the Annual Report and the specialised economic input into each industry report; and the "Management Services" staff, the administrative staff of the Commission. Legally the Commission consists only of the Commissioners and Associate Commissioners. The remainder of the staff form the "Office of the Commission".

At this stage consideration will not be given to the issue as to whether the TBIAC is the "correct site of study" or "appropriate level of analysis". Organization theory does not even ask the question. Chapters Six and Seven demonstrate the absolutely crucial nature of this issue.

2.2. The Biography of an Institution

This section traces the development and growth of the TBIAC in Australia since its inception as seen by journalists, governmental commissions of economic enquiry and economists in academia. This is merely a narrative account of the sort that usually prefaces organizational case studies.

The first tariffs in Australia were introduced by the Victorian colonial legislature to protect its newly forming industries. The NSW legislature at the time favoured a policy of free trade - its industries being somewhat more established. There was considerable rivalry between the two
colonial administrations over this issue. With Federation, either a protectionist or free trade policy must be extended to the whole Commonwealth. The former was chosen and the first Australian tariffs were introduced in 1902.

The formation of the Tariff Board in 1921, then, did not herald the inception of tariffs but the government's desire to systematize and overview the increasingly complex tariff structure.

In 1861 the manufacturing sector's contribution towards GNP was 4.7%. This increased steadily until 1911 when it was 13.2% (Butlin, 1962, p460). Table 2.1 below shows that from the 1920's the manufacturing sector's contribution to GDP rose steadily while that of mining and the primary sectors fluctuated. The creation of the Tariff Board then can be seen as a response to the growth in the manufacturing sector.

Table 2.1. Contribution to GDP by Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary</th>
<th>Mining</th>
<th>Manufacturing</th>
<th>Other</th>
<th>Total 1910-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>25.6</td>
<td>5.6</td>
<td>11.5</td>
<td>57.3</td>
<td>211.6</td>
</tr>
<tr>
<td>1901</td>
<td>19.0</td>
<td>9.7</td>
<td>12.4</td>
<td>58.9</td>
<td>203.8</td>
</tr>
<tr>
<td>1911</td>
<td>26.5</td>
<td>5.7</td>
<td>13.2</td>
<td>54.6</td>
<td>329.3</td>
</tr>
<tr>
<td>1921</td>
<td>27.1</td>
<td>2.8</td>
<td>11.7</td>
<td>58.4</td>
<td>379.1</td>
</tr>
<tr>
<td>1931</td>
<td>26.7</td>
<td>1.8</td>
<td>13.9</td>
<td>57.6</td>
<td>388.1</td>
</tr>
<tr>
<td>1939</td>
<td>22.6</td>
<td>2.4</td>
<td>16.3</td>
<td>58.7</td>
<td>485.9</td>
</tr>
</tbody>
</table>

Source: Adapted from Butlin, 1962, p460-1
The Tariff Board was created as an executive arm to advise the government on tariff-making. Control was, however, to remain firmly in the hands of the legislature:

In fact, some reputable journals suggest that the imposition of the Tariff should not be left to Parliament itself but to some outside body... Tariff is a form of tax, and although taxation levied by Parliament may be regarded as disagreeable in a democracy, taxation imposed by a bureaucracy would be as impossible as would be the executions of an autocrat. (Mr Greene, Parliamentary Debates, 1921, Vol XCVI, p9720).

In this way the right of Parliament, as the people's representative, to make the final decision was affirmed.

Mr Greene, the Minister for Trade and Customs, when introducing the second reading of the Tariff Bill in the House of Representatives, prefaced his remarks by stating that Australia has "adopted a protectionist policy" (1). The Tariff Board was envisioned as an institution which would collect information to allow reasoned decisions to be made on tariff levels (not the existence of tariffs per se) and could look at the overall distribution of assistance in the economy. Not only were statistics seen as a valuable raw data for this process but also the sworn statements of industry representatives would be treated "sympathetically and yet critically" (2).

(1) Parliamentary Debates, 1921, Vol XCVI, p9718.

(2) ibid, p9719
The 1920 Tariff Board Act charged the Board to enquire into and report on the necessity for changed duties, bounties and the effects of existing duties and bounties - especially abuse of the tariff. Additionally

The Board may also on its own initiative enquire into and report on any of the matters referred to in...(the Act) (Tariff Board Act, 1921-62, p12).

Thus the Act empowered the Board to make the more general pronouncements about assistance that its members clamoured for in the sixties. Although inadequate staffing may have had some influence on its failure to do this, it is far more likely that the Board did not conceive of its role in this way. This suggests that the TB was not legally prevented from fulfilling the functions of general policy making before the sixties but rather that its members did not perceive its role as such until the sixties.

There was popular endorsement of protection in the early years:

The Australian policy of protection is based upon the belief that such a policy tends to accelerate our development and to increase our industrial prosperity. This policy the people of Australia have endorsed on many occasions (then Prime Minister, Bruce in Brigden, 1929).

The first enquiry into the tariff structure, the Brigden enquiry of 1929, was inconclusive in its recommendations. Basically it endorsed the existing tariff levels although it asked the Tariff Board to "apply economic principles to the tariff" (Brigden, 1929, p6), bemoaning the
fact that the "Board provided was not an expert but a representative body" (Brigden, 1929, p102). This failure was reiterated by Giblin (1931, p121):

the Board has never had a competent permanent staff able to advise it on economic questions.

Giblin also suggested that a comprehensive revision of the whole tariff was required (Giblin, 1931, p121). However Copland (1947, p78–9) warmly praised the efforts of the Tariff Board, although not on economic grounds.

After World War I tariffs were increased substantially, notably for chemicals, iron and steel-working. The aim during these years was to strengthen and diversify the industrial base. In 1929, Scullin, faced with high unemployment and a balance of trade deficit, increased tariffs substantially. Many tariffs introduced during the Depression years were initiated without reference to the TB (Jackson, 1975, p26–7; Current Affairs Bulletin, 1968, p132).

World War Two provided a natural barrier to overseas competition and the Tariff Board was fairly inactive during this period. Quantitative restrictions rather than tariff rates were a more common mode of protection from 1952 until the early sixties. Tariffs in the post-war period were "made to measure" particular powerful industries, e.g. the motor vehicle industry and the chemicals industry.
Industries were encouraged to invest in Australia by the high tariff structure, and once located in Australia were active in their pursuit of higher tariffs. Corden (1963) reports a survey of UK industries in 1959-60 in which 46 of the 86 respondents gave Australia's tariff policy as an important reason for establishing branches in Australia. Pressure groups, particularly ACMA, were established to "encourage the growth of manufacturing industry in Australia through protection" (Jackson, 1975, p14).

However, by the early sixties the winds of change were ruffling the feathers of such interest groups. Concern was expressed more vehemently and extensively over the high tariff level. Corden (1963, p174) estimated that 60% of factory employment in Australia was protected. He attempted to analyse the criteria which the Board applied to tariff recommendations and suggested that they were economically unsound. He also bemoaned the Board's chariness to enquire into industries that were not under reference. Karmel and Brunt (1962, p140) reiterated the deplorable ad hoc nature of tariff setting but envisioned for the Board a role as "a partial substitute for the sanctions of the competitive market" (Karmel and Brunt, 1962, p141).

The Vernon Committee of Economic Enquiry (1965) suggested that the cost of protection in Australia exceeded the benefits and introduced the notion of an effective rate of protection which differs from the nominal rate according
to the rates of protection on inputs to the particular industry (1).

The Committee recommended an increased research staff to enquire into overall tariff policy using economic criteria. The mid sixties saw an improvement in the balance of trade within the context of a booming economy (Current Affairs Bulletin, 1968, p137-8). The reservations of academic economists detailed above were now backed by the voices of both interest groups (e.g. the exporting primary and mining industries, the importing and commercial interests) and the general populace (as summarised/defined by the press).

Other Departments, e.g. Treasury, also saw a need for freer trade (McFarlane, 1968, p73). Bolton (1970, p306) saw the tariff debate of the sixties as one "between two influential pressure groups, the Associated Chamber of Commerce who favoured a relatively liberal tariff policy which would not discourage imports, and the Associated Chamber of Manufacturers who urged high tariffs". Other commentators saw the debate as one between the various governmental departments.

(1) The notion of the effective rate of protection is outlined in the IAC Annual Report 1973-4, p53-4. Basically it makes allowances for the fact that a high duty on an input to an industry may be reflected in the nominal rate of protection but does not benefit that industry. For example a nominal rate of duty on shirts imported into Australia may incorporate a rate of duty on cotton also. This duty is paid by the shirtmakers in a higher price for cotton but does not benefit the shirtmakers themselves. The effective rate measures the net extent to which the production process of an industry is assisted.
The Tariff Board was not an independent body but a semi-autonomous institution within the jurisdiction of the Minister for Trade. From the fifties, and particularly in the early sixties, members of the Tariff Board became restive under the control exercised by the Department of Trade. The Department of Trade wrote up the Tariff Board's terms of reference for each industry enquiry. These could be and were, according to Tariff Board members, written in such a way that the possible recommendations were restricted (McFarlane, 1968, p74-5). For instance the terms of reference could request the TB to recommend the measures and extent of assistance necessary for the survival of the Australian motor vehicle industry. Such a reference does not allow the Tariff Board to suggest that the industry is uneconomic and should not survive.

Additionally the completed report was forwarded to the Department of Trade which could reject or modify it before it was tabled in Parliament. In 1963, the Chairman of the Tariff Board, Sir Leslie Melville, resigned over the conflict with the Department of Trade and the use of the tariff for patronage of the textiles and chemicals industries.

Sir Leslie Melville was replaced by Mr A. Rattigan ("jocularly referred to in the Canberra cocktail circuit as 'Rats'" - Melbourne Age, 2/12/72). The 1965-6 Tariff Board Annual Report marks the watershed in the TBIAC's
self-conception of its role in the economy. In this report industries were divided into three groups - high, medium and low cost industries in terms of the protection they received. The TB suggested that tariffs should be lowered and attention should be first concentrated on the high cost industries. This won the support of academic economists who from this time would solidly back the TBIAC especially as it became staffed with economists: the Tariff Board "is at last giving economic content to the criterion 'economic and efficient'" (Snape, 1969, p84).

The battle lines with the Departments of Trade and Customs and Excise were drawn but the battle itself raged until the reconstitution of the TB as the IAC in 1974. This battle is reported in the press of the time (1). The Minister for Trade still had jurisdiction over the Tariff Board and this enabled him to harass the Tariff Board in a number of ways. For instance in 1970, The Australian (10/7/70) estimated that one third of the Tariff Board's resources were devoted to the "meaningless charade" of investigating non-protective duties at the behest of the Trade Minister. By 1972 the tide appeared to have turned. Rattigan, backed by Whitlam, was able to defeat the Department of Trade and Industry concerning a prospective enquiry into the television industry (Australian Financial Review, 7/12/72). ACMA had backed the Department of Trade

(1) e.g. Canberra Times, 23/5/72; Sydney Morning Herald, 4/3/72; The Australian, 10/7/70.
and Industry over this issue and was plainly put out by the Tariff Board's victory, complaining that the Tariff Board was usurping governmental policy making functions (Melbourne Age, 11/12/72).

The victory of the ALP in December 1972 is often given as the reason for the reconstitution of the TB with increased powers. The battle between Mr Rattigan and his enemies - particularly "Black Jack" McEwen - is told in the press and by present members of the IAC. It is true that the TB's economic policy preferences gained favour during Labour's short reign. However it should be pointed out that the ALP was not the sworn enemy of industry. Rather it proposed, to the extent that anything was proposed consistently in those turbulent years, the so-called Scandinavian Plan (Catley and McFarlane, 1974). This planning system aims for a full-employment profit-regulated economy guided by the rational planning of government technicians. The emphasis is on efficiency which means unions in "partnership" with management, the elimination of unnecessary competition between firms and counterproductive governmental restrictions.

As part of this overall plan the Tariff Board was reconstituted as the Industries Assistance Commission on 1 January 1974. A reminder of the ALP's lack of hostility to industry is an anecdote told by Connell (1977, p123). The public servant who had drawn up the IAC Bill had proposed to
call the new body the Industries Commission; Mr Whitlam changed the name to Industries Assistance Commission.

On 19 June when introducing the IAC Bill in Parliament, Whitlam affirmed its professional orientation:

the Commission will be able to develop and pursue a long term program of enquiries, free from day-to-day political pressures. This in turn has very important implications for the amount and quality of its information and for the depth of analysis which the Commission can undertake (IAC Annual Report, 1973-4, p.2).

The following years were the heyday of the IAC. Staff grew rapidly and top flight economists were persuaded to join the institution. Of the 18 Commissioners and Associate Commissioners appointed in 1974, seven were appointed from university posts. One, Sir John Crawford, was an ex-vice-chancellor, another, Professor Lloyd, was head of a university department. Dr. Melville was director of the Waite Agricultural Research Institute in S.A. Dr. Lang was a member of the executives of C.S.I.R.O. Compare this with the mere 3% of Commissioners who were academics over the whole of the TBIAC's history shown in Table 3.2 below. Table 3.1 below also reveals the high proportion of support staff of the Commission who have university degrees.

In August 1973 Whitlam planned the across-the-board 25% tariff cut in collaboration with the TB and refused to seek the advice of Treasury on this issue. Early 1974 saw the downturn of the economy and the imposition of import quotas on textiles, clothing and motor vehicles. Various attempts
to reduce inflation and bolster employment did not prevent the fall of the Labour Government in 1975 (Jackson, 1975, p81-2).

In view of the statistics available (see Chapter Seven below), the history of the TBIAC will be terminated at this point. Only hearsay and journalistic comments cover the years following 1975 and until the statistics are available these cannot be countered with a more rigorous analysis; i.e. of the sort which will be undertaken in Chapters Seven and Eight.

This brief account of the history of the TBIAC shows that up until the sixties the Tariff Board was 1) protectionist, 2) representative of industry interests and 3) relatively powerless. From the sixties the TBIAC became 1) anti-protectionist, 2) professional and 3) relatively powerful. The changed self-conception of TBIAC staff in relation to these issues is investigated in the next section.

2.3. The Self-Conception of the Tariff Board – IAC Economists

To investigate the changed self-conception of the TBIAC's role over its history, a content analysis of its Annual Reports has been undertaken. The TBIAC is required to produce each year a report of its activities during the preceding 12 months. The first report was submitted in
1923. It was 22 pages in length and 16.5 of these pages dealt with a description of the industries reported on and the recommendations made. The last report in the content analysis, the 1976-7 Annual Report, was 200 pages in length. Approximately two thirds of the report consisted of statistical tables on various aspects of the economy. Considerable attention was given to tariff policy in Australia. Such a drastic transformation presents considerable difficulties for content analysis. The size of the pages changed from foolscap to quarto during the period. This has been overcome with analysis of the proportion of each report devoted to specific issues and the standardization of pages to equivalent quarto sizes. Counting is at the level of half pages. Two other problems remain to be dealt with. The proportion of the report contained in appendices grew from nil in the early years to between 25 and 90% in the seventies. However the content of the appendices, consisting largely of statistical tables, reflected the material in the body of the report. For this reason percentages are calculated on the body of the report. Additionally some sections of the report were not classifiable to the categories used. These were discussions of Trade agreements (1933,1956-7) and other comments on issues that could not really be appropriated to the selected categories. Where these additional comments were of an administrative nature and amounted to less than two pages, they were allocated to "operations". Otherwise the total
percentage of allocated pages sums to less than 100% (1940-1, 1935, 1948, 1952). A further difficulty of longitudinal comparison arises because in 1956 a section on the enquiries under reference and their stage of completion was moved from the body of the report to an appendix. Although this reflects the increasing concern of the TB with other matters it does lower the "operations" percentage after these years. The number of pages in the appendix devoted to this particular matter varied from 21 to 65 over the remaining period, and reflects the number of industries under reference (see Table 2.2 below). Except for the first and last groups, reports have been analysed on five-year averages. This has been done so that yearly fluctuations do not conceal the overall trends.

Finally the content of the categories must be discussed. "Operations" refers to a descriptive account of the industries which have been reported on during the year and further administrative matters. "Economy" refers to discussions of the Australian economy as a whole – cost structures, employment, investment, profitability etc of either secondary industry or the whole economy. "Role" refers to all questions concerning the specification of the TBIAC's function. The first such discussion in 1934 considered the question of how the TB determined a "reasonable rate of duty" on goods. During the Second World War the TB gave attention to its role in post-war reconstruction and the effects of increased overseas
competition. In 1951 and 1953 the Annual Reports discuss the contribution of tariffs to the inflation of those years. In 1964-5 the TB requested some procedural changes in its operations - questioning the effectiveness of its present work. From 1965-6 most of the "Role" content refers to the need for an overall review of the tariff as opposed to the industry-by-industry enquiries. In the years following 1973-4 the IAC expressed concern over the need for gradual "structural adjustment" to increase the efficiency of resource use. Not only does the proportion of space devoted to "Role" change but the TBIAC becomes far more self-aware and articulate concerning the role it should play in economic policy making.

Table 2.2. Content Analysis of TBIAC Annual Reports: 5 year averages

<table>
<thead>
<tr>
<th>Year</th>
<th>Length with appendices</th>
<th>Operations %</th>
<th>Economy %</th>
<th>Role %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923-5</td>
<td>13.9</td>
<td>89.2</td>
<td>11.7</td>
<td>0</td>
</tr>
<tr>
<td>1926-30</td>
<td>11.1</td>
<td>94.5</td>
<td>6.5</td>
<td>0</td>
</tr>
<tr>
<td>1931-5</td>
<td>12.5</td>
<td>77.1</td>
<td>7.5</td>
<td>12.9</td>
</tr>
<tr>
<td>1936-40</td>
<td>14.6</td>
<td>87.2</td>
<td>11.0</td>
<td>1.8</td>
</tr>
<tr>
<td>1941-5</td>
<td>9.6</td>
<td>63.6</td>
<td>28.6</td>
<td>5.7</td>
</tr>
<tr>
<td>1946-50</td>
<td>26.7</td>
<td>66.2</td>
<td>28.9</td>
<td>2.9</td>
</tr>
<tr>
<td>1951-5</td>
<td>27.6</td>
<td>30.2</td>
<td>65.5</td>
<td>2.9</td>
</tr>
<tr>
<td>1956-60</td>
<td>35.4</td>
<td>39.0*</td>
<td>49.4</td>
<td>4.1</td>
</tr>
<tr>
<td>1961-5</td>
<td>36.6</td>
<td>34.0</td>
<td>63.0</td>
<td>3.0</td>
</tr>
<tr>
<td>1966-70</td>
<td>82.8</td>
<td>16.7</td>
<td>35.7</td>
<td>47.6</td>
</tr>
<tr>
<td>1971-5</td>
<td>154.2</td>
<td>17.1</td>
<td>57.0</td>
<td>26.0</td>
</tr>
<tr>
<td>1976-7</td>
<td>110.0</td>
<td>17.8</td>
<td>54.1</td>
<td>28.2</td>
</tr>
</tbody>
</table>

Notes:
Length of reports is in standardized quarto pages. Categories do not sum to 100% because they are mutually exclusive but not exhaustive, as explained in text.
*Relegation of "Stage of Enquiries" section to appendix

Source: TBIAC Annual Report 1923 to 1976-7
The size of the Annual Report remains reasonably constant until after the Second World War. It then increases gradually until 1966-7 when it increases dramatically to the present book-size report. Much of the increase is taken up with lengthy statistical appendices which support the argument of the text.

Because the economy was also growing over this period, Table 2.3 below compares the growth of GDP and the Annual Reports over ten year periods.

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth in Report</th>
<th>Growth in GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920s to 1930s</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>1930s to 1940s</td>
<td>34%</td>
<td>39%</td>
</tr>
<tr>
<td>1940s to 1950s</td>
<td>10%</td>
<td>47%</td>
</tr>
<tr>
<td>1950s to 1960s</td>
<td>90%</td>
<td>55%</td>
</tr>
<tr>
<td>1960s to 1970s</td>
<td>146%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Notes:
Figures represent the change in size of GDP and Annual Reports using 10 year averages as base. GDP is shown at constant prices with 1950-9 as 100.
* When ten years of data not available, e.g. 1920s for reports and 1970s for both sets of data, averages are for the number of years available.

Source: TB and IAC Annual Reports
IAC Annual Report, 1973-4, p41

Thus from Table 2.3 it can be seen that between the twenties and the thirties the Annual Report grew in size by 12% while GDP grew by 20%. Not until the sixties does the growth of the report outstrip the growth of the economy. Between the fifties and the sixties, GDP grows by 55% and the report size grows by 90%, while between the sixties and
the seventies, GDP grows by 31% while the report grows by 146%. This shows that the size of the Annual Report increased in the sixties and seventies, not only due to greater economic activity but also to greater IAC members' activity.

In the early years the bulk of the report dealt with the operations of the Commission. This situation continues until 1964-5 although the percentage drops between 1956-60 and 1961-5 due to the relegation of some information to the appendix. Consideration of the economy as a whole has prominence from the Second World War. Such consideration is a prerequisite for the changed self-conception of the TBIAC as a policy making body concerned with the overall tariff structure rather than particular industries. Finally from 1966-7 the TBIAC begins to devote considerable space to discussion of its perceived role in tariff policy making. This concern with defining its role coincides with a move away from a protectionist policy, as will be seen below.

Table 2.4 below shows that the number of industry reports, relating to specific industries under reference, increases consistently until 1931-5. The Depression years prompted the highest number of reports in the institution's history. During the war years and after, import restrictions were relied on extensively as a form of protection and the TBIAC signed few reports. The number signed grew, however, up until the mid-sixties when the
review of the tariff structure as a whole commenced. This required the TBIAC to review each industry in its entirety rather than just recommending the appropriate assistance for particular commodities. This latter form of report continued to be important. It can be seen from this table also that the TBIAC recommendations concerning tariffs (the last two columns) reveal that up until 1931-5, the TB favoured increased tariffs on the whole. In the Depression years the Tariff Board attempted to place a break on the Labour government's protectionist policy. Again in the fifties the TB became more protectionist in its recommendations. A more detailed analysis of the content of TBIAC Annual reports shows how these changes noted above are linked to a move away from the self-conception as a "champion of industry" to the conception of a "professional" body in favour of a "freer trade" policy in relation to tariff levels.
Table 2.4. Number of Industry Reports Signed and Changes in Tariff Levels

<table>
<thead>
<tr>
<th>year</th>
<th>number</th>
<th>index tariff</th>
<th>%items = inc. BPT*</th>
<th>%items = dec. BPT*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920-6</td>
<td>30</td>
<td>109</td>
<td>50</td>
<td>4</td>
</tr>
<tr>
<td>1927-30</td>
<td>170</td>
<td>127</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td>1931-5</td>
<td>332</td>
<td>193</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td>1936-40</td>
<td>250</td>
<td>183</td>
<td>13</td>
<td>50</td>
</tr>
<tr>
<td>1941-5</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1946-50</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1951-5</td>
<td>184</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1956-60</td>
<td>176</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1961-5</td>
<td>281</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1966-70</td>
<td>174</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971-5</td>
<td>165</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

I Index of tariffs is the average weighted tariff with 1920 as the base year.

The third column shows the percentage of items for which the tariff was increased and the fourth for which it was decreased.

*BPT: British Preferential Tariff as opposed to higher tariffs applying to goods from other countries.

Source: TBIAC, Annual Reports; Hall, 1958, p222-3; Corden, 1963, p186

In the twenties and thirties, the Tariff Board saw itself as the protector of Australian industry:

It is questionable at the present time whether or not the Tariff is adequately protecting the primary and secondary industries throughout the Commonwealth (Annual Report, (AR), 1924, p14).

This same report points to the need for high wages, a good standard of living and good return on capital in Australia.

In 1926 the Annual Report discusses the importance of fostering industries and in one enquiry was "seized with the significance of the industry" (AR, 1926, p14). However in the same and succeeding report the Tariff Board pointed out that
it did not favour supporting high cost industries.

By the late thirties the Tariff Board had refused to increase duties for a number of submissions and had recommended some reductions in duties. This was a response to the Labour government's massive increase in tariffs to combat the unemployment created by the Depression. In both 1938 and 1939 the Board commented on the unfavourable effects of the tariff on the primary sector. In 1945, the TB introduced the notion of a "scientific tariff":

> It was hoped that by the use of costs of production, "scientific" tariffs could be constructed upon an unchangeable basis, and tariff making thus removed from politics" (AR,1945,P13).

The Tariff Board again mentioned the problem of equity between the primary and secondary sectors but as farmers deplorably failed to keep accounts of their costs and profits:

>The circumstances outlined make it difficult, if not impossible, to make quantitative comparisons that have any significance, between profitable primary and secondary industries (AR,1945,P17).

In 1946, 1947 and 1948, the Tariff Board refused protection to a number of industries, suggesting that many uneconomic industries had commenced operations during the War and now sought protection. However, by the early fifties, something of a volte face had occurred. In 1951 the Tariff Board denied the need for a comprehensive review of the tariff and during the fifties adopted a generally protectionist policy:
The Board has no intention of suggesting a policy which would cause a dislocation of employment or a drastic alteration in the structure of industry (AR,1951,P8)

Australian protected industries are in general, operating efficiently and as economically as permitted by circumstances over which they have no control (AR,1952,P5)

the pattern of Australian industries generally is sound (AR,1955,P9).

By the late fifties the Tariff Board was beginning to have doubts both as to the basis for granting tariffs - the much touted notion of "economic and efficient industries" (AR,1959-60), and the increased costs of goods due to tariffs (AR,1959-60). The continual skirmishes with the Department of Trade surfaced in a complaint concerning the need to recruit staff through the Department of Trade (AR,1961-2). The Vernon Committee's (1965) comments on tariffs and the need to apply effective rates of protection publicly divided the Commissioners of the TB in 1965-6. The Annual Report for that year contained a minority report from several of the Commissioners. From that point the increasing use of economic criteria as described by neo-classical economics were opposed to the "traditional guidance" (AR,1966-7,P4) of past reports.

With the establishment of a branch of economists in the TB in 1970-1, the Tariff Board was able to analyse effective rates of protection and in 1971-2 the government decided to review the tariff along the lines continually suggested by the Annual Reports since 1967. In this year too the
government decided that the TB should give advice on the employment effects of its recommendations.

With the inception of the IAC in 1973-4, the Annual Reports proposed a policy that was to be repeated through the succeeding years. The IAC saw itself as the custodian of the community's resources (1). This resulted in a number of issues being pursued by the IAC after 1973. These are summarised below:

1. The importance of structural adjustment or gradual changes in the economy via assistance manipulation. This is intended to minimise unemployment of labour and resources while encouraging more efficient resource use.

2. The necessity to treat the IAC as a long term policy making body but not a short term alleviator of economic hardship:

Current difficulties in the economy should not be permitted to obscure the fact that the community's basic resources of labour and capital are limited (AR, 1974-5, Preface).

(1) The TBIAC continually represented itself as the custodian of the community's interests (see Annual Reports, 1954, p9; 1956-7, p13; 1938, p17; 1942, p11). It was the method of proposed guardianship which changed with the inception of the IAC. From being a representative body concerned with industry survival it became an expert body with a specific role to maximise the utilisation of the community's resources.
3. Economic criteria based on exhaustive analysis of economic indicators should be applied to assistance issues.

4. The value of public enquiries conducted by a neutral body:

The present system is one in which the government receives advice from an independent source, on the basis of statutory guidelines which reflect the interests of the Australian community as a whole. These guidelines and this advice applies to all industries in all sectors of the economy. The advice in every case follows a widely advertised public enquiry in which all interests in the community affected by the outcome — whether directly or indirectly — have an opportunity to participate. ("Implications of the Manufacturing Green Paper for General Industry Development in Australia", Address by G.A. Rattigan to the Australian Institute of Management, 9 February, 1976.)

Ultimately the IAC foresaw reasonably low levels of tariffs applying to all industries in Australia. This involved a reduction in tariffs for high-cost industries to allow resources to flow more freely to those sectors of the economy where they would be more productively utilised. These notions are reiterated throughout the succeeding reports (e.g. AR, 1974-5, P8; AR, 1975-6, P5 and p22) even to the extent that the IAC condemns industries for their preoccupation with protection:

some of the time and energy which they might otherwise have devoted to improving their productivity will be spent in seeking assistance from the Government (AR, 1974-5, P24).
What can be concluded from the analysis presented in this chapter about the history of the TBIAC in relation to the development of the Australian formation? The Tariff Board was initially a protectionist body favouring in general reasonably high rates of protection for secondary industry. This is shown in the qualitative content analysis of TBIAC annual reports, and in that recommendations (except for 1936-40) on the whole favoured increased tariffs (see Table 2.4). The content analysis of TBIAC reports suggests that a number of changes occurred concurrently in the TBIAC's history. From the mid-sixties, members of the TBIAC increasingly questioned the protectionist stance of the Board and recommended a reduction in the high rates of protection for many Australian industries. These recommendations were based on the increasing use of statistical data and consideration of the Australian economy as a whole. Thus Table 2.3 shows that in the period 1966-70 the Tariff Board Annual Reports focussed on the role of the Tariff Board in the Australian economy, and continued to devote a considerable portion of space to this issue after that time. Additionally, interpretation of both the economy and the TBIAC's role within it was increasingly in terms of the neo-classical economics paradigm. The TBIAC began as the guardian of the community's interests through being a representative but disinterested body. From the sixties it became the guardian of the community's interests through its ability to apply the science of economics to the analysis of
tariff rates.

This evidence suggests that the economists in the TBIAC became more powerful than the other staff in this institution while at the same time the TBIAC as a whole became a more powerful body.

The next chapter turns to classical organization theory and addresses its attempts to explain the phenomenon of power in work organizations. It will be suggested that a number of studies have attempted to explain the power of organizational members - of particular relevance to the case study detailed here are the writers on professional organizations, and the Hickson and Hinings analysis of sub-unit power which attempts to explain competition for power among sub-units in an organization. These analyses will be applied to an explanation of the apparent change in power of the economists of the TBIAC.
Chapter Three

Classical Organization Theory and the History of the Tariff Board -

Among management writers there is comparative unanimity that clear lines of authority and responsibility are desirable, as is clear role definition. Then people can get on with their jobs without confusion, and performance will improve (Hickson, 1966, p232).

There is evident also in the Commission’s guidelines and the Prime Minister’s remarks a desire on the part of Parliament and the Government to co-ordinate policies for the development of industries with general economic and social policies (IAC Annual Report, 1973-4, p3).
3.1. Classical Organization Theory's Explanation of Power

Organization theorists attribute power to organizational sources: the structure or goals of the organization. The validity of this hypothesis will be interrogated in Section 3.3 below. There are three basic explanations of organization member power. These are power due to position in the hierarchy, power due to the control of specialised skills or knowledge and power due to specific organizational technology or goals.

In Chapter Four below the Marxist notion of structure will be outlined briefly. Structure has quite a different meaning in the context of organization theory. Structure is identified as the shape of the organization, the nature of the hierarchy, the pattern of work flows, the extent of rules and procedures, types of control mechanisms, the nature of tasks undertaken.

Weber's ideal-type of bureaucracy, implicitly or explicitly, is the starting point for almost all analyses of organizational structure:

Bureaucracy as defined by Weber has become synonymous with organization. The qualities he attributed to bureaucracies have been largely accepted by subsequent sociologists (Allen, 1975, p113).

Weber (1947, p302-5) defined a bureaucracy as ordered under the norm of rational-legal authority via a hierarchical structure which delimits spheres of competence for each office and in which those offices above control and are
responsible for those offices below. Officials are trained in the art of administration, appointed on the basis of demonstrated capacity to fulfill the functions of the office and promoted on the judgement of superiors.

Three assumptions of this model should be made explicit: Weber does not elucidate the goals of the bureaucracy, the necessity for a hierarchy is not explained and the obedience of members is unquestioned.

Allen (1975, p127) attributes Weber's lack of attention to goals to Weber's use of an analogy with the perfect competition model of neo-classical economics:

the educated and trained hands of the bureaucrats can act in precisely the same impersonal way as the unseen hands of the market mechanism. However, as will be seen below, the goals of an organization, including profit motivated organizations, are in fact problematic.

Secondly Weber attributes hierarchy to the result of the increased education and training of higher officials so that the "law of the small number" (Allen, 1975, p119 - akin to Michels' "iron law of oligarchy") results. Weber recognises that a bureaucracy consists of officials who do not own their means of production (Weber, 1947, p304) but rather than suggesting that hierarchy is the result of control by those who do own the means of production, defines capitalists out of the orbit of bureaucracy (Weber, 1947, p308). Additionally this notion of technical
specialised knowledge as a legitimate base of authority in bureaucracy, i.e. it promotes technical and scientific expertise as a legitimate, but unquestioned, reason for control. It does not ask who are the carriers of this expertise nor why they should be so favoured (Therborn, 1978, p53-4).

Finally if it is suggested that the hierarchical structure is based upon power rather than rational imperatives, the contribution of members becomes problematic. Weber hints at this possibility but in the end defines it away. He suggests that "any legal norm may be established by agreement or imposition" (Weber, 1947, p302) and that appointment of officials is preferable to election because "election makes it impossible to attain a stringency of discipline ever approaching that in the appointed type" (Weber, 1947, p307). Finally, he considers that there is only one situation in which bureaucracy is not the most efficient form of organization:

those groups, such as the peasantry, who are still in possession of their own means of subsistence (Weber, 1947, p310),

i.e. those groups who control their own means of production - as equally workers' control under socialism as peasant control in feudalism.

Weber does not quite succeed in submerging some of the dilemmas of his exposition. His writings almost confront the alternative Marxist explanation which will be pursued
below. Because his critique is couched in German idealism (1) Weber cries out against the bureaucrat as a "single cog in an ever-moving mechanism" (Weber, 1948, p.228) rather than questioning the modes of authority's legitimation (Hirst, 1976, p.82-5).

Subsequent writers have repressed the problem of legitimation even more successfully and concentrate on improving the bureaucratic structure in terms of its ability to elicit individual performance. This point is made by Poulantzas (PPSC, p.343) and can be seen in Merton's (1952) concern with ritualism as well as a number of studies up to the present day (2).

These writers have concerned themselves with the lack of fit between individual motivations and bureaucratic functioning. Others have suggested that the tasks and goals of some organizations are such that bureaucratic structures are not the most efficient for achieving these goals. Although the

(1) Therborn's (1976, p.308) distinction between the spirit of capitalism and the spirit of capitalism is a neat encapsulation of this.

(2) e.g. Coates (1957); Dimock (1952); Eisentadt (1958); Gouldner (1952); Hood (1974); Tripi (1974); Warwick (1974).
literature in this area forms two sub-schools: the "technological determinists" and the "professional-bureaucratic organization typology", it will be seen that there is considerable convergence in their viewpoints.

The technological determinist school suggests that different technologies require differentiated work organization of members to best utilise the technology (1).

Initially writers in this school (e.g. Rice, 1958; Trist et al, 1963; Woodward, 1965), often called the Tavistock school, concerned themselves with the relationship between technology, an independent variable, and the organization of work tasks. Reeves and Woodward (1970) shifted the emphasis to a relationship between the appropriate control mechanisms and technology. They link the development of technology to a fully automated system with the development of control from personal supervision to an integrated mechanical system administered by engineers, expert staff and computer programmes. That control is in fact the subject of analysis for the earlier writers is admitted unwittingly by Trist et al (1963, p105). After a lengthy explanation of the

(1) Technology is usually defined as the tools, machines and other man-made objects used by the worker (Meissner, 1969, p13; Pennings, 1975, p394; Perrow, 1967, p195).
appropriate work group organization and pay-note systems for worker satisfaction and productivity in the "long-wall" mining method, Trist et al (1963,p105) happily recommend abandoning this system when control by the more advanced technology becomes possible.

Some writers have also suggested that management can in fact control technology to elicit the desired contributions from members (Davies et al., 1973; Child, 1972). Other writers have suggested that craft skills bestow on the worker a certain autonomy from management (1). If this is so it is in management's interests to introduce technologies which are independent of craft skills (2).

Perrow (1967, 1970, 1971) pursues an explication of the bases of worker autonomy in his analysis of organization structure. He brings together those writers who attribute worker autonomy to task uncertainty or danger (e.g. Thompson, James D., 1959) and Gouldner (1955) on miners; (1) Becker and Gordon (1966); Blauner (1964); Thurley (1973); Turner and Lawrence (1965).

(2) There is a school of writers who suggest a U-shaped relationship between autonomy and technology - the worker's autonomy being greatest in craft production and continuous process production but lower in assembly-line production. Writers on this (disputed) phenomenon are Blauner (1964); Crompton and Wedderburn (1970); Dubin (1965); Meissner (1969); Moore (1964); Scott (1974a, 1974b); Simpson (1959); Stinchcombe (1973).
those who attribute autonomy to a rapidly changing environment (Lawrence and Lorsch, 1967a and b) and those who attribute it to professional skills (see below).

Perrow (1970, p75-9) suggests that autonomy is the result of the degree of routine of tasks performed. In product manufacturing organizations this depends on the number of exceptions and the analysability of search procedures while in people-changing organizations it depends on the uniformity and stability of raw materials and the extent to which they are perceived as well-understood. In actual fact Perrow is not analysing worker autonomy but the distribution of power between middle and lower management levels. The assumption is that workers do not have any knowledge of the task procedures.

Power is defined as the ability:

to mobilize scarce resources and to control definitions of various situations, such as the definition of the nature of raw materials (Perrow, 1967, p198) (1).

The following typology is then derived (Perrow, 1970, p78 and 83):

(1) A weakness in the model. The perception of the nature of raw materials is an independent variable in people-changing organizations, whereas here it is the result of power distribution.
Figure 3.1. Perrow's Organization Typology

<table>
<thead>
<tr>
<th>few exceptions</th>
<th>many exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>craft</td>
<td>engineering</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>SEARCH</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>analysable</td>
<td>unanalysable</td>
</tr>
<tr>
<td>routine</td>
<td>routine</td>
</tr>
<tr>
<td>continuous</td>
<td>manufacturing</td>
</tr>
</tbody>
</table>

Where exceptions are many and search unanalysable (cell 2) both middle and lower management have high power and discretion - this approximates the professional model. Cell 4 represents the bureaucratic organization in which both areas have little discretion but management have high power.

In cell 1 it is the supervision level that has high power and discretion because here the exceptions are dealt with while in cell 3 the reverse holds as exceptions may be planned for at the management level. Thus power depends on the ability to deal with exceptions. Professionals are seen to have such power in Perrow's model.

The professional-bureaucratic typology proposes that as tasks become more complex and unpredictable and goals more uncertain or vague, a new type of worker - the specialist (1) - professional or scientist - is required by the

(1) See next page
organization to perform these tasks and achieve these goals (Boseman and Jones, 1974; Gouldner, 1958; Janowitz, 1959, 1961). At the same time, it is argued, a new type of organization structure is required to allow this worker to be efficient. This organization structure requires colleague control, use of networks rather than a hierarchical authority work-flow system and increased autonomy for professionals to elicit their contributions (e.g. Litwak, 1961; Burns and Stalker, 1961).

Burns and Stalker term the professional-bureaucratic typology the organic-mechanistic dichotomy. In a study of Scottish electronic firms they discuss the problems some firms face when they attempt to introduce scientists into the organization to facilitate the introduction and development of advanced products and technology. They contrast the bureaucratic form of organization:

each position below the General Manager's in the hierarchy was specialised in all three functions of authority, technique and information, and nobody was empowered to act outside defined limits ((Burns and Stalker, 1961, p82)

with the organic organization which requires a "global" commitment of members to the organization's tasks, continual redefinition of individual roles through interaction with

(1) The use of the term specialist is interesting. Assembly-line workers are specialists sine qua non but are not subjects for study in this context. The inference of the term is a person who exclusively controls knowledge which is of value to the organization.
others, lateral communications based on the need for information and the conferring of prestige on those with expertise (Burns and Stalker, 1961, p.121-2).

Etzioni (1961) makes a distinction on the basis of involvement, power and organizational goals. In utilitarian (bureaucratic) organizations, commitment is to receiving material rewards, control is exercised through mediating these and the goals are economic. In normative (professional) organizations, commitment is to organizational goals, power is exercised through the manipulation of prestige and other symbolic rewards and organizational goals are of a cultural nature. Etzioni suggests a third type of organization, the coercive organization, in which members are antagonistic to organizational goals, control is exercised through physical sanctions and the goal is to maintain order. It can readily be seen that coercive organizations describe relations of control over non-occupationally identified members - e.g. prisoners who do not form an occupation. As Allen (1975, p.155-6) points out, the inclusion of non-participants is necessary to complete the analytical categories. If prisoners are excluded so are coercive organizations and we are dealing with a professional-bureaucratic typology.

According to the writers on professional organizations, such organizations face two problems. The first is the problem of competing bases of power - that of the hierarchy
and that of control of specialised knowledge. The literature on the role of the specialist (1) deals with this problem:

As science and technology developed, the superior lost to experts the ability to command in one field after another, but he retained the right as part of his role (Thompson, Victor A., 1963, p13). As Clegg (1978, p57) notes the problem of power becomes apparent in organizations where the development of non-hierarchical bases of power occurs.

Secondly, the organization faces the problem of eliciting the professional's contribution towards organizational goals (2). The literature is divided on this issue, some writers suggesting that professionals have personal goals such as undertaking research, achieving professional recognition etc (3). Most writers suggest that professionals will internalize the organization's goals and should be given a certain autonomy from bureaucratic controls to allow them to perform their work (e.g. Scott (1966) who summarizes the professional's impatience with bureaucracy).


(2) Bennis (1960); Blau and Scott (1962, p61-9); Bucher and Stelling (1969); Hall (1967a, 1973); Peabody (1962); Stelling (1972).

(3) e.g. Allen and Cohen (1969); Ben-David (1958); Burling et al (1956, p71-3); Drucker (1952); Kaplan (1959); Kornhauser (1962); Mainzer (1963); Vollmer (1965).
It seems odd, and stranger that this assumption is unquestioned, that professionals will internalise the organization's goals while assembly-line workers do not. This problem will be pursued below.

3.2. Modes of Commitment and the Professional

This apparent anomaly is due, I suspect, to a confusion of commitment by the individual with power of an occupational member. Such confusion arises because occupations are not identified in any systematic way. The differences between occupational groups are as a result poorly articulated, to the extent that the ethnomethodological school, eg. Hughes (1971) denies such differences (1).

The structural functionalist school suggests that occupations are rewarded with power and income to the extent of their contribution towards society's goals (Davis and Moore, 1945). Because professionals are in altruistic pursuit of community interests, they are rewarded with autonomy and prestige (Ziman, 1968; Harries-Jenkins, 1970).

(1) e.g. "Those who perform services ...prefer some customers, clients, patients and even sinners to others. Some tasks in any occupation are preferred over others; some are jealously guarded, while others are gladly delegated to those they consider lesser breeds" (Hughes, 1971, p417).
In fact, it would seem that the mode of commitment of an occupational member is related to his power. Thus Gouldner's (1957, 1958) "locals" are committed to their organization because they have lesser prospects of employment elsewhere than the professionally committed "cosmopolitans". Hirschman (1970) explicates this possibility more fully by suggesting that a dissatisfied organization member has three options. He may "exit" or leave the organization, give "voice" or complain, or show "loyalty" - put up and shut up. The unskilled worker will show loyalty unless he can scream collectively, i.e. strike. The manager will probably have voice but the professional whose skills are saleable outside the organization may have the option of voice or exit, the latter option possibly making his voice louder. In this analysis the individually based phenomenon of commitment is explained in terms of occupational power. Let us return to a discussion of professional power.

It seems that autonomy is an objective aspect of professionalism made possible because of the esoteric skills and knowledge the professional carries but justified ideologically as the professional's sense of responsibility to the community and a desire to do his work without the necessity for control that lesser breeds of mortals require (1).

(1) A number of studies have demonstrated that professionals err as humanly as the rest of us in their pursuit of personal prestige and economic rewards (Hagstrom, 1965; Carlin, 1966; Mulkay, 1969).
Thus the "trait" model of professionalism which Johnson (1972, p. 23-30) criticises seeks to define a professional by a list of traits identifying this group of workers (1). Johnson criticises this school on its own grounds - the list of traits used to define a profession varies considerably between authors.

Johnson (1972, p. 42-3) reconceptualises the notion of a profession in terms of occupational power. He sees the main elements of a professional's power in a collegiate control relationship. This relationship is due to their mystified knowledge, their membership of a dominant caste and the fragmentation and heterogeneity of their clientele. A profession is not an occupation but "a means of controlling an occupation" (Johnson, 1972, p. 45), called collegiate control. Johnson suggests that professionals in bureaucracy and industry, far from maintaining collegiate control will become subservient to patronage (control by the employer) or mediative control (whereby a third party, often the state, determines the relationship between the consumer and the producer) (Johnson, 1972, p. 46). Capitalist society is now witnessing the gradual or rapid submission of professionals to these two types of control. In other words

(1) e.g. see Elliott (1972); Harries-Jenkins (1970); Jackson (1970); Orzack (1972); Turner and Hodge (1970).
professionalism can be reconceptualised as a struggle between those who control skills and those who control position in the hierarchy. As Klegan (1978, p.266) summarizes the position:

One area in which the idealization of professions is particularly evident is the literature on professionals in organizations. Since the criterion of professionalism is seen as positive, the concern is with the ability to maintain professional status within bureaucratic organizations.

In Chapter Two above it was suggested that the TBIAC became a "professional" organization in the sixties – an organization dominated by its member economists. To what extent can classical organization theory explain the emergence of economists in the TBIAC over this period?

As discussed above, there are four basic groups in the TBIAC: the Projects staff, the Economics staff, Management Services and the Commissioners. The shift in dominance from the Projects staff to the Economics staff has to be explained. The relationship between these two groups and the Commissioners is also of importance. The final relationship, that of these groups with Management Services, may be ignored in this context (1).

(1) The conflict between management services and the "line" divisions is the classic staff-line conflict first investigated by Dalton (1950, 1959) and expanded by Etzioni (1959) in relation to professional organizations. Generally such conflict is attributed to personal differences, the "wrong-headedness, stupidity or delinquency of others" (Burns and Stalker, 1961, p.140) or different definitions of what the goals of the organization are and how they should be met. Reeves and Woodward's (1970) analysis of integrated
What evidence is there to suggest that the economists of the TBIAC see themselves as professionals? In 1975 the IAC had the highest proportion of academically trained staff of any government department or commission. Table 3.1 below, displaying data collected and aggregated by the writer, shows that almost every member of staff has at least one degree, a significant minority have a higher degree. The Economics division staff are considerably more qualified than the Projects staff, especially in relation to higher degrees (1).

This high degree of academic training of IAC staff is also reflected in their attitudes and commitments. IAC staff are permitted to publish research papers despite the Public Service Board's recommendation against this. In (1) There is an apocryphal story in the IAC concerning a typist who commenting on all the "doctors" in the Commission asked where their surgeries were.

table

control mechanisms administered by expert staff suggests that this conflict may have some supervisor-subordinate elements in it. To an extent management services staff are in the service of management. Poulantzas (CCC,P216-26) suggests that a mental-manual labour division within the new petit-bourgeoisie itself may be the cause of this conflict. He emphasizes that power does not describe this relation because both management services staff and the line personnel are members of the new petit-bourgeoisie. A substantial proportion of management services staff may be characterized as "proletarianized" (Braverman,1974; Lockwood,1958,p60-6) or in a "buffer zone" (Giddens,1973,p181-3) within the new petit-bourgeoisie. These agents are more often female, lower paid, have fewer career chances, and most affected by increased mechanization in office work (Mills,1967; Mann and Williams,1967). On this point, it is my experience that conflict is more pronounced with those areas of the "line" that are more "professional", i.e. academically trained and oriented.
September 1975 the Scott Model was released. This directly attacked the policies of the IAC by suggesting that these policies would create massive unemployment, a reduction in economic growth and increased dependence on foreign investment. In deciding its strategy of rebuttal, the IAC decided not to rely on the ability of the "lay-man" to understand the intricate arguments but to call on academics to support the IAC publicly. This incident indicates how various professional groups may support each other at the ideological level; such support is also indicated by favourable press coverage.

Table 3.1. Academic Qualifications of TBIAC Staff

<table>
<thead>
<tr>
<th>Projects</th>
<th>Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td>level of staff</td>
<td>%degree %higher</td>
</tr>
<tr>
<td>class 8 +</td>
<td>98 34</td>
</tr>
<tr>
<td>class 5-7</td>
<td>85 0</td>
</tr>
<tr>
<td>class 1-4</td>
<td>80 0</td>
</tr>
<tr>
<td>total</td>
<td>93 18</td>
</tr>
</tbody>
</table>

higher degree = two degrees, a masters or Ph.D., or graduate diploma.

A survey of IAC staff, organized by the Management Services branch of the IAC, was conducted at the end of 1975. Although no specific questions dealt with the IAC's professional image, 9.8% of general comments concerned this issue. Two thirds of these comments commended the importance and use of technical expertise, up-to-date
information and theory and professional consultants. One respondent also suggested that IAC staff should have sabbaticals, a suggestion quite antithetical to the public service ethos.

Thus in the sixties the TBIAC became increasingly staffed with economists and these members of the institution had a professional orientation. The economists in the Economics division found themselves in conflict (1) with the more pedestrian and longer-standing members of the Projects division. Classical organization theory would explain the changes in this institution, summarised above, as due to the increased power of these economists who reconstitute the organization as a professional body. The organization now has goals which only the professionals can mediate and so they achieve more power in order to satisfy these goals.

The Hickson (1971) and Hinings (1974) model of sub-unit power is the most complete model in organization theory which attempts to explain the phenomenon of changes in influence between sub-units within the organization. Can this model explain the rise to prominence of the TBIAC economists in the sixties?

(1) That these two areas are in conflict and the nature of that conflict is evidenced by the nicknames they have for each other. The Projects divisions are called "F-Troop" while the Economics divisions are variously referred to as "Disneyland" or "Tomorrowland", indicating their lack of here-nowness.
Hickson and Hinings draw on Crozier's (1961) notion of power resulting from the ability to control uncertainty in the organization and Dubin's (1963) attribution of power according to the centrality and exclusiveness of functions performed. Writers before and since have looked at the importance of various functions for organizational goal performance as a determinant of sub-unit power (Kochan, 1975a; Salanck and Pfeffer, 1974; Zald, 1962).

Hickson et al's (1971, p220) first hypothesis is:

the more a sub-unit copes with uncertainty, the greater its power within the organization.

Using the writers' own definitions of these various terms the statement can be elaborated thus:

The more a sub-unit (they specifically deny inter-personal power) is able to handle lack of information about future events which make activities and outcomes unpredictable in such a way as to make these predictable inputs to other sub-units, the greater is its determination of other sub-units' behaviour, i.e. those units that depend on its performance for their performance.

Do sub-units have to be aware of their dependence on the subject sub-unit?

does the theory implicitly assume perfect knowledge by each sub-unit of the contingencies inherent for it in the activities of others (Hickson et al, 1971, p227).

The answer is yes. If other sub-units were not aware of their dependence they would not accord power. Perceptions of the situation are more important than the objective
nature of dependence. Sub-unit power is the result of the ability to define the situation. As the "means of coping become more visible and possible substitutes more obvious" (Hickson et al, 1971, p228; italics mine), other sub-units perceive themselves as less dependent.

Applying this model to the TBIAC, it is suggested that as the TBIAC becomes a more professional body, economists are needed by the organization to meet its new complex goals. For this reason the Economics division becomes more powerful in the TBIAC because it mediates the ability of the Projects division staff to make their goal contribution.

However two problematic assumptions underpin the entire model. What happens to the sub-unit which miscalculates the degree of its dependence on another sub-unit? Can the powerful sub-unit punish the dependent one by refusing to cope with uncertainty? Can a sub-unit refuse to perform its functions? If one introduces management, the invisible ghost in Hickson and Hinings machine, the answer is "no". Surely management will not allow sub-units to down tools and prove the dependence of other sub-units: the cost presumably is bankruptcy. If the sub-units that Hickson and Hinings discuss are management, this is not a model of organizational power but of boardroom bargaining, bargaining based on the agreed need to meet the organization's goals, whatever they are. This is the explanation that Clegg (1975, p46) suggests when he notes that "a sub-unit is a
collectivity which is spoken for by one voice".

Secondly this model, and its application to the TBIAC, assumes that the goals of the TBIAC were determined independently of the members of the organization. If one does not assume this one also has to explain how the economists of the TBIAC mustered the power to change the TBIAC's goals so that the new goals gave them power to mediate uncertainty. This is a crucial issue for organization theory but one that has been consistently ignored. One may be able to define goals as some future desired state for the organization; the question is "Desired by whom?" Although management's or the organization charter's definition is usually taken (Silverman, 1970,p9-10), there is no stated reason why the workers' or janitor's definitions should not serve. Cyert and March (1963,p28) have suggested that goals also arise from bargaining between groups in the organization. There is a path out of this impasse. Goal determination may be attributed to management. Management then confers power on those organizational members who make the most substantial or critical contributions towards goal achievement. The changed role of the TBIAC under this model is explained as follows. At some point the Commisioners of the TBIAC decided that their institution should become more professionally oriented and so recruited economists to the TBIAC and conferred power on them in order that they could meet the organization's new goals.
Analysis of the backgrounds of Commissioners makes this an unlikely hypothesis. Commissioners are not appointed because they are economists, in fact few are (see Table 3.2 below). They are appointed as guardians of the public interest and their seal of approval is required on every TBIAC report. Figure 3.2 overleaf shows the backgrounds of all Commissioners appointed in the TBIAC's history. The large number of public servants is in part due to the legal (Tariff Board Act, 1921-52, Section 6(2)) and then traditional (post-1973) requirement that the Chairman and one other member should be a public servant. Besides this most Commissioners represent industry (see Table 3.2 below) and only one representative of the trade union movement has been appointed. The data presented in this table and figure are from Hall (1958) and the investigations of the author.

Table 3.2. Backgrounds of TBIAC Commissioners

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>public servant</td>
<td>23</td>
</tr>
<tr>
<td>secondary industry</td>
<td>16</td>
</tr>
<tr>
<td>primary industry</td>
<td>6</td>
</tr>
<tr>
<td>academic</td>
<td>3</td>
</tr>
<tr>
<td>trade union</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: The order of the list shows priority of allocation, e.g. an economist with the Australian Wool and Meat Producers Federation is allocated to primary industry background.

Since the creation of the IAC in 1973 almost all appointees have been academically trained while before 1953 only one appointee was so trained - an accountant. This
increasingly professional orientation of the IAC

Figure 3.2
BACKGROUNDS OF COMMISSIONERS OF THE IAC

<table>
<thead>
<tr>
<th>NAME</th>
<th>BACKGROUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOOLEY (C)</td>
<td>Deputy Controller General of Customs</td>
</tr>
<tr>
<td>LEITCH</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>VERGO</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>HIDDEN (C)</td>
<td>Deputy Controller General of Customs</td>
</tr>
<tr>
<td>ROUGHTON</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>HINTON</td>
<td>Primary Industry</td>
</tr>
<tr>
<td>WALL (C)</td>
<td>Deputy Controller General of Customs</td>
</tr>
<tr>
<td>EDMIN (C)</td>
<td>Deputy Controller General of Customs</td>
</tr>
<tr>
<td>ELLIOT</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>KELLY</td>
<td>Grazer</td>
</tr>
<tr>
<td>SYKES</td>
<td>Collector Customs, Victoria</td>
</tr>
<tr>
<td>FENSTER</td>
<td>Assistant Commissioner Railways, N.S.W.</td>
</tr>
<tr>
<td>ROSS</td>
<td>Secretary, Southern Section Standards Assn. of Australia</td>
</tr>
<tr>
<td>NORTON</td>
<td>Assistant Commissioner General of Customs</td>
</tr>
<tr>
<td>BARKER</td>
<td>Accountant</td>
</tr>
<tr>
<td>SULLY</td>
<td>Deputy Prices Commissioner, Victoria</td>
</tr>
<tr>
<td>GLEIGH (C)</td>
<td>Commonwealth Prices Commissioner</td>
</tr>
<tr>
<td>GROVE</td>
<td>Director of Railways</td>
</tr>
<tr>
<td>HIGGINSON</td>
<td>Grazer</td>
</tr>
<tr>
<td>HICKS</td>
<td>Australian Industries Protection League</td>
</tr>
<tr>
<td>CLARK</td>
<td>Australian Commissioner, Trade and Customs</td>
</tr>
<tr>
<td>DAVE</td>
<td>Economist, Rural Bank</td>
</tr>
<tr>
<td>ELLIOTT</td>
<td>Manufacturer</td>
</tr>
<tr>
<td>NEWMANN (C)</td>
<td>Public Servant</td>
</tr>
<tr>
<td>WARD</td>
<td>Assistant Commissioner General of Customs</td>
</tr>
<tr>
<td>GILL</td>
<td>Employers' Association of Metal Trades Association</td>
</tr>
<tr>
<td>ENTER</td>
<td>Pastoralist and Economist</td>
</tr>
<tr>
<td>THURAY</td>
<td>President, Automobile Manufacturers Association</td>
</tr>
<tr>
<td>REEVES (C)</td>
<td>Fuller Reserve Bank, Commonwealth Bank (Economic Adviser)</td>
</tr>
<tr>
<td>DUGGAN</td>
<td>Attorney, C.S.I.R.O.</td>
</tr>
<tr>
<td>TISHER</td>
<td>Accountant, Consultant</td>
</tr>
<tr>
<td>MITTLE (C)</td>
<td>Public Servant</td>
</tr>
<tr>
<td>CLOUGH</td>
<td>Assistant Secretary, Department of Trade</td>
</tr>
<tr>
<td>HODGSON</td>
<td>Assistant Commissioner General of Customs</td>
</tr>
<tr>
<td>FITZ</td>
<td>Public Servant</td>
</tr>
<tr>
<td>FERRY</td>
<td>Director of Subsidiaries of Commonwealth Industrial Gases</td>
</tr>
<tr>
<td>FISHER</td>
<td>Barrister, Master Builders Federation</td>
</tr>
<tr>
<td>NOLAN</td>
<td>Economist, BHP</td>
</tr>
<tr>
<td>FREEBORN</td>
<td>Public Servant, Trade and Industry</td>
</tr>
<tr>
<td>NASH</td>
<td>Industrial Advocate Electrical Trades Union</td>
</tr>
<tr>
<td>CROMAN</td>
<td>Public Servant</td>
</tr>
<tr>
<td>REID</td>
<td>Assistant Secretary, Department of Trade, Economist, Lawyer</td>
</tr>
<tr>
<td>TILLEY</td>
<td>Economist, Australian Wool and Meat Producers Federation</td>
</tr>
<tr>
<td>WARD</td>
<td>Lecturer, Sydney University, Secretary N.S.W. Labour Party</td>
</tr>
<tr>
<td>MILLION</td>
<td>Assistant Professor, University of W.A. (Economics)</td>
</tr>
<tr>
<td>LINDS</td>
<td>Professor of Economics, University of Melbourne</td>
</tr>
<tr>
<td>PAGE</td>
<td>Chairman, Australian Development Ltd., Director Noblex (Meats)</td>
</tr>
<tr>
<td>MCKAY</td>
<td>Deputy Secretary, Department of Trade, Chairman, Australian Industries Development Corporation</td>
</tr>
</tbody>
</table>

depends on the goals of the organization which depends on the power of various organizational members to determine
increasingly professional orientation of the IAC Commissioners is the only indication that the Commissioners could be responsible for the goal change of the IAC. This is however unlikely as there is considerable conflict between the economists of the TBIAC and the Commissioners, who due to their appointed role of guarding industry interests are more protectionist and less academically oriented than the economists.

In other words, in the case of the TBIAC, it is not management (here the Commissioners) who determine the new professional goals of this institution. An alternative explanation must be investigated. According to this explanation the goals of the TBIAC are determined as a result of competition between organizational groups. If this is so, power is no longer explained within the model.

The studies discussed above attribute the power of an organizational member to the extent of his contribution towards organizational goal performance. If the goals are problematic or open to definition, power surely becomes the ability to define those goals. The bases or reasons for this ability are not suggested, i.e. the argument is locked into a relationship of circularity between the variables. The power of an organizational member depends on his contribution towards organizational goal performance which depends on the goals of the organization which depends on the power of various organizational members to determine
them. The final section of this chapter, Section 3.3 below, suggests that organization theory's problematic is powerless before the explanation of power.

3.3. Summary and Critique

In conclusion, there are two basic models of organizational power within this body of literature. These two models are not explicitly differentiated and this, among other things, leads to considerable confusion in the literature. The major variables of these two models are shown in the diagram below. This section is devoted to an explanation and explication of their inadequacy.

Figure 3.3. Relationship Between Variables used in Organization Theory

```
<table>
<thead>
<tr>
<th>GOALS</th>
<th>ORGANIZATION</th>
<th>ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>delimit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STRUCTURE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>creates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUB-UNITS</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>differentiated by</td>
<td></td>
</tr>
<tr>
<td>POWER measured by</td>
<td>CONFLICT</td>
<td></td>
</tr>
<tr>
<td>occupations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```
The first model will be called "the sub-unit model of power", e.g. as espoused by Hickson and Hinings (1971,1974). This model is structural functionalist, and adapted from Parsons' (1956a,1956b) model of organizations. The organization is conceived of as a micro social system which has the functions of goal attainment, integration of the sub-units into the organization, securing the commitment of members and adaptation to the environment. In the process of adaptation, the sub-units in the organization become increasingly differentiated (e.g. the Durkheimian (1965) notion of the division of labour). Such sub-units become partially autonomous from the organization but still dependent on it for survival (Gouldner,1959). Sub-units develop slightly different perceptions of what the organizational goals are (March and Simon,1958) and the appropriate methods of meeting them (Walton et al,1969; Walton and Dutton,1966).

Without an area of autonomy or indeterminacy, power could not be hypothesized: complete integration would mean no freedom of action and no power. This area of indeterminancy is studied via a behaviourist model of bargaining derived from neo-classical economics: sub-units as holders of wanted goods come to barter with one another over the determination of goals, means etc (1). However because the value of these goods cannot be determined by the model, the explanation is reduced to the level of

(1) see over
individuals' perceptions. Bargaining ability rests not only on what opponents have but on what they can convince others they have (see critique of Hickson and Hinings above). In other words the area of indeterminacy, the area of power, cannot be explained at all except via a Dahlian notion of events, a multitude of results which are not apprehended in a patterned way.

Secondly the model of sub-unit power obviously refers to management power. Discussion of sub-units at any other hierarchical level is inane, as is the suggestion that sub-units speak with one voice (as noted by Clegg, 1975, p46). Like all good structural functionalist models, this one refuses to make causal predictions because they prejudge the empirical results (Allen, 1975, Chapter 2). Neither goals, structure, sub-unit nor power is conceived of as independent. For this reason no explanation of the incidence of power is given.

The second model, which will be called "the occupational model of power", attempts to explain the power of professionals or other skill holders in the organization. Again a structural functionalist paradigm is employed. The

(1) e.g. see Assael (1969); Buckley (1967); Blau (1970); Burton (1966); Darkenwald (1971); Dodson (1958); Goldman (1966); Harvey and Mills (1970); Hampden-Turner (1970); Kahn (1964); Katz (1959); Kochan et al (1975); McClelland (1965); March and Simon (1958); Silverman (1970); Thompson (1967); Van Doorn (1966); Walton and McKersie (1966); Walton et al (1969).
nature of organizational goals constrains the possible internal structures an organization may have. Goals are by definition not those of members, except insofar as these are also the goals of "the organization" (1). Power is then differentially conferred on members according to their contribution towards organizational goal performance. This depends on their membership of one of the following categories: managers/supervisors who have power because of organizational position, specialists/professionals who have power due to their control of skills and workers who have no power because they control nothing of value. If members are rewarded in relation to their contribution towards goal performance, an independent measure of this contribution is required to measure power. Unfortunately this contribution cannot be measured because of the nature of the analogy. Structural functionalism is

(1) The definition of goals reveals the underlying assumptions of the structural functionalist view of organizations. Although goals are usually defined as those of the "organization" or its leader (a point which Silverman (1970,p9-10) critiques), bargaining models of organizations see goals as the outcome of bargaining between organizational members (Cyert and March, 1963,p28; March and Simon, 1958; Presthus, 1962) without fully explicating that some organizational members (e.g. managers) are likely to have more power or ability to determine goals than others.
unable to identify goals as other than system survival, the many parameters of which cannot be ordered in priority; i.e. goals cannot be measured. Secondly it is the interaction of the parts which determines survival, not the parts alone. It makes as much sense to say "How powerful (important) is the heart for the body?" as to say "How important is management for the organization?" The answer is the same: "Useless without the rest of the body/organization".

In other words, it is assumed that action is oriented within "a common system of ultimate-value attitudes" (Parsons, 1949, p. 709). The assumption underlying this proposition is that the system does not work to the special advantage of some members over others: the market does not favour some of the atomistic consumers, the body does not favour some of its organs.

While the body does not favour some of its organs, the market does favour those consumers with more resources to bring to the market. There occasionally erupts into the literature the notion that all organizational members are not motivated towards its survival, e.g. in the case of a strike by the workers. The analogy is now one of an organism under attack, i.e. by a disease. However, the workers, unlike the disease, are a normal part of the organism and necessary for its survival. Their resistance to organizational goals is inexplicable because they, too,
are rewarded by the organization.

Lockwood (1964) suggests that the structural functionalists focus on normative integration (the commitment of individuals) and ignore the possibility of inherent system disintegration (i.e. collapse of the system due to incompatible interests of opposing groups within the system). The structural functionalist model cannot explain sabotage (Taylor and Walton, 1971; Mars, 1973) except in terms of the inherent nature of the work as alienating (1).

As Allen (1975, p103) sums up the difficulty of this model in confronting certain kinds of organizational behaviour, "(D)eviant action itself had to be in pursuit of goals". However, it had to be admitted that these goals were personal and not organizational. Whether economic (Ackroyd, 1974; Willener, 1964), social (2) or "self-actualising" (3) these goals must be controlled and mediated by the organization, or to put it more truthfully, management.

(1) The nature of the work argument, unlike Marxist explanations, ignores the relations of production as the determinant of alienation:

all means for the development of production...distort the worker into a fragment of a man, they degrade him to the level of a machine...they alienate him from the intellectual potentialities of the labour process...as capital accumulates, the situation of the worker, be his payment high or low, must grow worse (Marx, CI, p799).

(2) Burns (1955); Dalton (1959); Katz (1965); Gardner and Moore (1964); Selznick (1952).

(3) Argyris (1957); Bennis (1969); Lafitte (1958); Likert (1959); McGregor (1967).
Because workers often accept the "rules of the house" (Baldamus, 1961; Bendix, 1956; Chandler, 1964; Jessop, 1972, p81-2; Offes, 1976), the structural functionalist paradigm has maintained currency in organization theory. What is neglected is the ability of management to define the "rules" (Clegg, 1975, p83-91) or manipulate the belief system of organization members (Lukes, 1971; Cohen, 1974). In this way the study of legitimate authority becomes an "apologia for oppression" (Hirst, 1976, p85). It is only when ideological hegemony fails and naked power emerges backed by sanctions, that the nature of this hegemony is revealed (see Clegg's (1975) study of this).

Finally the site for the study of power is itself inappropriate. Organization theory contends that power is conferred by management or the organization structure - it is the result of forces located inside the organization. As Goldman (1978, p23) terms this construction of the organization it subscribes to a "Ptolemaic world-view". The organization is seen as the centre of the universe. What appears to be a mere difference of emphasis leads to a different analysis of causality between the structural functionalists and the Marxists. The organizational environment, when not entirely ignored, is treated as an additional variable among others in the determination of organizational functioning and not as the major explanand of organizational structure. The goals of the host system
(society) are mediated for the sub-system (the organization) by management. The environment merely acts to change the degree or extent of organizational behaviour but does not determine it. Thus the "munificence" of the environment (March and Simon, 1958, p. 128) when favourable may encourage lower conflict between organizational members (more cake to be shared around) but when unfavourable may encourage the greater commission of illegal acts (Staw and Szwajkowski, 1975).

Against this view of organizational structure, the Marxist view maintains that organizational power and control must be seen in terms of the nature and priorities of the 'host' society rather than as consequences of particular forms of work process or technology (Salaman, 1978, p. 519).

Of course the determinants of organizational structure and functioning are the class struggles and their structural bases located within the formation and reproduced within the work organization. But this is to move ahead of ourselves.

To return to the results of the "Ptolemaic world-view", it is this location of causes within the boundaries of the box of the organization which leads to an inability to explain power. Power cannot be explained with the variables at hand because these are not the determinants of power. Organization theory is unable to
define the "box", to distinguish "non-work" from "work" organizations (1) and until both the reasons for this failure and the failure to define goals, function etc are grappled with, organization theory cannot explain power.

In summary, the failure of organization theory to explain power is attributable to three factors. Firstly power is not a phenomenon of organization structure - it does not derive solely from the technology or goals of an organization or the decisions of management to reward various occupational members. As discussed above, attempts to locate the source of power within organizations become tautological. Power is defined as the result of ability to mediate the organizations's goals. These goals cannot be

(1) Most definitions of work organizations describe them as artificially created to achieve some purpose or goal which requires the ordered co-ordination of members (Blau and Scott, 1961, p5; Caplow, 1964, p125; Cohen, 1974, pxi; Eldridge and Crombie, 1974, p61; Etzioni, 1964, p3-5; Goldman, 1962, p416; Pfiffner, 1960, p28-9; Silverman, 1970, p14; Stinchcombe, 1967, p155; Tannenbaum, 1968, p6; Thompson, 1967, p7). These criteria apply equally to non-work organizations, e.g. political activist groups. We have a definition of organization rather than work. As Fox (1971) and Wilensky (1969) point out, work has different "meanings" for people over time and between classes. Work certainly cannot be defined by the activities undertaken (e.g. fixing a car, tending a garden, reading and writing) nor by the organization in which it is situated.
explicitly defined; the extent of different members' contributions towards them cannot be assessed; the differential ability (or rather power) of organizational members to change the goals and so their power is not queried. Yet the ability to determine goals must as surely be a measure of power as the ability to mediate them.

Secondly, the structural functionalist paradigm is used to describe organizational functioning. As explained in Chapter One, this paradigm denies power as a phenomenon which describes opposition or acting against the will of other social members. Thus organization theory has difficulty explaining strikes and sabotage.

Thirdly, because structural functionalism implicitly denies conflicting goals or interests and thus the possibility of power an area of indeterminancy has to be created. This is explained with a bargaining model derived from neo-classical economics. In the end result, power becomes the ability to convince others, to define the situation, and ceases to have bases in the organization structure as such. Power is reduced to individuals' perceptions of it. As noted in Chapter One, attempts to marry structural functionalism and neo-classical economics create abnormal offspring. The assumptions of these two paradigms are not identical.
The unresolved dilemma between the free individuals of neo-classical economics and the values and norms of a system which direct individual choice (Parsons' (1949) explicitly located contribution to sociology) remains unresolved because to question it would uncover the domain assumptions of structural functionalism. How can individuals be both free and bound by society's values? Only if the values are shared as good and beneficial to all. How can individuals be both motivated to seek personal rewards and fulfill their roles in society? Only if the individual's goals are also those of society. How can there be conflict in this harmonious world? This is only possible as "change", mysteriously emerging from the wings of the social system creates new goals for society and its members.

If, on the other hand, one were to propose that individuals are not ontologically free but must create their freedom, that society's values were imposed by the some on the all and that the rest sometimes came to perceive this, one could begin to explain why conflict sometimes occurs, why some individuals have goals that do not dovetail with others, why some groups appear to have more autonomy and power than others. It is only in the act of asserting their freedom, e.g. by revolution, that the actors in the system demonstrate that they are not free. It is only then when events rupture through the discourse of structural functionalism, that the assumptions of this model will be questioned on its own grounds.
However the terms used by this school of writers reveals an uneasy awareness of the alternative explanation. In organization theory writings when management have power it is called control, when non-management have power it is called autonomy. Organization members, identified by the structural characteristics of the occupation to which they belong, will have power to the extent that they manage, control or possess recognised skills or deal in uncertainty or complexity. The extent to which they do this will in turn depend on the specific characteristics of the organization under study. In organizational power games management almost always defeats unskilled workers, usually defeats craftsmen and are only now beginning to defeat professionals and scientists.

The next chapter commences the alternative analysis of the "power" of TBIAC economists, not in terms of organizational structure or goals but in terms of influences located outside the boundaries of the organization. It is suggested that a Marxist analysis, which is concerned with the social formation as a whole is far better equipped to explain the changes in institutional functioning of particular organizations.
Chapter Four

The Materialist Dialectic Problematic:

Class and Power

What has to be respected is the rigorous distinction between the real object and the concept, or object of knowledge, so as to stay on the razor's edge, without veering off 'to the left' into empiricism or 'to the right' into formalism (Balibar, 1973, p64).

Rather it is contended here that power is attributable to classes which are determined by the structures describing the mode of production. It will be seen that this theoretical construction reproduces the findings of organization theory and explains them, whereas organization theory can only present its findings without explanation.
4.1. Introduction

The structural functionalist and behaviourist explanations of power are inadequate. Only the visible tip of the iceberg (Clegg, 1977, p35), the events that demonstrate power, is apprehended by these schools. The hidden mass, the structures which determine power is neither seen nor explained. While organization theory chooses the tip of the iceberg for its site of analysis, the materialist dialectic chooses the sea, the total social formation, the currents of which are explained by a theory of the hidden mass (theoretical concepts). Occupations are currents in the sea—they are empirical categories lacking theoretical coherence which are used by members. Classes are concepts of the hidden mass. The definition of class is obtained by theoretical exposition and not empirical enquiry. However the variables of occupational power derive from the theoretical determination of classes. To explain occupational power, one must analyse class power. To explain events, one must analyse the structures which determine them. Neither an analysis of organization nor of occupation will explain the phenomenon of power in society. Rather it is contended here that power is attributable to classes which are determined by the structures describing the mode of production. It will be seen that this theoretical construction apprehends the findings of organization theory and explains them; whereas organization theory can only present its findings without explanation.
To analyse class power, the structures which determine classes must be described. This requires a consideration of the regions in the social formation (Section 4.2), a consideration of the class relations at the economic, political and ideological levels (Section 4.3) and a discussion of power (Section 4.4). The new petit-bourgeoisie are chosen for particular investigation because of the ambiguous nature of their class power.

Before proceeding, it should be emphasized that the materialist dialectic conceives of the construction of theory as a pursuit dependent on its own internal logic rather than the evidence of facts for proof or disproof. The materialist dialectic operates on "pieces of information and ideas provided by the different forms of practice: scientific, ideological, technical etc" (Laclau, 1975, p94) to produce a theory. The theory is not tested against facts for its validity; rather a "theory is only false to the extent that it is internally inconsistent" (Laclau, 1975, p94). Facts may point to theoretical inadequacies - loose definitions, inconsistent statements, conceptual inclarities. As Laclau (1975, p95) points out this means that an inadequacy found in the theory may be an inadequacy of the theorist or the theory - only history will demonstrate which. If the theory is found to be inadequate a new theory or theoretical sub-system must be developed:

From the theoretical system to the theoretical problems and from them to a new theoretical system: that is the course of the process of knowledge (Laclau, 1975, p95).
4.2. The Regions in a Social Formation

A social formation is characterised by its mode of production. The first historical act of man is not that he thinks (idealism) but that he produces his means of subsistence (materialism) (Marx and Engels, GI, p20). The mode of production is described by the combination of the forces of production (technology, materials used and the mode of co-operation deriving from these) and the relations of production or the distribution of the instruments of production to the agents of production (Althusser, RC, p175).

(1) In early formulations, Marx (GI, p31) gives the role of determination to the forces of production over the relations of production. Later (e.g., Grundrisse, p706) he sees the transition (= revolution) between modes of production arising because of the contradictions between the developing forces of production and the relations of production (e.g., the falling rate of profit, the oversupply of commodities). These contradictions arise because the dominant class (determined by the relations of production) bends the forces of production to its will. Balibar (see Althusser, RC) develops this model of the transition stages signalled by the noncorrespondence of the forces and the relations of production. He (1973, p60) later amends the model to describe transition stages as shifts in dominance from one region to another. Hindess and Hirst (1975, p7 and 12-3) claim that this approach is too structuralist and takes little account of the class struggle as the motor of change.
The relations of production are a combination of a relation of real appropriation and a relation of property:

a. A relation of real appropriation:...it applies to the relation of the labourer to the means of production, i.e. to the labour process, or again to the system of productive forces

b. A relation of property:...it makes the non-labourer intervene as owner either of the means of production or of labour-power or of both, and so of the product. This is the relation which defines the relations of production in the strict sense (Poulantzas, PPSC, p26).

These two relations thus belong to the unique and variable combination which constitutes the economic in a mode of production, the combination of the system of productive forces with the system of relations of production. In the combination characteristic of the CMP (i.e. capitalist mode of production - C.B), the two relations are homologous. the separation in the relation of property coincides with the separation in the relation of real appropriation (Poulantzas, PPSC, p27).

In other words, in the CMP, the non-labourer neither controls nor owns his means of production. In the FMP (feudal mode of production) however, the peasant controls his means of production (relation of real appropriation) but does not own the product (relation of property). Because the relations are not homologous, intervention (by the church) is required into the economic to maintain the peasants' contributions.

The economic is determined in the CMP by the relation of the extraction of surplus value which involves the transformation of capital through three forms - money, productive and commodity (Marx, CII, p25-8, p31, p67). Some writers, e.g. Hirst (1977), tend to identify the structures
in the economic with the relations at the level of the political and the ideological. However the economic is characterised by both the structures of the production and distribution of surplus value and the social relations of class determination (1).

Althusser (RC,p170) identifies production as consisting of two dissociate elements: the labour process, which deals with the transformations man inflicts on natural materials in order to make use-values of them, and the social relations of production beneath whose determination this labour process is executed.

It is the social relations of production, or the distribution of the instruments of production to the agents of production, which determines the classes of society. Thus

individual consumption...refers us to the technical capacities of production (the level of the forces of production) on the one hand, and on the other to the social relations of production, distribution of men into social classes, which then become the 'real' 'subjects'...of the production process (Althusser, RC,p166-7).

(1) These concepts are not always articulated as clearly as they could be by either Marx or Althusser (e.g. Marx,Grundrisse,p95-6; Althusser,RC,p168). For instance consumption is both an aspect of production and distribution and serves to reproduce labour as wage-labour in class relations to capital. Similarly distribution is both the distribution of final commodities or use-values (consumption) and of the determination and reproduction of classes through the pattern of distribution.
Social relations of production at the economic level condition (1) the ideological and political relations of reproduction. It is the combination of the economic, political and ideological relations of production which determine the classes in the social formation.

The political region is identified as the state in its role of cohesion of the social formation. The structures of the state are

- the juridical structures (the law) and the political structures (the state)...(which)...consist of the institutionalised power of the state (Poulantzas, PPSC, p42, italics deleted).

The state represents legitimate force or the relations of domination and subordination "writ large". Political practice has as its objective the state and its apparatuses. Hindess and Hirst (1975, p42) suggest that Poulantzas overemphasizes the structures of the state as an inert "prize" for the victors of political practice, i.e. as something existing outside classes, and thus as an

(1) I have used condition rather than contradiction and overdetermination (Althusser, FM). These notions are a useful handle for grasping the determinance of the economic in situations where another region may be dominant but do not allow elucidation of the exact relations between these regions (e.g. see Althusser's (RC, p178) and Poulantzas' (PPSC, p13-4) confused attempts at this). The value of these concepts is merely that they locate a theoretical problem - identifying the limits of the relative autonomy of the other regions (e.g. see Kolakowski, 1971, p121 and Laclau, 1975, p102). They do not however solve the problem. Both Laclau (1975, p109) and Hall (1977, p40) suggest that the extent of relative autonomy can be determined only for each mode of production or each concrete social formation.
institutional (as opposed to class) power. They define the political as follows:

The political level is the space of representation of class interests. It is constituted as the totality of the means of political practice of the various classes, the forms and instrumentalities of their representation (Hindess and Hirst, 1975, p. 37).

It will be seen below that this dimension of "state power" becomes crucial in identifying the new petit-bourgeoisie.

The ideological region refers to the materialisation of the ideological practices which sustain and extend the dominant ideology in the social formation. These practices are located in state apparatuses (see Chapter Six for a fuller discussion of this).

Althusser and Poulantzas draw a distinction between structures, relations, and social relations. Structure is an abstract theoretical concept which determines the relations of production in each region of the social formation:

the 'exploitation' of the majority of men by a minority was 'seen' before Marx. But the concept of the economic 'forms' of that exploitation, the concept of the economic existence of the relations of production, of the domination and determination of the whole sphere of political economy by that structure did not then have any theoretical existence (Althusser, RC, p. 181).

The relations of production so described by the structures determine the social relations of production or the distribution of men into classes:

The different instances therefore mark levels and degrees in structures: they consist of specific forms of combination of the agents of production
and the means of production. The structure of relations of production "determines the places and functions occupied and adopted by the agents of production, who are never anything more than the occupants of these places, in so far as they are supports (Trager) of these functions"*. The relations of production have as their effect on social relations and in regard to the economic, a distribution of agents of production into social classes which are at this level the social relations of production (Poulantzas, PPSC, p65).

* quoted from Althusser, RC, p180.

Poulantzas then critiques the structural functionalist/Weberian and economist problematics which collapse this distinction in such a way as to establish the primacy of the social over the economic or vice versa. The structures and the social relations of production which are their effects must be firmly separated at the economic, political and ideological levels:

we can also speak in all strictness of political 'social' relations and of ideological 'social' relations...(which)...manifest themselves as the effect of the political and ideological structures in social relations (Poulantzas, PPSC, p65-6).

the structures of the political, notably the juridico-political superstructure of the state, and equally of the ideological, are not social classes. But at and in the level of relations, they do have as their effect juridico-political social relations and ideological social relations, the distribution of the agents who are their bearers into social classes (Poulantzas, PPSC, p66). Thus the relationship between structures and social relations is not one of static to dynamic, nor of abstract to concrete - classes are not the empirical thing of which structures is the concept (Poulantzas, PPSC, p67). Rather all these notions are concepts of theory which define the
classes at the theoretical level in a pure or abstract mode of production. These social relations are explored below.

4.3. The Relations of Domination and Subordination

It is the social relations at the economic, political and ideological levels which determine classes:

Social relations consist of class practices, in which social classes are placed in oppositions: social classes can be conceived only as class practices, these practices existing in oppositions which, in their unity, constitute the field of the class struggle (Poulantzas, PPSC, p. 86).

The economic relationship of domination-subordination is marked by the concept of surplus value defining on one side the working class which has its labour appropriated as surplus value:

Labour that produces surplus value while directly reproducing the material elements that serve as the substratum of the relations of exploitation (Poulantzas, CCC, p. 216)

and on the other side the bourgeoisie which appropriates that surplus value. These two classes are defined also by being in political and ideological relations of subordination (the working class) and domination (the bourgeoisie). These ideological and political relations derive from the economic relations which are determinate:

The dominant role of the relations of production over the productive forces and the labour process is what gives rise to the constitutive role of political and ideological relations in the structural determination of social classes. The relations of production and the relationships which comprise them (economic ownership/possession) are expressed in the form of powers which derive from them, in other words class powers; these powers are constitutively
tied to the political and ideological relations which sanction and legitimize them. These relations are not simply added on to relations of production that are 'already there', but are themselves present, in the form specific to each mode of production, in the constitution of the relations of production. 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 (Poulantzas, CCC, p21).

The traditional petit-bourgeoisie are defined by the feudal mode of production. However segments of this class still survive in capitalist societies and so their identification should be considered. The "traditional petit-bourgeoisie are a survival from the feudal mode of production: the lower strata of the middle class - the small tradespeople, shopkeepers and retired tradesmen generally, the handicraftsmen and peasants - all these sink gradually into the proletariat as they lack capital and their skills become obsolete (Marx and Engels, CM, p115).

Poulantzas identifies the traditional petit-bourgeoisie as follows: "where the same agent is both owner and possessor of his means of production, as well as the direct producer" and thus does not "directly extort surplus value" (Poulantzas, CCC, p285). Because petit-bourgeois establishments may employ labour occasionally, the crucial distinction to my mind is that this class is unable to accumulate surplus value, i.e. to produce and reproduce labour as wage-labour and profits as capital.

One of the key debates in Marxism concerns the determination of the new middle class or the new petit-bourgeoisie. As Carchedi (1975a and b) puts it, the new middle class are
subaltern agents of capital. They perform functions that were once performed by the individual entrepreneur (e.g. supervision, accountancy, realisation functions) but are also exploited by the capitalist and yield up surplus labour.

Poulantzas attempts to identify the new petit-bourgeoisie in terms of their economic, political and ideological relations of class determination. Such determination "is chiefly a function of economic relations" (Poulantzas, CCC, p214) (unproductive labour). However, "(w)e must also refer to their place in the political and ideological relations of the social division of labour" (Poulantzas, CCC, p251).

The new petit-bourgeoisie do not apply productive labour. As Marx (TSV, p153) emphasises, productive labour is not defined by the type of product produced (as the Fundamentalists argue – see Fine and Harris, 1976) nor by the type of labour applied, nor whether the labour is exploited (the Neo-Ricardians – Carchedi (1975a and b) is an example of this view). Rather productive labour is defined by the relations of production:

Productive labour is therefore...that which produces surplus value for its employer or which transforms the objective conditions of labour into capital and their owners into a capitalist; and therefore labour which produces its own product as capital (Marx, TSV, p181).

Initially Poulantzas (CCC, p209-23) interprets this as the production of material goods and although there is some support for this view in Marx (TSV, p164), Poulantzas
(NPB,p120) following the criticisms of Hirst (1977,p147) and Wright (1976,p7), later abandons this criterion. The new petit-bourgeoisie then do not apply productive labour.

To identify the political relations, Poulantzas introduces the notion of the domination of the technical division of labour (productive labour in general) by the social division of labour (capitalist productive labour in particular):

the work of management and supervision, under capitalism, is the direct reproduction, within the process of production itself, of the political relations between the capitalist class and the working class (Poulantzas,CCC,p228).

Managers, as a segment of the bourgeoisie, are also defined by their role in the political domination of the working class:

their principal function is that of extracting surplus value from the workers - 'collecting it' (Poulantzas,CCC,p228).

As this does not distinguish the representatives of capital from the new petit-bourgeoisie, Wright (1976,p25) and Carchedi (1975a and b) distinguish two functions of management. These are the control of the means of production or the surplus value producing process (investment decisions etc) and possession or the control of the labour process. Possession, originally a function of productive labour, becomes invested in subaltern agents of the bourgeoisie, the new petit-bourgeoisie, while the former function defines the place of capital. Poulantzas (CCC,p229) suggests but does not theorize this distinction:

these managers cannot only exercise powers deriving from the relations of possession (control
and direction of the labour process) but also certain powers that derive from the relations of economic ownership.

The ideological relations are determined by a mental-manual labour distinction within the production process:

The science which compels the inanimate limbs of the machinery does not exist in the worker's consciousness, but rather acts upon him through the machine as an alien power, as the power of the machine itself (Marx, Grundrisse, p693).

As large-scale industry becomes subsumed to the capitalist relations of production, the fragmentation of labour, "in particular...the separation and dispossession of the direct producer from his means of production" (Poulantzas, CCC, p235) includes also the separation of the direct producer from knowledge of the labour process. This is the structural determination of the ideological relations of domination and subordination and is evidenced by a division between mental and manual labour:

every form of work that takes the form of a knowledge from which the direct producers are excluded, falls on the mental side of the capitalist production process (Poulantzas, CCC, p238).

Poulantzas stresses that the mental-manual labour distinction is not that of clean jobs-dirty jobs (Poulantzas, CCC, p235), nor only that of science as it includes "knowledge" with no technological applications (e.g. management techniques) nor is it the head and hand division, but a division of power, of access that is ideologically determined (Poulantzas, CCC, p238, p253-4). The
division is unnecessary and ideological because the working class are either directly excluded, do have the knowledge or there is "quite simply nothing that needs to be known" (Poulantzas, CCC, p238). The distinction is ideological because

science is ultimately based on labour, and on the experiences of innumerable direct producers (Poulantzas, CCC, p222).

In other words, the status of this knowledge may be variable. Cultural symbols provided by the educational system (Poulantzas, CCC, p255-66) are knowledge from which the working class is consistently excluded, the scientific knowledge which shapes productive forces (Poulantzas, CCC, p237) is something of which workers do, or could have knowledge, while management techniques for controlling the labour force (Poulantzas, CCC, p238) are "nothing that needs to be known". All knowledge is bent to the service of capital:

A 'technological application' designed for incorporation in a capitalistically organized labour process already materialises in itself the powers involved in the work of management and supervision (Poulantzas, CCC, p239).

From this it would seem that the new petit-bourgeoisie are defined by the application of unproductive labour (economic determination), and by being in a relation of ideological and/or political domination of the working class. The relations of political and ideological domination derive from the economic structures which
describe the capitalist mode of production. It is the capitalist's drive for accumulation and expropriation of surplus value which leads to the separation of the mental attributes from the labour process and the subordination of science to the service of capital. It is the need to supervise wage labour which leads to the investment of political and ideological functions of control in the new petit-bourgeoisie. In this sense the economic relations determine the political and ideological relations of domination-subordination which define the new petit-bourgeoisie. In another sense, however, Poulantzas appears to make the ideological relations determinant in defining the new petit-bourgeoisie.

According to Poulantzas (CCC,p242), production technicians perform productive labour (economic determination) yet belong to the new petit-bourgeoisie because of their role in the political and ideological domination of the working class. The ideological relation overdetermines the economic relation. "I would in fact say that the mental-manual labour division characterises the new petty-bourgeoisie as a whole" (Poulantzas,CCC,p251). This explanation may be permissable except that the labour aristocracy who also have a role in ideological domination of the working class are identified as working class and not petit-bourgeois (Poulantzas,CCC,p241-2). In this case the economic relation overdetermines the ideological relation. From these contradictory explanations it can be seen that
Poulantzas' identification of the new petit-bourgeoisie is not unambiguous and this contributes to the difficulties of discussing the power of this class. This problem will be returned to below. In summary the mental-manual labour distinction is the concentrated expression of the relationship between political and ideological relations...in their articulation to the relations of production...both within the production process itself, and beyond this, in the social formation as a whole (Poulantzas, CCC, p233-4).

Finally, these class relations are linked to class practices:

Social classes coincide with class practices, i.e. the class struggle and are only defined in their mutual opposition (Poulantzas, CCC, p14).

For example, the contradiction between those practices which aim at the realisation of profit and those which aim at the increase of wages (economic struggle), and the contradiction between those that aim at the maintenance of existing social relations and those that aim at their transformation (political struggle) (Poulantzas, PPSC, p86).

Practice is a work of production or transformation of a definite object or raw material into something new (Poulantzas, PPSC, p41). Thus economic practice is the transformation of raw materials into products. The object of political practice is the state. Ideological practice is the maintenance and creation of ideological sub-ensembles materialised in the state apparatuses (Althusser, LPOE).

It is not individuals, but bearers, who carry these class practices. The bearers of class relations are designated by:
certain objective places occupied by the social agents in the social division of labour: places which are independent of the will of these agents (Poulantzas, CCC, p14).

4.4. The Concepts Determining Power

Power is the capacity of a class to realize its specific objective interests. This concept is not without difficulties, especially in so far as it introduces the concept of 'interests' (Poulantzas, PPSC, p104, emphasis deleted).

The various concepts which make up the definition of power will be examined. Power is a relation between classes (not individuals or groups within the one class which are relations of might and authority):

the capacity of one class to realize its own interests through its practices is in opposition to the capacity and interests of other classes. This determines a specific relation of domination and subordination of class practices, which is exactly characterized as a relation of power (Poulantzas, PPSC, p105).

If one cannot demarcate a clear line between the places of domination and subordination one cannot locate classes that are in conflict or relations of power. Two points need emphasizing here. Power is a phenomenon traceable from the structures:

only a conflict traceable from the structures (in Marxist terms a class struggle) can create a particular relation of domination-subordination grasped by the concept of power (Poulantzas, PPSC, p106).

However power is located in the field of class practices, as a relation, not at the level of structures. The concept of power specifies the effects of the "ensemble of the levels
of the structure" on the relations of conflict between the practices of the various classes" (Poulantzas, PPSC, p99, emphasis deleted).

Power is a concept located at the level of practices but having its determination at the level of structures. In this way Poulantzas condemns all analysis of power not structurally determined as addressing only interindividual relations and therefore of only passing interest to sociology. As he comments "might is a phenomenon characterized by sociological amorphy" (Poulantzas, PPSC, p107) and therefore unlikely to have specifiable results.

It is with the concept of interest that Poulantzas attempts to make the transition from structure to practice: "My aim will be to arrive at an adequate concept of 'interests'" (Poulantzas, PPSC, p109). The determination of interest gives an objective measure (distinct from members' discourse concerning objectives). This provides an escape (in theory at least) from the Dahlian (1957) dilemma of measuring power only as a felt phenomenon and allows consideration of power in situations of false consciousness. Poulantzas refuses to accept the voluntarist label, i.e. the definition of interests by behavioural motivations. However he also denies that interests are located in the structures:

Class interests are situated in the field of practices, in the field of the class struggle (Poulantzas, PPSC, p109).

Poulantzas suggests that locating interests in the
structures leads to two impasses. For Marxists it leads to an economic determination of interests (class in itself) and a political and ideological determination of class power (class for itself). This tends to be Hirst's (1977) position, for instance. For structural functionalists it leads to the suggestion of latent interests determined by the agent's structural role in opposition to manifest interests as the actual action of agents. Poulantzas feels that these two impasses pose interests as separate from action and action apart from a relationship to structures.

Poulantzas' own attempt to escape this impasse needs considerable elaboration:

While the concept of class indicates the effects of the structure on the supports and while the concept of practice covers not behaviour but an operation carried on within the limits imposed by the structure, interests certainly indicate these limits, but at a particular level as the extension of the field of the practice of one class in relation to those of the other classes, i.e. the extension of the 'action' of classes in relations of power. This is not any kind of metaphorical play on the terms of limit and field, but a result of the complexity of the relations covered by these terms (Poulantzas, PPSC, p111).

Metaphorical or not, the exposition at this point is unclear. One can identify interests as the limiting effect of the structures. As shown above, the economic, ideological and political structures determine places which classes occupy (Poulantzas, CCC, P14). As these structures change, so do the places and the classes. For instance the relationship of expropriation between the labourer and the non-labourer determines the places of labour and capital
occupied by labourers and capitalists as agents. If the political practices of the working class lead to the overthrow of the capitalist state, this leads to a change in structures. There are no longer working class and bourgeoisie in relations of domination and subordination due to the relation of expropriation. Thus the limit of the working class's practices, or its interests, is the overthrow of the capitalist state.

Poulantzas appears to be saying this in the following statement. The effects of the structures determine the extension of the ground which this class can cover according to the stages of specific organization attainable by it (organization of power); and this ground extends as far as its objective interests. If we refer in this way to this double limit of the field (every field having a 'near side' and a 'far side'), a class's objective interests...appear...as the horizon of its action as a social force" (Poulantzas, PPSC, p111-2).

A class's interests are the point at which the practices change the structures. However the capacity of a class to realize its interests is related to class organization (Poulantzas, PPSC, p107), both its organization and that of other classes. In this way, sometimes "a distance arises between the structural determination of classes and the class positions in the conjuncture" (Poulantzas, CCC, p15). In attempting to make the transition from structural determination by theory (power as being) to class organization and position in the conjuncture (power as doing), Poulantzas employs notions of strategy and alliance.
It is no accident that this particular concept (class organization) with this particular role of straddling theory and the conjuncture should be so ambiguous (1). Poulantzas develops a number of categories concerning the relations between power and organization.

A class may have three kinds of organization according to the conjuncture. An organization of open or declared action pertains to the revolutionary situation. A distinct ideological, political or economic organization (e.g. trade unions or political parties) pertains to the conscious but not necessarily revolutionary organization of a class. Such organization may not achieve its class interests due to the organization of the other classes in the conjuncture. Finally there is organization in the broad sense of the term in which the class has presence and "pertinent effects" (Poulantzas, PPSC, p107-8). As examples of this last case Poulantzas gives the small-holding peasants under Louis Bonaparte and the working class in the USA. The first group had organization in the "broad sense of the term" as the

(1) I do not wish to pursue this point in any detail here. A close reading of Althusser's ("On the Materialist Dialectic", FM; RC) analysis of theoretical practice reveals that he becomes blind to the theory-practice relation and constitutes the materialist dialectic as a science almost totally divorced from reality. This divorce arises from his insistence on the separation of theory and its forms of validation (internal consistency etc) from the political and ideological practices of the concrete formation which are not a form of proof for theory. His anti-empiricist stand overbalances into a near idealist stand. Poulantzas (RML, p66) denies the extremity of Althusser's position but does not specify how "the adequacy of the theory to the facts and of theory to practice" may be tested.
Second Empire gave them this without giving them power, without meeting any of their interests. The working class are conceived also to have presence because however bourgeois their discourse and however dormant their class organization, they are still in struggle with the bourgeoisie, they still have elements of a working class ideology. Struggle refers to practices and structures and does not require "class consciousness" or autonomous political organization. Power, however, refers to class organization and class alliances and is located in the "terrain of class positions and the conjuncture" (Poulantzas, CCC, p17).

Poulantzas' analysis of pertinent effects is ambiguous because he does not elucidate the means by which presence of a class creates pertinent effects at the political and ideological levels. The assumption is (see Poulantzas, RML, p69) that other classes somehow allow for the presence of this class in the terrain of class power. However these classes do not have power as such but do affect the relations of power between classes. Thus classes who do not have power and, as will be seen below, cannot have power (the new petit-bourgeoisie) may have presence. However it is suggested above that the concept is poorly identified in Poulantzas' work: it has no conditions of existence, there is no class organization creating it. As this notion of "presence" is crucial to a discussion of the new petit-bourgeoisie, it will be returned to below.
To achieve class power, then, a class must have specific organization at the economic, political and ideological levels (Poulantzas, PPSC, p108) which is a necessary but not sufficient condition because:

The capacity of a class to realize its interests, of which the organization of its power is the necessary condition, depends on the capacity of other classes to realize their interests (Poulantzas, PPSC, p108).

Here Poulantzas (PPSC, p112) suggests that a second definition of interests is the limits imposed by the intervention of other classes. In this way Poulantzas distinguishes between long term and short term interests and introduces a limitation of the class's power as determined by the conjuncture. This is tied up with Poulantzas' notion of strategy which relates particularly to what the working class organization should do at a particular point to realize its interests. It cannot overthrow the capitalist state tomorrow because of the practices of the bourgeoisie but its practices should involve various strategies to undermine the hegemonic position of the bourgeoisie. This is all very well in affairs of the state but how can this be applied to explanation and analysis, as opposed to political strategy?

In the present state of the discourse both the tools (a method of establishing the relationship between concepts and facts) and the materials (low level concepts which refer to the conjuncture) are lacking (1). Johnson (1977a) notes the

(1) See over
absence of low level concepts and suggests the insertion of institutions or "differential institutional contexts" (Johnson, 1977a, p214). However Johnson does not integrate his notion into Poulantzas' system of concepts.

The concrete conjuncture is accounted for by the notion of class position:

A social class, or a fraction or stratum of a class, may take up a class position that does not correspond to its interests, which are defined by the class determination that fixes the horizon of the class's struggle (Poulantzas, CCC, p15).

Failure to take up the correct class position is due to the strategy, organization etc of other classes. The contamination of various modes of production in the social formation means that no "pure" CMP for example exists. The international effects of various social formations on each other may also obscure class interests, e.g. the position of the working class in the USA (Poulantzas, CCC, p15, p23, p151). Explicitly, and more importantly, class position refers to the historic conjuncture, what we will discover the class to be doing in the concrete social formation.

(1) A silence in the discourse not the practices. Poulantzas does undertake many explanations of concrete phenomena but he does not demonstrate how he does this. The process or mode by which facts are judged to be significant for theory is not elucidated. According to Caplan (1977) Poulantzas sometimes gets the facts wrong, implying that conscious consideration of the "means" of appropriating facts is a necessary tool.
Poulantzas' (MPT) initial formulation does not distinguish class position from class determination and implies a structuralist determination of practices. In a correction of this Poulantzas (RML,p82) suggests:

even if the working class aristocracy has a bourgeois class position in the present conjuncture: 1. it remains in its structural class determination, a part of the working class – a 'layer' of the working class, as Lenin puts it; 2. this structural class determination of the working class aristocracy is necessarily reflected in working class practices ('class instinct' as Lenin used to say) – practices that can always be discerned beneath its bourgeois 'discourse' etc.

This formulation seems inadequate for two reasons. Poulantzas himself, wrongly I feel, locates the new and the traditional petit-bourgeoisie in the same class situation (Poulantzas,CCC,p204-5,p288-94) despite their completely different economic determination by suggesting that in the long run they are polarized between the working class and the bourgeoisie (political practices). Class determination either does have effects in practices or it does not, surely for all classes. Secondly the labour aristocracy is said to have working class practices but a bourgeois position; the implication being that class position is only reflected in the class's discourse.

Both Johnson (1977a,p199) and Hirst (1977) attribute this confusion to Poulantzas' failure to theorize the conjunctures in which class relations are materialised. Hirst makes three major criticisms of Poulantzas. Firstly, the notion of 'relative autonomy' states that economic
determination of classes is not merely expressed at the political level but Poulantzas does not explain the conditions of functioning of relative autonomy, i.e. how class alliances are formed. Poulantzas' notion of strategy to discuss this is, according to Hirst, an economist reductionism, e.g. non-monopoly capital is assigned its place due to the economic dominance of monopoly capital (Hirst, 1977, p141). Monopoly capital can no more decide to 'preserve' non-monopoly capital than they can decide to preserve themselves (Hirst, 1977, p145).

Secondly, Hirst claims that class position is a let-out clause not a theoretical concept:

The problem of the connection of class determination and class position is in essence the problem of the relation of the practices to the structure and this remains theoretically unresolved (Hirst, 1977, p140).

If class struggles are expressed in class positions which one determines the other is insignificant for there is no theoretical difference between the concepts. Poulantzas' notion of a 'horizon' of interests operates merely as a short term epiphenomenon while the long term distinction is not sustained. Hirst suggests that Poulantzas' distinction between interests and practices is really to evaluate class activities "relative to one's conception of socialist organization and ideology" (Hirst, 1977, p131), i.e. to state that we know better. Talk of structures etc merely obfuscates this personal and non-professional decision. Hirst arrives at his own cul-de-sac. Claiming that in
concrete reality we do not see classes but parties, state apparatuses etc, Hirst (1977,p130) states:

The forces represented in politics are constituted by definite means of representation (parties, organizations, ideologies, programmes etc). These means must affect what it is that they 'represent'. These means constitute definite political forces.

Hirst denies the possibility of objective determination of interests and so arrives at an empiricist problematic - parties know best. He does however signal the problem of locating the representatives of class forces in the conjuncture.

This leads to the final criticism: Poulantzas does not consider the effect of class positions on the class struggle and class determination. He does not complete the circle or conduct analysis at the level of change, diachrony:

Class struggle and the class positions taken in it cannot be epiphenomenal and must have real effects on the future form of social classes (Hirst,1977,p140).

In summary, Poulantzas' concepts are linked as the following diagram shows.

From the theory, the structures, relations and practices of the various classes may be determined. These give the class's objective interests. Class organization and class position may only be evaluated in the conjuncture. The difference between the class position and its interests reveals its power due to class organization. For example, the working class is in a position of subordination to capital, marked by the extraction of surplus value. The extent to which the working class can reduce the
expropriation rate reveals its economic power due to its trade union organization. Power as being is a relation of subordination, power as doing is the strength of the trade union movement.

Figure 4.1. The Concepts Determining Class in Poulantzas' Formulation

MODE OF PRODUCTION

\[ \uparrow \]

STRUCTURES (ECONOMIC)

\[ \uparrow \]

STRUCTURES (POLITICAL and IDEOLOGICAL)

\[ \downarrow \]

RELATIONS OF PRODUCTION

\[ \downarrow \]

SOCIAL RELATIONS OF PRODUCTION

\[ \downarrow \]

CLASS PRACTICES

\[ \downarrow \]

BEARERS/AGENTS

\[ \longrightarrow \]

occupied by

\[ \longleftarrow \]

PLACES

\[ \downarrow \]

CLASS ORGANIZATION

\[ \downarrow \]

CLASS POSITION

\[ \downarrow \]

REPRODUCTION

\[ \downarrow \]

REVOLUTION

Note: Arrows show direction of determination between concepts.

It is necessary to analyse class position in the conjuncture for two reasons.

The classes of a social formation cannot be 'deduced' in their concrete struggle, from an abstract analysis of the modes of production which are present in it, for this is not how they are found in the social formation (Poulantzas, CCC, p23).

Poulantzas means by this that the classes can only be explained in the last analysis by the forms of struggle in the concrete formation, by their class positions, by their practices in the reproduction or dissolution of structures.
Secondly, the concrete social formation is not a pure CMP but exists as a result both of an historical process (class segments from the FMP will be present in the formation) and a geographical location (it has a position within the imperialist chain). Both of these affect the presence and power of classes in the concrete formation: in the last analysis the concrete formation may only be explained with the aid of concrete concepts and evidence.

The theory cannot determine a priori the results of class struggle; it can however give the probabilities of certain outcomes and direct research to the changes in structures that have led to the unpredicted outcome. People make their own history now, while the sociologist always addresses the history that has been made, with concepts located in the past and with reference to realities that have ebbed away.

In conclusion, power refers to relations of domination and subordination. It requires class organization and the determination of a class's interests. The organizations found in the conjuncture must be attributable to theoretically located classes. The notion of strategy must be elaborated to reveal how class positions differ from class interests. These points are particularly crucial when discussing the "power" of the new petit-bourgeoisie as will be seen in the next chapter.
Chapter Five

Power and the New Petit-Bourgeoisie

There is only the bourgeois way and the proletarian way (the socialist way) (Poulantzas, CCC, p297).
5.1. Ambiguities in the Determination of the New Petit-Bourgeoisie

When Poulantzas discusses class power, he is implicitly discussing the power of the two great classes - the bourgeoisie and the working class. He does not in fact discuss the power of the new petit-bourgeoisie as a class. Thus he defines power in terms of struggle and conflict. Classes who do or do not have power are in opposition, their interests and their practices are in opposition. For non-class conflict, Poulantzas (PPSC, p106) uses the term authority. However he does not explicitly discuss class relations which are not in conflict, i.e. the class relations of the new petit-bourgeoisie.

Two key concepts are introduced by Poulantzas to discuss such relations - polarisation and alliance. Polarisation refers to the effects of the structural class determination of the new petit-bourgeoisie and alliance to the means whereby they meet their interests. The presence of the new petit-bourgeoisie or the extent to which they meet their interests is a surrogate for class power. Power does not describe the relations of the new petit-bourgeoisie with the other classes because they are not in opposition with both the bourgeoisie and the working class at once. The point is pursued in Section 5.3 below.
Poulantzas, as noted above, identifies the new and the traditional petit-bourgeoisie in the one class. Despite their different economic determinations, politically they are polarised towards either the bourgeoisie or the working class:

this polarisation results from the fact that the class struggle in a capitalist social formation is centred around the two basic classes of this formation (the principal contradiction), the bourgeoisie and the working class (Poulantzas, CCC, p205).

I do not agree with this claim. Economic class determination is significant for understanding the polarisation of the petit-bourgeois groupings. To deny the role of determination is to slip into an account of class practices which is not explained by the structures of class determination. However, Poulantzas is correct in noting that both the traditional and the new petit-bourgeoisie must seek to meet their interests via alliances with either the working class or the bourgeoisie, in the long term at least.

Some writers, e.g. Wright (1976, p36) have attempted to draw an analogy between the relations of production characterising the new and the traditional petit-bourgeoisie. He suggests that both groupings may control their means of production which describes the autonomy of certain segments of the new petit-bourgeoisie from domination by capital. Where the means of production applied are knowledge and skills, the bearer controls these and so has greater autonomy in class relations.
Poulantzas' (NPB) conception of the "objective polarisation" of the petit-bourgeoisie refers to the class alliances segments of the new petit-bourgeoisie are likely to form with either the bourgeoisie or the working class. The probability of certain alliances is based on the structural class determination of the new petit-bourgeoisie. Poulantzas (CCC,p257) attributes this differentiation largely to the mental-manual labour division within the new petit-bourgeoisie:

The differential place of the agents of the new petty bourgeoisie in the reproduction of the mental/manual labour division within mental labour itself (and therefore in ideological and political relations), thus appears as a major factor in the differentiation of the new petty bourgeoisie into class fractions.

Carchedi (1975b,p377-95), on the other hand, attributes internal differentiation also to the extent to which various agents perform functions of global capital. Carchedi (1975a) traces the development of the new middle class as a result of the separation of some functions from the individual capitalist (e.g. supervision, exchange and realisation functions), and some from the collective worker (e.g. the self-control and application of technical knowledge of craftsmen in the commodity manufacture stage of capitalism). Burns and Stalker (1961,p27-33) suggest that invention was originally a function of the capitalist. During the industrial revolution companies lived and died by one invention. Today scientists in a multiplicity of specialities are trained and apply their knowledge for the
needs of capital in a systematic and co-ordinated fashion.

There is a third distinction that differentiates sections of the new petit-bourgeoisie. Some groupings, i.e. those located in state apparatuses (SAs), have an indirect role in the domination of the working class:

By certain aspects of their functions, a large part of the agents of the repressive and ideological state apparatuses (teachers, journalists, social workers, etc) participate, even if in a simple executive capacity (which is what distinguishes them from the bourgeois heads of the apparatuses, to whom they are themselves subjugated and subordinated), in the tasks of ideological inculcation and political repression of the dominated classes, and particularly of the chief victim, the working class itself (Poulantzas, CCC, p273). The police for instance are in political subordination to the heads of the state apparatus but have a role in the domination of the working class. The agents of the new petit-bourgeoisie do not however dominate one another, exercise class powers over one another:

The petty-bourgeois agents do not exercise actual powers over one another (power being a property of class relations), but rather authority (which refers precisely to the induced reproduction of these powers (Poulantzas, CCC, p276-7).

To some extent these latter two distinctions - either performing functions of capital or the collective worker and the presence or absence of a role in the indirect domination of the working class - are contained within the mental-manual labour distinction. Ultimately it would appear that the polarisation of the new petit-bourgeoisie towards the bourgeoisie results when it controls a cache of
esoteric (non-routinised) skills that are needed by the bourgeoisie in production or reproduction of the relations of production.

Johnson (1977a, 1977b) develops this theme in an attempt to explain the power of professionals. The "conditions for indetermination at the level of the occupational organization of knowledge" (Johnson, 1977a, p101) allows resistance to the routinisation of technical practices. Of course some knowledge is esoteric but of little value in the reproduction of the relations of production and domination of the working class (e.g. the ability to read Tarot cards). Such knowledge, according to Johnson, is accorded little power:

Professionalism, involving the colleague control of work activities, can arise only where the ideological and political processes sustaining indetermination coincide with requirements of capital (Johnson, 1977a, p106)

Johnson (1977a) suggests that the carriers of a group of technical practices may become split internally, i.e. a mental-manual labour division may occur within the group. For example the cache of techniques known as accountancy grew up in subordination to capital. However within this caste there is an increasing split between accountants who carry the functions of indetermination and book-keepers who become "proletarianised" as they carry only technical functions. Whether this split is a result of the class relations with book-keepers or an effort to control all
indetermination functions to improve their power position with the bourgeoisie is uncertain. Accountants may both supervise and ideologically dominate (via the creation of systems etc) book-keepers.

Those sections of the new petit-bourgeoisie on the mental side of the mental-manual labour distinction appear to be working on the "reproduction" of people rather than commodities, i.e. the reproduction of labour rather than the production of material goods. Marx (TSV) notes this but does not develop the point coherently. He divides commodities into two great classes:

The whole world of commodities can be divided into two great parts. First, labour power; second, commodities as distinct from labour power itself. And the purchase takes place of such services as train, modify etc, labour power (Marx, TSV, p164).

If the commodity produced is not saleable, e.g. the entrepreneur running a theatre cannot sell his actors only their actions (Marx, TSV, p170), this labour power is not productive. It seems that Marx is groping for the explanation forwarded by Wright. The extent to which a bearer controls his means of production will depend upon the extent to which those means are mental (which is related to "people-changing" practices) and this allows his autonomy from capital.

The new petit-bourgeoisie are neither working class nor bourgeois due to their specific relations of class determination and cache of "privilege, status, power and
income" (Gorz, 1972, p36). Rather they are polarised towards either the bourgeoisie or the working class. Although Poulantzas (CCC, Chapter 9) articulates this polarisation descriptively rather than theoretically it is based upon the relations of class determination. The conditions of this polarisation are the degree of mental labour applied, the extent of the global functions of capital incorporated into practices and the degree to which bearers have a role in the indirect domination of the working class. For instance those segments of the new petit-bourgeoisie who have surplus labour appropriated and contribute to the realisation of profits, who have little control of "mental" labour and no role in political domination (e.g. shop assistants, clerical workers) are objectively polarised towards the working class. They remain, however in their class determination, a segment of the new petit-bourgeoisie.

Commercial workers are economically oppressed and contribute towards the increased realisation of surplus value elsewhere as the costs of reproducing capital are reduced (Carchedi, 1975a, p18-19). Their "proletarianisation" was noted by Marx (CIII, p300) and has been extensively analysed by Braverman (1974) in terms of the increasing mechanisation and deskilling of their labour. Poulantzas (CCC, Chapter 9) notes their relative loss in wages compared with productive labour. It is the combination of these various nuances in the relations of production, which determines their likely class position.
The empirical class known as managers also embraces a wide variety of class determinations. At one end of the scale are segments of the bourgeoisie occupying the place of capital. In the middle can be found those groupings of the new petit-bourgeoisie who are defined by relations of political domination. At the lower end are supervisors who may perform considerable functions of productive labour. These different groupings will have different class polarisations.

Where capital "does not intervene directly to subsume labour power" (Poulantzas, CCC, p215), e.g. the public service, and where the new petit-bourgeoisie control a significant cache of mental knowledge (Johnson, 1977b), the objective polarisation of these segments is more likely to be bourgeois.

As Poulantzas (NPB) warns, the objective polarisation of the new petit-bourgeoisie derives from their class determination but does not mechanically determine their class position in the conjuncture. Neither does their class position of itself change their class determination. If production technicians take the side of the working class in strikes they no more become working class than taking the side of the bourgeoisie will make them bourgeois.
5.2. The Privileges of the New Petit-Bourgeoisie

If the new petit-bourgeoisie are divided along the lines discussed above, a number of fractions within the class may be constituted. Those who perform some of the former functions of the individual capitalist are in political domination of the working class and empirically are the group of managers and supervisors. Those identified by the application of mental labour are the professionals, technicians, scientists. Those identified by an indirect role in the domination of the working class are the public servants or workers in SAs. Within these groupings there will also be divisions. For instance within the repressive state apparatus are the heads to whom the police for instance are in political subordination and the lawyers to whom the police are in ideological subordination by virtue of performing more manual functions. There are within the traditional petit-bourgeoisie three basic groups: owners or proprietors, a small group of workers and the "independent professions" which have not succumbed to the capitalist relations of production - e.g. G.P.s and lawyers in private practice.

The class determination of these groups, the working class and the bourgeoisie is schematized below:
Figure 5.1. Schematization Of Class Determination

<table>
<thead>
<tr>
<th>CMP</th>
<th>SPHERE OF FORMATION</th>
<th>RELATIONS of DETERMINATION</th>
<th>ECONOMIC</th>
<th>POLITICAL</th>
<th>IDEOLOGICAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>economic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-exchange</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>state</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thus a class is identified by the relations of production under which it is determined (CMP v. FMP), the relations of domination and subordination which characterize the class and the sphere of the social formation in which it is located. Workers in the economic sphere of production apply productive labour, in exchange workers apply unproductive labour but are economically oppressed while in the sphere of the state workers have a role in the domination of the working class. This latter is a relation between apparatuses which must be distinguished from
intra-apparatus relations (e.g. managers dominate productive workers).

The differential class determination of the new petit-bourgeoisie is not epiphenomenal. It has significant effects on the status, income and autonomy of the new petit-bourgeoisie in relation to the working class. Poulantzas (CCC,p316-27) identifies those fractions of the new petit-bourgeoisie with an objectively proletarian polarisation on the basis of deskilled jobs, incomes similar to those of the working class, and a degree of involvement in the realisation of surplus value. Direct measures of deskilling and job autonomy are not available for the Australian workforce. Two measures, income and prestige, are available. The exact status and implication of these measures is however uncertain.

Poulantzas (CCC,p316-27) sees income as an important factor in polarisation; he also claims that in the case of the working class its level is due to the extent of economic class power. This view is supported by an Australian commentator:

I am in full agreement with Paul Johnson in regard to the importance of power in explaining income differentials. This is the single most useful concept in understanding the relative share of capital and labour, the distribution of capital's share among large and small capitalists and the distribution of labour's share among differential occupational groups (Stilwell in Dugteren,1976,p95).
What it is that prestige or status measures is more uncertain although both sociologists (see for instance Hughes, 1971 and Krause, 1971, 330-1) and the common man (see for instance occupational prestige scales in Broom and Selznick, 1973, p176-7 and Congalton, 1969) can order occupations in terms of their prestige and status. Caplow (1954, p42-3) suggests that occupational status scales are based on the belief that white-collar work is superior to manual, self-employment to employment by others, clean occupations to dirty ones, employment in a business to employment by a person. Blaikie (1977, p102-3), claiming the importance of the social constructions of actors in the determination of prestige scales notes that in one study of the basis of prestige 32% of respondents mentioned occupational requirements and 28% rewards of the job. In three other studies, education/intelligence, the content of the work and its importance to the community were most favoured bases of the scales. Broom et al's (1976, p67) study gives indirect support to the importance of type of work and autonomy in determining the prestige of an occupation. Allen (1973, p220) suggests that prestige is easily disturbed, arising out of the occupation's association with particular class backgrounds or types of work that are favoured in the dominant ideology.

Congalton (1969) explicitly refused to explain to his respondents what prestige meant and Connell (1977, p29) scathingly concludes:
Status has been successfully measured, and the measure in effect becomes the thing.

The results in Table 5.2 below tend to suggest that income is a major determinant of prestige.

Table 5.2 reveals distinctly patterned differences in prestige and income but the meaning of these patterns is not contained within the empirical categories.

Finally, two methodological cautions. The original data is far from satisfactory. Four sets of data have been used. The first, income (1), is the median male (except where there are only females in the occupational category) income for a sample of occupations in 1968-9. The second measure, income (2), was collated by ABS officers from a similar survey conducted in 1973-4. For reasons of confidentiality, the data were collated rather differently to my specifications. Both sets of income data are surely understated, no doubt more so the larger the income and the greater the number of sources from which it is derived (e.g. managers). Prestige (1) is derived from an Australia wide survey of a sample of university students conducted in 1965 by Congalton (1969). Prestige (2) is derived from a survey by Daniel (pers. comm.) who warned me that the rankings were probably biassed towards professional-type occupations as the sample chosen was a group of NSW University students. This study was to an extent a replication of Congalton's. Congalton's prestige scales have been subjected to considerable criticism. Allingham (1965) suggests that the
median prestige scores mask a wide distribution of scores while Congalton's IQR of 1.45 means that far less than 50% of the sample agree on the occupational rating. Congalton (1965) replied that the responses did cluster around the medians used in the tables.

The data referring to occupations had to be transformed into data referring to class fractions. Occupations were categorised according to the relations of determination of the class fraction with which they most nearly aligned. The total number of instances for each class fraction was then averaged to produce a measure of income and prestige for that class fraction. Because the attribution of occupations to class fractions is a hazardous process and to some extent arbitrary (e.g. see Wright's (1977) similar attempt), Table 5.1 shows all the occupations and their categorizations.

Table 5.1. Income and Prestige of Occupations

<table>
<thead>
<tr>
<th>Class Fraction</th>
<th>inc(1)</th>
<th>pres(1)</th>
<th>pres(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOURGEOISIE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>owner business g.t. $100,000</td>
<td>2.01</td>
<td>2.90</td>
<td></td>
</tr>
<tr>
<td>director</td>
<td>1.98</td>
<td>2.12</td>
<td></td>
</tr>
<tr>
<td>large farm owner</td>
<td>3.31</td>
<td>3.12</td>
<td></td>
</tr>
<tr>
<td>gentleman farmer</td>
<td>3.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MANAGERS</td>
<td>5720</td>
<td></td>
<td></td>
</tr>
<tr>
<td>manufacturing</td>
<td>4890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>building and construction</td>
<td>6140</td>
<td>2.54</td>
<td></td>
</tr>
<tr>
<td>financial and industrial</td>
<td>2.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>departmental</td>
<td>2.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>company</td>
<td>3.61</td>
<td>3.56</td>
<td></td>
</tr>
<tr>
<td>works manager</td>
<td>5.20</td>
<td>4.35</td>
<td></td>
</tr>
<tr>
<td>foreman</td>
<td>3.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sales</td>
<td>4280</td>
<td>3.53</td>
<td>2.65</td>
</tr>
<tr>
<td>office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bank manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFESSIONALS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>civil engineer</td>
<td>7720</td>
<td>1.92</td>
<td>2.55</td>
</tr>
<tr>
<td>electrical communications engineer</td>
<td>6670</td>
<td></td>
<td></td>
</tr>
<tr>
<td>draftsman, tracer</td>
<td>4300</td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>technicians, assistants</td>
<td>3980</td>
<td></td>
<td>3.86</td>
</tr>
<tr>
<td>architects</td>
<td></td>
<td>1.86</td>
<td>2.25</td>
</tr>
<tr>
<td>accountants, auditors</td>
<td>5870</td>
<td>3.47</td>
<td>3.14</td>
</tr>
<tr>
<td>judges, barristers etc</td>
<td>9800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>social worker</td>
<td></td>
<td>3.73</td>
<td></td>
</tr>
<tr>
<td>university professor</td>
<td></td>
<td>1.58</td>
<td></td>
</tr>
<tr>
<td>teacher</td>
<td>4660</td>
<td>4.29</td>
<td></td>
</tr>
<tr>
<td>librarian</td>
<td></td>
<td>3.90</td>
<td></td>
</tr>
<tr>
<td>university lecturer</td>
<td></td>
<td>2.32</td>
<td></td>
</tr>
</tbody>
</table>

| COMMERCIAL WORKERS                    |          |          |          |
| book-keeper, cashier etc              | 3480     | 5.18     |          |
| bank clerk, teller                   |          | 4.95     | 3.86     |
| stenographer, typist                 | 2180     | 5.28     | 4.63     |
| office machine operator              | 1990     |          | 5.12     |
| receptionist                         | 1960     |          |          |
| clerical worker non-government       | 3440     | 6.09     |          |
| commercial traveller                 | 3800     | 5.39     |          |
| salesman, shop assistant             | 2770     | 6.95     | 5.75     |
| taxi driver                          | 3000     | 6.49     | 5.69     |
| land agent                           |          | 4.63     |          |
| real estate agent                    |          | 4.36     | 4.55     |
| insurance agent                      |          | 4.70     | 4.60     |
| nightwatchman                        |          | 7.12     | 5.28     |
| air hostess                          |          | 4.65     | 4.10     |
| janitor                              |          | 7.26     |          |
| petrol station attendant             |          | 6.84     | 6.20     |

| WORKERS STATE APPARATUSES            |          |          |          |
| clerical workers                     | 3790     | 5.52     | 4.00     |
| social worker                        |          | 3.44     |          |
| policeman                            | 3930     | 5.07     | 4.65     |
| colonel                              |          | 3.07     | 2.85     |
| private                              |          | 5.73     |          |

<p>| WORKING CLASS                        |          |          |          |
| station hands                        | 2140     | 6.77     |          |
| shearer                              |          | 6.50     | 6.08     |
| migratory labourer                   |          | 7.33     |          |
| nursery worker                       | 2460     |          |          |
| office cleaner                       | 2620     |          | 6.53     |
| truck driver                         | 2970     | 7.01     |          |
| machinist                            | 1720     | 6.37     | 5.94     |
| fitter and turner                    | 3530     | 6.07     | 4.90     |
| machine tool setter                  | 2890     |          | 4.66     |
| mechanic                             | 3080     | 5.97     |          |</p>
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Salary 1</th>
<th>Prestige 1</th>
<th>Salary 2</th>
<th>Prestige 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheet metal worker</td>
<td>3150</td>
<td>7.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packers etc</td>
<td>2640</td>
<td>5.73</td>
<td>6.14</td>
<td></td>
</tr>
<tr>
<td>Welder</td>
<td>3140</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boilermaker</td>
<td>3660</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assembler</td>
<td>2880</td>
<td>6.27</td>
<td>5.26</td>
<td></td>
</tr>
<tr>
<td>Meat cutter n.e.c.</td>
<td>3110</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operator earthmoving equipment</td>
<td>3100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storeman and packer</td>
<td>2890</td>
<td>6.30</td>
<td>5.21</td>
<td></td>
</tr>
<tr>
<td>Plasterer</td>
<td>3190</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labourer</td>
<td>2700</td>
<td>7.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bricklayer</td>
<td>3480</td>
<td>6.38</td>
<td>5.44</td>
<td></td>
</tr>
<tr>
<td>Maids - hotels etc</td>
<td>1810</td>
<td>7.36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catering, kitchen workers</td>
<td>1850</td>
<td>6.44</td>
<td>4.07</td>
<td></td>
</tr>
<tr>
<td>Waiters, waitresses</td>
<td>1770</td>
<td>7.14</td>
<td>5.60</td>
<td></td>
</tr>
<tr>
<td>Miner</td>
<td></td>
<td>6.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factory operative</td>
<td></td>
<td>6.60</td>
<td>6.35</td>
<td></td>
</tr>
<tr>
<td>Building construction worker</td>
<td>3240</td>
<td>6.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OWNERS FMP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm manager</td>
<td></td>
<td></td>
<td>4.33</td>
<td></td>
</tr>
<tr>
<td>Amusement hotel</td>
<td>4310</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plumber</td>
<td>3340</td>
<td>4.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beauty parlour operator</td>
<td>2550</td>
<td>6.10</td>
<td>4.78</td>
<td></td>
</tr>
<tr>
<td>Proprietors</td>
<td>2900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmers</td>
<td>2240</td>
<td>3.90</td>
<td>4.16</td>
<td></td>
</tr>
<tr>
<td>Electrician own account</td>
<td>3420</td>
<td>3.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baker</td>
<td>3040</td>
<td>4.59</td>
<td>3.67</td>
<td></td>
</tr>
<tr>
<td>Butcher</td>
<td>2550</td>
<td>6.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WORKERS FMP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant farmer</td>
<td></td>
<td></td>
<td>5.85</td>
<td></td>
</tr>
<tr>
<td>Tradesman's assistant</td>
<td>2840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDEPENDENT PROFESSIONALS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical practitioners</td>
<td>11500</td>
<td>1.57</td>
<td>1.81</td>
<td></td>
</tr>
<tr>
<td>Lawyers etc</td>
<td>9800</td>
<td>1.81</td>
<td>1.77</td>
<td></td>
</tr>
<tr>
<td>Veterinarian</td>
<td></td>
<td>2.19</td>
<td>2.32</td>
<td></td>
</tr>
<tr>
<td>Dentist</td>
<td></td>
<td>2.03</td>
<td>2.31</td>
<td></td>
</tr>
<tr>
<td>Public accountant</td>
<td>5879</td>
<td>2.68</td>
<td>2.95</td>
<td></td>
</tr>
</tbody>
</table>


Prestige (1) Congalton (1969), median prestige ranking for 1963 data

Prestige (2) Daniel (pers.comm), median prestige ranking.
Table 5.2. Income and Prestige of Class Groupings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BOURGEOISIE</td>
<td>-</td>
<td>-</td>
<td>2.59</td>
<td>2.71</td>
</tr>
<tr>
<td>PROFESSIONALS</td>
<td>6143</td>
<td>9132</td>
<td>2.88</td>
<td>3.20</td>
</tr>
<tr>
<td>MANAGERS and SUPERVISORS</td>
<td>5258</td>
<td>8053(1)</td>
<td>3.42</td>
<td>3.52</td>
</tr>
<tr>
<td>CLERICAL WORKERS etc</td>
<td>2828</td>
<td>5882(2)</td>
<td>5.65</td>
<td>4.98</td>
</tr>
<tr>
<td>WORKERS STATE APPARATUSES</td>
<td>3860</td>
<td>6693</td>
<td>4.57</td>
<td>4.31</td>
</tr>
<tr>
<td>PRODUCTIVE LABOUR</td>
<td>2788</td>
<td>5485</td>
<td>6.63</td>
<td>5.55</td>
</tr>
<tr>
<td>OWNERS - FMP</td>
<td>3012</td>
<td>5630</td>
<td>4.84</td>
<td>4.20</td>
</tr>
<tr>
<td>WORKERS - FMP</td>
<td>2840</td>
<td>n.a.</td>
<td>5.85</td>
<td>4.25</td>
</tr>
<tr>
<td>INDEPENDENT PROFESSIONALS</td>
<td>9060</td>
<td>17806</td>
<td>2.06</td>
<td>2.23</td>
</tr>
</tbody>
</table>

(1) includes all proprietors and self-employed
(2) includes all teachers

Table 5.2 reveals that within the CMP the most prestigious group are the capitalists or bourgeoisie. Note that this group was not even sampled by the ABS income surveys - a silent testimony to their invisibility in the social formation. Following this group the highest income earning and highest status groups are the professionals in relations of ideological domination and the managers in relations of political domination of the working class. In 1968-9 the professionals are the higher income earners, in 1973-4 this was reversed. The professionals remain the more prestigious group throughout. The workers in the state apparatuses who have an independent role in the domination of the working class have higher incomes and prestige than the clerical workers. Both these groups receive higher incomes and are accorded more status than the working class or productive labour. Within the FMP, there is an interesting anomaly, that of the independent professionals...
who have the highest income and prestige of any group in the table. This is a testimony both to the continued presence of certain traditional petit-bourgeois fractions in the Australian formation and the invisibility of the bourgeoisie from the statistician's and the public's eye. This last group no doubt have higher incomes than the independent professionals.

From this data it can be concluded that real and patterned differences exist between the new petit-bourgeoisie and the other two great classes in the social formation. The differences within the new petit-bourgeois groupings also align with Poulantzas' discussion of the functioning of the mental-manual labour division within the new petit-bourgeoisie itself. However it cannot be concluded from this data that the new petit-bourgeoisie have power in the sense that Poulantzas uses it. It must however be concluded that some sections of the new petit-bourgeoisie are sharply differentiated from the working class, while others are much closer to the working class in terms of income and prestige. It is this "objective polarisation" which determines the likely class position of the new petit-bourgeoisie.

There is considerable indicative evidence however that the position of the new petit-bourgeoisie is being steadily weakened in the present crisis of capitalism. As will be suggested below the new petit-bourgeoisie perform valuable
ideological functions for capital (e.g. craftsmen of the dominant ideology) as well as political functions (e.g. forming alliances with the bourgeoisie rather than the working class). These functions come only at a "price". There is less surplus for capital to accumulate if some of it is redistributed towards the new petit-bourgeoisie. There are occasionally more ideological battles to fight (e.g. the universities' present struggles with the Liberal government over the funding of education and the autonomy of educational institutions). To employ a very crude analogy with Cyert and March's (1963, p36) "organizational slack" theory, the economic rewards of the new petit-bourgeoisie due to their ideological and political role are likely to be reduced when the surplus of capitalist accumulation is encroached upon due to changes in the forces and relations of production in the imperialist chain. Of course this does not occur in some metaphysical way but arises out of the twists and turns of the class struggle.

Evidence of the reduced rewards and prestige of the new petit-bourgeoisie is given by the unemployment figures for various occupations in 1977 (see Table 5.3 below). Although professional and technical occupations are suffering the least unemployment, the three hardest hit groups, more so even than the working class, are two sectors of the new petit-bourgeoisie (sales and service etc staff) and one section of the traditional petit-bourgeoisie (other tradesmen etc).
Table 5.3. Unemployment Rates of Occupational Categories

<table>
<thead>
<tr>
<th>Occupational group (occupation of last job)</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>professional and technical</td>
<td>2.2</td>
</tr>
<tr>
<td>administrative, executive, managerial</td>
<td>*</td>
</tr>
<tr>
<td>clerical</td>
<td>3.8</td>
</tr>
<tr>
<td>sales</td>
<td>6.1</td>
</tr>
<tr>
<td>farmers, fishermen, timber-getters etc</td>
<td>4.4</td>
</tr>
<tr>
<td>miners and quarrymen</td>
<td>*</td>
</tr>
<tr>
<td>transport and communication</td>
<td>2.7</td>
</tr>
<tr>
<td>tradesmen, production workers, labourers n.e.c.</td>
<td>5.7</td>
</tr>
<tr>
<td>metal and electrical workers</td>
<td>3.7</td>
</tr>
<tr>
<td>building workers</td>
<td>5.0</td>
</tr>
<tr>
<td>other tradesmen etc</td>
<td>7.5</td>
</tr>
<tr>
<td>service, sports and recreation</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5.4</strong></td>
</tr>
</tbody>
</table>

* based on a sample of less than 4,000: percentages not given

Source ABS, "The Labour Force", February 1977, Table 19, Ref. No. 6.20

The findings of organization theory concerning occupational power may now be explained in terms of class determination. It will be remembered (Chapter Three) that the power of an occupational group depended on its position in the hierarchy of authority and its control of skills needed to achieve organizational goals. These goals and therefore the value of skills were mediated by independent variables such as the technology used and the type of tasks performed by the organization.

The role of skills or knowledge is constantly reiterated in the organization literature (e.g. Thompson, 1959; Beynon, 1973, p187) and occupational classifications (e.g. Broom et al, 1965, p2). Hughes (1971, p332-3) identifies five occupational types, four of
which are classified according to the nature or lack of skills required. Caplow (1954, p102-32) links skills to the degree of self-control and economic rewards for professionals, building craftsmen and semi-skilled machine tenders. Allen (1973, p214-6) locates the power of occupations in terms of skills controlled, deriving his definition of skill from Baldamus (1961, p25-9). Allen (1973, p216-20), like Poulantzas, suggests that some skills are purely ideological, e.g. management skills, and require the buttressing of the dominant ideology to retain the power associated with them (Allen, 1973, p271-5). Even Marxist writers (e.g. Grant, 1958; Hunt, 1970; Laurent, 1970) note the significance of skills in the determination, in either everyday discourse or theory, of the new middle class.

Classical organization theory's two dimensions of power—authority and skill (1)—are represented in Poulantzas' work. The first is the power of the political domination of the working class while the latter is the power of ideological domination, the power of professionals in the new petit-bourgeoisie. The structural variables discovered by organization theorists (e.g. technology, task-type etc) form part of the social division of labour and through the operation of the economic, political or ideological

(1) e.g. see Barnard (1952); Simon (1952) and Stinchcombe (1967) on authority and Golembiewski (1964); Hill (1972); Kahn et al (1964); Presthus (1960); Satow (1975) and Strauss (1962, 1964) on expertise or technical competence.
relations confer power on bearers. Marx long ago foresaw the tyranny of the machine, as a tool of capital, once the worker was separated from controlling it (Marx, Grundrisse, p693).

However the Marxist analysis, although apparently the same, is subtly different. It will be remembered that classical organization theory, deriving its assumptions from structural functionalism, was loath to attribute power to managers. Rather attempts were made to construct power as a product of bargaining between sub-units. Similarly, there was an uneasy awareness, "out of the corner of theory's eye", that management were able to manipulate technology and the application of skills to reduce the power of other groups in the organization. If organization theory only glimpses the power of management, it is positively blind to economic power. This is the overdetermining relation of power in the Marxist problematic. Without an analysis of the power of capital and the subordination of the so-called independent variables of technology and skill to its needs, without an analysis which divides bearers into those who appropriate surplus value and those who have their labour appropriated, the relations of political and ideological domination cannot be explained. Indeed, as Chapter Three demonstrates, these relations are not explained by organization theorists but merely noted as authority/autonomy due to hierarchy and skill.
Thus Poulantzas' analysis of the mental-manual labour distinction provides a structuralist account, located finally in the economic relations of production, of the presence of professionals. This is based on their carriage of technical or purely ideological skills which are nevertheless important in the domination of the working class. Professionals may operate in either the FMP or the CMP (Johnson, 1972); in either case their autonomy rests on their ability to defend and extend the areas of monopolised knowledge controlled (see Johnson, 1977a). Their autonomy is likely to be greater when they operate in the FMP, as these relations give added apparent autonomy to occupations located there (see Caplow (1954, p102-32) for an analysis of independent proprietors).

5.3. The New Petit-Bourgeoisie and Alliance

For a class to be in relations of power it must be in relations of opposition, of domination and subordination, with other classes. Secondly it must have specific class interests which finally it must seek to meet via a specific class organization.

The petty bourgeoisie for its part have no autonomous long-run class position, and as history has shown, it cannot in general have its own political organizations. Petty-bourgeois political parties in the strict sense of the term, i.e. parties actually and predominantly representing the specific long-run interests of the petty bourgeoisie, have rarely existed (Poulantzas, CCC, p334).

Poulantzas contends that the new petit-bourgeoisie neither
has long run interests to be met, nor a class organization with which to meet them. Nor, it will be seen, is the petit-bourgeoisie in relations of domination and subordination with the other two great classes. The petit-bourgeoisie do have short term interests and it is because these interests may be met by either the working class or bourgeois class organizations, that the new petit-bourgeoisie may be won to an alliance with either of them.

Most new petit-bourgeois groupings form an alliance with the bourgeoisie as "supporting classes" of capitalism (see Chapter Six). Therefore whatever their class determination, the new petit-bourgeoisie have to be won to an alliance with the working class by recognition of some of their interests (Poulantzas, NPB). In other words, their ambiguous class position in the conjuncture is not because they do not have specific class interests, but because they have a very dubious class specificity (Poulantzas, NPB, p116).

It is the alliances that the new petit-bourgeoisie form which determine their class position and their role in the conjuncture. Polarisation has its effects at the level of class positions in the conjuncture; this 'section' of the new petty bourgeoisie cannot attain a political unity of its own in the conjuncture, but can only be unified by unifying itself with the working class under the hegemony and leadership of the latter (Poulantzas, CCC, p314).

The petit-bourgeoisie become almost an inert prize for the two great classes, dividing regiment by regiment to one side
or the other, due to a combination of the objective polarisation and the influence of the class struggle of the two great classes.

Everything goes to show, in fact, that this division of mental and manual labour still has a role to play in the class barrier between the new petty bourgeoisie and the working class. While it is derived from a particular policy pursued by the bourgeoisie, it has in its turn considerable effects on the formation of the class ideology of the new petty bourgeoisie (Poulantzas, CCC, p259).

Other sections of the new petit-bourgeoisie may form an alliance with the working class.

Once the new petit-bourgeoisie forms an alliance with either labour or capital it is no longer in relations of domination and subordination to this class. Such alliances must also guarantee some of the new petit-bourgeoisie's interests. In this sense the new petit-bourgeoisie may be said to have presence, but not power. Because the forms and extent of the new petit-bourgeoisie's presence may only be determined in the conjuncture and due to its alliances, there is considerable confusion in the literature concerning the modes in which the new petit-bourgeoisie meet their interests. This is partially due to Poulantzas' (PPSC, p109) inadequate formulation of "strategy" or the formation of alliances "on the ground". It is also due to the fact that the alliances that the new petit-bourgeoisie do form can only be apprehended by analysis of the conjuncture. The difference between class determination and class position, which is due to strategy and class organization is not
explicitly elaborated by Poulantzas. It is crucial however since, if the political positions of social classes can differ from their class determinations this difference must have conditions of existence (Hirst, 1977, p132).

Hirst suggests that class position in the conjuncture has no theoretical significance for in the long run class determination fixes the horizon of a class's struggle, in the long run class position is determined by Structures (Hirst, 1977, p136). "class position and class determination are therefore involved in a relation of circularity" (Hirst, 1977, p135). The relationship is not circular but of a spiral, a relationship of the reproduction of the structures due to class practices. Hirst (1977, p136-40) begins to articulate this avenue of solution but fails to specify the effect of reproduction at the level of the conjuncture or the theoretical concepts.

Because the process of reproduction of structures is poorly articulated, there are competing analyses of the role of organization and alliance in determining the new petit-bourgeoisie's position. Thus on the one hand, Allen (1977) claims that if the new petit-bourgeoisie form white collar unions, this practice will orient them towards a working class alliance. Allen (1977, p104) is concerned with the role of class organizations in the reproduction of the relations of production:

But it is not simply that white collar unionism is the result of their changing position within the labour process. It is also necessary to insist that white collar unionism, as ideological and political practices, has its impact upon the
labour process, producing new types of relations between employers and their employees and managers (Allen, 1977, p104)

On the other hand, Lash (1978, p75) cites a study by Blackburn et al (1974) which suggests that white collar unionism increases the economic militance of the new petit-bourgeoisie but it does not increase political militance. Here the class determination of the new petit-bourgeoisie overrides the impact of their political organization.

Poulantzas (CCC, p259), as noted above, attributes the alliance of the new petit-bourgeoisie with capital to a deliberate policy pursued by the bourgeoisie. Willis (1976), on the other hand, denies such a conspiracy theory. Willis undertakes a participant observation study of the role of the school in the reproduction of agents, specifically working class agents, to fill class positions. Willis suggests that working class bearers willingly take on the subordinate positions in the workforce. To do this they must somehow learn that these positions are not subordinate. In a very delicate analysis based on the key notions of limitation, penetration and partial penetration, Willis outlines the process of the ideological/cultural reproduction of agents which allows the reproduction of structures. If the agents are not reproduced they form revolutionary parties, i.e. undertake practices which seek to destroy the structures.
The working class penetrate the structures of domination in a capitalist society, but only partially. They, to use Althusser's terminology, penetrate them ideologically using a problematic of the individual. Thus they perceive the "value" of labour and intuitively limit its supply but construct this as a notion of the value of manual/masculine labour as opposed to mental/feminine work. They do not perceive the structural conditions of their labour, the fact that it yields up surplus value. The potential antagonism towards the dominant class becomes deflected in an identification of their manual labour as masculine and others' mental labour as feminine or fit only for blacks. In other words class repression finds its outlet in sexism and racism.

As Willis so bluntly notes, the fact that capitalism needs the mental-manual labour division does not explain how or even why this need is satisfied (Willis, 1976, p147). Willis is claiming a significance for the ideological level - for the conditions and processes of reproduction of labour power - at the same time as he claims a potential autonomy for this level:

It is not true, for instance, that the manpower requirements of industry in any direct sense determine the subjective and cultural formation of particular kinds of labour power (Willis, 1976, p171).
This incisive study, neatly straddling two separate discourses, attempts to explain the interaction between structural constraints and individual or group action and ideas. Willis asserts that this interaction is both problematic and significant; problematic because its processes have not been elucidated consistently in theory and significant because it is at this juncture that reproduction or no takes place. Willis has filled the gap not with theory but with data; he has used the results of an empirical study to strand together various pieces of theory. However he gives no theoretical justification for his interpretation. The only proof and means of proof is the study and his reading of the world.

Willis has something also to say about the role of the SAs in relation to the dominant classes. The personnel of the SAs are in no simple sense servants of capitalism. They solve, confuse or postpone its problems in the short term very often because of their commitment to professional goals which are finally and awkwardly independent from the functional needs of capitalism (Willis, 1976, p176).

It is this particular relationship between those sections of the new petit-bourgeoisie located in the state and the other classes in the formation which will be pursued below.

In conclusion, the presence of the new petit-bourgeoisie in the conjuncture is determined by its alliances with the two great classes. These are conditioned by its structural class determination but also influenced by
the practices of the two major classes. Analysis of the
conjuncture itself is necessary to determine the class
position and power of all classes in the formation, not just
the new petit-bourgeoisie.

The concrete social formation is not a pure CMP but
exists as a result both of an historical process (class
segments from the FMP will be present in the formation) and
a geographical location (it has a position within the
imperialist chain). Both of these affect the presence and
power of classes in the concrete formation: in the last
analysis the concrete formation can only be explained with
the aid of concrete concepts and evidence.

The theory cannot determine a priori the results of the
class struggle; it can however give the probabilities of
certain outcomes and direct research to the changes in
structures that have led to the unpredicted outcome. People
make their own history now, while the sociologist always
addresses the history that has been made, with concepts
located in the past and with reference to realities that
have ebbed away.

For these reasons, the analysis pursued in Chapter
Seven addresses an empirical reality, a state apparatus in
the Australian formation, in order to analyse the presence
of the new petit-bourgeois group located within it. Before
pursuing this empirical analysis, however, attention must be
given to the role of the state in capitalists formations as
this role conditions the presence of petit-bourgeois groupings located in state apparatuses.

Chapter Six

The State and the Social Classes
Chapter Six

The State and the Social Classes

The division of labour...manifests itself also in the ruling class as the division of mental and manual labour, so that inside this class one part appears as the thinker of the class...within this class the cleavage can even develop into a certain opposition and hostility between the two parts, which, however, in the case of a particular collision, in which the class itself is endangered, automatically comes to nothing (Marx and Engels, GI, p47-8).
6.1. Introduction

The research site, it will be remembered was a state apparatus in which was located a new petit-bourgeois grouping - the economists. The economists of the TBIAC, in common with other new petit-bourgeois groupings, do not have power in Poulantzas' formulation of the concept. However they do have presence or autonomy. To explain the increased presence of this group and this institution in the sixties detailed in Chapter Two, the role of the state in relation to the various classes in the social formation must be discussed. From this the means of the presence of the TBIAC economists, an alliance with the hegemonic fraction of capital, can be explored. A theoretical discussion of the role of the state in capitalist formations is pursued in this chapter.

As noted in Chapter Four, the social formation consists of three regions: the economic, the political and the ideological. Each of these regions refers to specific practices (e.g. the extraction and distribution of surplus value in the economic region), as well as apparatuses and functions. Political and ideological functions are located in the region of the state, which has relative autonomy from the economic region.

The state has relative autonomy from the economic due to the homology of the relations of real appropriation and of property. Because the labourer neither controls nor owns
his means of production he is forced to sell his labour power to survive. Therefore political power need not be continually applied at the level of the economic to ensure the labourer's contribution. In the FMP, by contrast, the ideological in the form of the church continually intervened in the economic to ensure the peasants' surrendering his tithe (and more) to the feudal landlord. Thus:

The dimensions, the extent and the content of the very concept of the political/State, as indeed those of the economic, and the form taken by their relation...differ considerably from one mode of production to another (Poulantzas, RML, p80).

Even within a mode of production, e.g. the CMP, there are modalities of the state's relative autonomy due to the forms of state (Poulantzas, PPSC, p308-21) or phases of capitalism (See Chapter Seven). Poulantzas does not articulate these modalities which Johnson (1977b, p198) attributes to his notion of "reproduction-in-general", a totalising essence which "fails to address the question of the specific conditions for the autonomous operation of the ideological and political instances".

Rather Poulantzas (RML, p72) states that the actual degree of autonomy can only be examined with reference to a given capitalist state and to the precise conjuncture. In other words we cannot theorise a priori the results of the class struggle in the state's activities (Pickvance, 1977, p223-4; Gold, 1975, p38).
Secondly, the relative autonomy of the economic and the political means that the state may meet the economic interests of a class without meeting its political interests or satisfy some of its political interests while denying its economic interests. In other words in the CMP the separation of the economic and political regions allows a separation of economic and political interests of classes.

Finally the relative autonomy of the state refers to the relative autonomy of the state from meeting the interests of one class by forming an "alliance" with another class. This is the most difficult aspect of Poulantzas' formulation of the role of the state. It is one with a series of contradictory locations. This will be seen when the role of the state in relation to the classes is discussed.

The relative autonomy of the state "permits us to constitute the political into an autonomous and specific object of science" (Poulantzas, PPSC, p29). Actually, what Poulantzas really means is that the separation of the economic and the political in the CMP made it possible to conceptualise the political as an aspect of theory independently of the economic. As Marx (see Mandel, "Introduction" to CI, 1976, p18) noted, the rhythm of the world's unfolding reveals itself in the tempo of theoretical development.
6.2. The State and the Classes

The function of the state in the CMP is to maintain the cohesion of the social formation (Poulantzas, PPSC, p46-7). It does this by condensing the contradictions between the classes located in the social formation, deflecting economic crises as much as possible and disguising the true nature of society via various practices of legitimation of the relations of production.

The operation of the state in this function is the resultant of the "condensation of the balance of forces" of the class struggle (Poulantzas, PPSC, p143; CCC, p98). In other words, the mode in which the state achieves its function of cohesion, the actual interventions it will make in the economic, political or ideological, is "a resultant of the relations of power between classes" (Poulantzas, RML, p73). In terms of those classes located in the state itself, Poulantzas denies that they have power but they may have presence or autonomy due to the "institutional specificity" of the state apparatuses (Poulantzas, RML, p73). Further consideration of this issue is deferred temporarily.

Poulantzas (PPSC, p134-7; p188-90) suggests that the state has specific relations with the various classes in the social formation. These classes form three major groups, the dominant classes, the supporting classes and the dominated classes.
In relation to the dominated classes, the state prevents their political organization via a juridico-political ideology which poses the economic situation as a relationship between individuals (e.g. notions of free contract in the law) and thus conceals their true class relations. In capsulated form, the state represents the unity of an isolation, which, because of the role played by the ideological, is largely its own effect (Poulantzas, PPSC, p134).

At the same time but due only to the class struggle of the working class, the state may guarantee some of its economic interests (e.g. the Welfare State - Poulantzas, PPSC, p188-90) which does not however threaten the political interests of the dominant classes.

In relation to the dominant classes, the state has the function of constituting their unity out of their economic isolation and constituting their political interests as the general interest (Poulantzas, PPSC, p198).

The dominant fractions in the social formation, the fractions of capital, exist in economic isolation. Competition between the bearers of capital at the level of the relations of production (e.g. competition for markets, public finance etc - Poulantzas, CCC, p137) has been noted by some Australian writers:

It cannot be denied, of course, that members of the propertied class are divided over many issues. However these divisions - whether regional (based on economic differences), industrial (e.g. coal v oil), corporate (e.g. GMH v Ford) or political (liberal v reactionaries) are contained within a conservative ideological spectrum
These writers have failed to perceive the state's specific role of constituting the unity of the dominant classes out of their economic isolation.

In so doing, the state may operate against the economic interest of this or that fraction of capital (Poulantzas, PPSC, p284-5).

In this way the state functions as the factor of cohesion in the social formation.

Poulantzas employs the notions of power bloc and hegemonic fraction to discuss the way in which the political unity is constituted. The power bloc consists not of a monolithic conglomeration of the dominant fractions but denotes the space in which the contradictory unity of the plurality of fractions of capital is managed and condensed under the protection of the hegemonic fraction (Poulantzas, PPSC, p239; CCC, p91-3). The relations between the political and the economic (in this case of relative autonomy) determine the form of the capitalist state and the existence of a "power bloc" rather than a single ruling class, as existed in the FMP. Universal suffrage is a typical institution of the capitalist state. In allowing the counteracting presence of many classes on the "political scene", it requires the presence of the power bloc in the field of class practices or form of state (Poulantzas, PPSC, p235).
Within the power bloc, the hegemonic fraction is the most powerful:

making its own economic interests into political interests and by representing the general common interest of the classes or fractions in the power bloc: this general interest consists of economic exploitation and political domination (Poulantzas, PPSC, p239).

Finally, the supporting classes in the CMP, the traditional and new petit-bourgeoisie, must be discussed. They usually offer their support to the dominant class because of their own class relations with the working class of ideological illusion and fear. This support normally requires no real sacrifices by the dominant classes. The supporting classes have a special relationship with the state in that they believe that the state is above class struggle (power fetishism) and, in the case of the new petit-bourgeoisie, are often located in state apparatuses (Poulantzas, PPSC, p243-4). The role of the new petit-bourgeoisie in terms of class power is discussed more fully below.

Poulantzas then views the state as the condensation of the class struggle and practices, i.e. the materialisation of the balance of forces among the classes in the social formation:

the relative autonomy of the capitalist state stems precisely from the contradictory relations of power between the different social classes. That it is in the final analysis, a 'resultant' of the relations of power in the capitalist formation - it being perfectly clear that the capitalist state has its own institutional specificity (separation of the political and the economic)
which renders it irreducible to an immediate and
direct expression of the strict economic-corporate
(Gramsci) interests of this or that class or
fraction of the power bloc, and that it must
represent the political unity of this bloc under
the hegemony of a class. But it does not end
there. By refusing to apply the concept of power
to the state apparatus and its institutions, one
also refuses to account for the relative autonomy
of the state in terms of the group made up by the
agents of the State and in terms of the specific
power of this group (Poulantzas, RML, p73).

It can be seen that Poulantzas denies that the state
operates in the interests of a class, even a fraction in the
power bloc, in a strict and unitary way due to the
"institutional specificity" of the state. On the other hand
he claims that this relative autonomy from the class
fractions is not due to the classes located in the state.
This creates considerable difficulties for Poulantzas as he
maintains that the state is neither the passive tool of the
dominant classes nor a thing possessing power of its own
(Poulantzas, PPSC, p247; CCC, p98; RML, p72-4). In his earliest
formulation of this problem, Poulantzas (MPT) attributes the
relative autonomy of the state to the objective structures of
the state. This over-structuralist attribution has been
criticised by Laclau (1975, p98) and Hindess and Hirst
(1975, p15) who claim that it is the class struggle which
"secures, modifies or transforms" the conditions of
existence of the mode of production and relations of the
state with the classes. The point is that the state cannot
have relative autonomy if it exists only as the class
struggle. Similarly if the apparatuses of the state are but
a shell for class warfare why should Lenin (1971,p272) insist on smashing them? Because, as Poulantzas admits, the apparatuses are not neutral: the forms of state are related to the economic base of support (are overdetermined by it) on most occasions:

The relations that characterize the state power also pervade the structures of its apparatuses, the state being as it is the condensation of a balance of forces (Poulantzas,CD,p92).

Structures are theoretical concepts, their theoretical existence is evidenced in class relations. Structures themselves do not exist in social formations and neither are they the cause of the state's relative autonomy without mediation by classes. The state's relative autonomy from this or that class must be due to the role of other classes in the formation, including the role of the classes located in the state apparatuses. If the state is to have a relative autonomy from the hegemonic fraction of capital, which Poulantzas assumes it does, it must be due to the practices of these other classes in the formation. Both Therborn (1976b) and O'Malley (n.d.) suggest that the state does have a relative autonomy and that its activities may "go against" the given relations of production.

O'Malley suggests that when the political/state operates in the interests of the ruling class, when laws etc express the existing relations of production, the result is predicted by theory. The anomaly between theory and the concrete situation occurs when the political or ideological
structures give rise to practices which go against the economic interests of the ruling class. Such anomalies may be explained within Poulantzas' schema in terms of the state meeting the political interests of the ruling class while going against its economic interests (e.g. the famous Factory Acts situation as explicated by Marx, CI, p625-6). The anomaly may also be due to the state's meeting the economic interests of one fraction of the ruling class against the economic interests of another fraction. Theory gives the conditions of existence of these anomalies but cannot predict a priori when or exactly why the anomaly occurs. One must move to the research site and seek in the social forces at work the explanation for the anomaly.

A classic empiricist study (1) has in fact been conducted by Hicks et al (1978) to test the effects of class organizations of the bourgeoisie and the working class on the policies of the state:

We argue that national corporations and labour unions are organizational bases of class power... Specifically, we hypothesize that the presence of national corporations will have a

(1) Studies of this nature are now beginning to invade the pages of the traditional sociological journals, even the Administrative Science Quarterly. For instance McNeil (1978) also uses a quasi-Marxist framework to discuss the relationship between large corporations and the state. He suggests that writers must "link the study of internal organizational control with a broader analysis of external power relations" (McNeil, 1978, p81). The boundaries of the box, the organization, discussed in Section 3.4 above are beginning to be ruptured.
negative and labour unions a positive effect on state redistribution to the poor (Hicks et al., 1978, p. 302).

The authors set up a regression model to test the relationship between the presence of unions and administrative organs representing corporations on income redistribution policy for each state in the USA. The results are as predicted. This piece of research demonstrates that one can set up operational variables to test in a crude sense some of the materialist dialectic's hypotheses.

However, it is obvious that Hicks et al. are not Marxists in anything approaching the Althusserian mode. By virtue of their empirical model and not the constraints of theory, they suggest that power is additive and that it is a relation of the classes to the state and not a relationship between classes. They add a number of control variables, not on the basis of a coherent theory, but due to the results of studies in similar areas.

Usually of course one cannot test theory just as one would like to: the available techniques will force the researcher to make certain ad hoc decisions about the interaction of the variables under study. Hicks et al. have given the techniques priority of determinancy over theory (which is in fact absent from the article), in that the techniques available have determined the construction of the nature of power.
The state is seen to have functions at the economic, the political and the ideological levels. At the economic level the state has the function of diffusing the contradictions (falling rate of profit, economic crises) that are inherent in capitalism. Its role in the provision of infrastructure, science and research is aimed at this objective. This is a role in the reproduction of the economic relations of production. Fine and Harris (1976, p170) suggest that this role is the major role, because capitalist relations in general have economic relations at their base. Poulantzas (FD, p303) agrees that the economic role may sometimes be dominant (e.g. the interventionist state) but the state's political role is determinant. By this Poulantzas means that all functions of the state are oriented to the political goal of maintaining the cohesion of the social formation.

Most criticisms of the Poulantzas-Althusserian formulation of the role of the state revolve around the formulation of "ideological state apparatuses". The problem revolves around the distinction between state and non-state.

The Poulantzas-Althusserian formulation, following Gramsci, makes a crucial distinction between bearers and practices of ideology. Gramsci (1971, p12) distinguishes the function of intellectuals as the craftsmen of ideological hegemony. From this, Althusser (LPOE) defined ideology not as an "ensemble of representations, values and beliefs"
(Poulantzas' (PPSC, p213) earlier formulation) but as a set of practices which result from the class struggle and are located in the state apparatuses. These practices are the reproduction of the relations (rather than the means = labour-power or the forces = technology etc) of production, as relations of domination and subordination, as class practices.

Thus apparently neutral education is carried out "in the forms and under the forms" which "ensure subjection to the ruling ideology or the mastery of its 'practices'" (Althusser, LPOE, p133), i.e. which ensure the reproduction of the relations of production.

Both Althusser and Poulantzas identify the SAs on the one hand as a list of institutions and on the other as their mode of functioning. Thus the RSA (repressive state apparatus) functions predominantly by repression and "consists essentially in securing by force (physical or otherwise) the political conditions of the reproduction of the relations of production" (Althusser, LPOE, p149) while the ISAs (ideological state apparatuses) "function by ideology" and their diversity and contradictions are unified "beneath the ruling ideology" (Althusser, LPOE, p146).

The ISAs have a relative autonomy "expressed in their multiplicity" (Poulantzas, FD, p305) from the RSA which is composed of specialised branches of army, police, administration etc and is "the central nucleus of the state
systems and state power" (Poulantzas, FD, p305). The ISAs then are united or maintained in their functioning under the RSA (Poulantzas, PCS, p253). Apparatuses are primarily economic, political or ideological but may have secondary or tertiary functions at the other two levels or in these forms of social relations (Poulantzas, CCC, p30-3).

There is general agreement that repression relates to force or coercion (Anderson, 1976a, in an analysis of Gramsci's Prison Notebooks) and is exclusively a function of the state: the RSA (Althusser, LPOE, p149; Poulantzas, PPSC, p225-7). The debate concerns whether ideological apparatuses may also exist outside the state. Anderson (1976a) suggests that failure to distinguish ideological state and non-state apparatuses creates an inability to distinguish fascism from bourgeois democracy. Poulantzas (FD, p305) replies, but not directly, that the private or public character of the ideological apparatuses denotes the forms of state in the CMP, e.g. fascism as opposed to bourgeois democracy. Miliband (1972, p262) suggests that private ideological apparatuses have a greater degree of autonomy than their state counterparts. Poulantzas (FD, p305) agrees that this is often so.

However Poulantzas maintains that all ideological apparatuses, except revolutionary parties are ISAs because:

If the State is defined as the instance that maintains the cohesion of a social formation and which reproduces the conditions of production of a social system by maintaining class domination, it is obvious that the institutions in question - the
Laclau (1975, p100) suggests that this is a subtle transposition which goes from defining the state as the instance which constitutes the factor of cohesion between the levels of a social formation to the assertion that everything that contributes to the cohesion of a social formation pertains, by definition, to the state. This moves the analysis from a structure constituting cohesion to a quality pervading all levels of the social formation.

Poulantzas (SPS, p37) has now abandoned this position. He lays stress on its exposure of certain fallacies in common thought, rather than its validity:

Such a demarcation does have the merit of extending the state sphere to include certain apparatuses of hegemony that are often considered 'private', and of laying stress on the State's ideological activity (Poulantzas, SPS, p34).

Thus it can be understood why Poulantzas is in a position where he is agreeing with his adversaries as to the differences between state and non-state apparatuses but heretofore refusing to differentiate them. Poulantzas has not fully developed his new theoretical position but it would seem that a more fruitful analysis would investigate the extent to which a so-called private institution (e.g. the family) becomes the subject of state intervention and control and the modalities of this intervention over the development of various forms of state.
However, by any definition the TBIAC is an ISA or part of an ISA. The TBIAC has the function of creating and maintaining through ideological practices the dominant ideology of the social formation. This function is performed by a section of the new petit-bourgeoisie, the economists in the TBIAC. It would be naive to suggest that economics does not carry its own value assumptions. McFarlane (1968, pl and p174-5) demonstrates that even refined econometric models carry ideological assumptions about wages, profit etc. These ideological practices themselves are an outcome of the class struggle. "Anything else is sheer illusion" (McFarlane, 1968, p175). Poulantzas (CCC, p290-7) discusses the petit-bourgeois ideological sub-ensemble (this bulky signifier is courtesy of Poulantzas), the main elements of which are a denial of the notion of class (buffered as they are from the direct exploitation the working class suffers) and the importance given to the role of the state as arbiter between the competing interests of the formation. Within this ideology, the specific ideology of neo-classical economics and its practices may be located. As Marx (CI, p262 and p269) notes, neo-classical economics is an apologia for capitalism. It posits a model of the economy which describes an ideal system while systematically ignoring the distortions of the real world that corrupt the model. The role of such an ideology is not directed against capitalism, but serves to legitimate it and maintain the bourgeoisie's ideological
hegemony (Gramsci, 1971, p13; Marx and Engels, GI, p47).

In relation to the functioning of the TBIAC itself, this institution has never recommended that an industry, however inefficient, should be handed over to the workers. Such a suggestion is untenable both within the neo-classical economics paradigm (labour being a mere factor of production dichotomized from capital and entrepreneurship) and the political forces of the Australian formation. Even in consideration of the economic interests of the working class, it was not until 1971 that the Tariff Board was asked to report on the employment effects of its recommendations. It was also not until 1971, following representations from the ACTU that a Commissioner representing the working class (an Electrical Trades Industry advocate) was appointed. At this time a representative of the Australian Wholesalers Softgoods Federation stated that

he believed the Tariff Board should remain independent of any political pressures (!) (reported in the Australian Financial Review, 13/5/71).

Because the TBIAC operates to make recommendations of assistance to specific industries, employees' groups may only make requests on behalf of the bearers of capital located in those industries. The structure of the TBIAC's functioning denies the representation of the working class as anything other than an ally of capital located in specific industries.
In conclusion, the TBIAC as an ideological state apparatus appears to operate in both the economic and political interests of the dominant classes. While some SAs, e.g. the Arbitration Commission, allow the working class to enter the arena of state power, in the case of the TBIAC the working class must make representations which are in the interests of one or other fraction of capital. The next section investigates the role of the economists in the TBIAC in relation to the dominant classes in the formation.

6.3. The New Petit-Bourgeoisie and the State Apparatuses

To have power, as opposed to only class interests, the new petit-bourgeoisie must have organization. Can it be suggested, as Hindess and Hirst (1975,p325) do, that the organization of the apparatuses is both a means to power as well as the object of power? Poulantzas gives some support for this view.

Firstly the state apparatuses (SAs) are not defined by their intrinsic organizational structure but rather by their social functions:

the internal structure of the apparatus depends on the classes present there, and thus on the class struggle which takes place within them (Poulantzas,CCC,p277).

The apparatuses are "captured" by various classes and operate in the interests of the class which captures them. This class is not identical with the classes located in the apparatuses. The factory has a number of classes
materialized within it but does not operate in the interests of the working class. Similarly the RSA, although it contains members of the new petit-bourgeoisie, operates in the interests of the hegemonic fraction of capital. The ISAs, however, may operate in the interests of other fractions in the power bloc besides the hegemonic fraction (Poulantzas, FD, p307-8).

Secondly the internal structure (1) of the SAs conform to petit-bourgeois ideology. Bureaucratisation, "a specific system of organization and internal functioning of the SA" (Poulantzas, PPSC, p33) is the "tendency that materialises certain ideologico-political effects on unproductive labour" (Poulantzas, CCC, p274). The new petit-bourgeoisie located in bureaucracies do not dominate one another but rather the bureaucratic form of organization legitimizes relations of domination and subordination in gradations of authority, the constitution of hierarchical organization as rational and the parcelling of information.

(1) "Structure/institution: These two concepts must be clearly distinguished. By institution will be meant a system of norms or rules which is socially sanctioned... On the other hand, the concept of structure covers the organizing matrix of institutions. Through the functioning of the ideologicaal, the structure always remains hidden in and by the institutional system which it organizes" (Poulantzas, PPSC, p115, italics deleted).
Thirdly the bureaucracy represents a social category, can act as a coherent unity and has a force of its own. Poulantzas (PPSC,p84-5;CCC,p23) locates three groupings within classes: fractions, categories and strata. Fractions are defined by the differential relations of production (e.g. commercial, productive fractions of capital). Categories are described by the overdetermining effects of the ideological (category of intellectuals) or political (the category of bureaucracy in its relation to the state). Strata are defined by the secondary effects of combinations of modes of production in a social formation (e.g. the strata of working class aristocracy). Poulantzas does not clearly distinguish these three groupings.

The functioning of the bureaucracy cannot be reduced to the class origin or membership of its members, which is often different, because it displays

a specific internal unity, which is simply the effect on these agents of the unity of state power and the institutional unity of the state apparatuses (Poulantzas,CCC,p186).

This effect of state power allows the social category to function as a social force in the class struggle, and not necessarily for the hegemonic fraction. Poulantzas then discusses the class determination of these agents, and suggests that the heads of SAs belong to the bourgeois class because "in a capitalist state they manage the state functions in the service of capital" (Poulantzas,CCC,p187). They belong to or reflect the many fractions of capital in
the social formation due to the dislocations between the apparatuses of the state, but are still capable of acting in a unitary fashion because:

the bourgeois class membership of the heads of the SA is refracted and mediated by the role of the state in the cohesion and reproduction of the social relations of a capitalist formation (Poulantzas, CCC, p187).

Heads of SAs should not be confused with those managing productive state apparatuses who in fact belong to the state bourgeoisie as a specific fraction of capital (Poulantzas, CCC, p189).

Thus the category of bureaucracy has interests which are met by SAs and operates as a social force in the field of class struggle.

Although bearers located in SAs have a force and a presence, they do not have power:

Bureaucracy "constitutes a social force, it possesses a role of its own in political action: but this does not confer on it a power of its own" (Poulantzas, PPSC, p358).

The various social institutions, in particular the institutions of the state, do not, strictly speaking have any power. Institutions, considered from the point of view of power, can be related only to social classes which hold power. As it is exercised this power of the social classes is organized into specific institutions which are power centres: in this context the state is the centre for the execution of political power. But this does not mean that power centres ... are mere instruments, organs or appendices of the power of social classes. They possess their autonomy and structural specificity which is not as such immediately reducible to an analysis in terms of power (Poulantzas, PPSC, p115).
These categories do not have power because they do not have a class organization (the state operates in the interests of the bourgeoisie) and they do not have explicit relations of domination-subordination to capital, i.e. they are not in "struggle" with capital but "alliance".

Once the new petit-bourgeoisie forms an alliance with either capital or labour it is no longer in relations of domination and subordination to this class, it no longer has power in relation to this class. Poulantzas (CCC, p314) contends indirectly that the petit-bourgeoisie as a whole (i.e. both the traditional and the new petit-bourgeoisie) must form an alliance with one or other of the two great classes. However this alliance must also guarantee some of their interests. In this sense the new petit-bourgeoisie may be said to have presence, but not power.

Further difficulties arise in discussing the new petit-bourgeoisie in state apparatuses. The dominant classes in the CMP lack both political organization due to their economic isolation but have power because the capitalist state satisfies their political interests and in the case of the hegemonic fraction its economic interests. Poulantzas fails to articulate the means and processes by which the state acts in the interests of the dominant class. The bourgeoisie are unable to organize politically so the capitalist state "takes charge of the bourgeoisie's political interests" (Poulantzas, PPSC, p285). This relative
autonomy is supported by the struggle of the other classes: the dominated classes in the formation. The hegemonic fraction organizes the contradictory alliance of the dominant classes in the power bloc. The organization of the dominant classes, if it exists at all, is via the functioning of the state apparatuses. As Hirst (1977,p145) notes of hegemony:

The great advantage of this concept is that one can postulate a relationship of domination without explaining what its concrete mechanisms are.

The research discussed below discusses those concrete mechanisms. The power of the social classes is organized in specific institutions which are power centres: in this context the state is the centre of the exercise of political power (Poulantzas,PPSC,p115).

If the state is the power centre for the bourgeoisie or its class organization, then it cannot also be the class organization of the new petit-bourgeoisie and this class cannot have power within the state. However the new petit-bourgeoisie located in the state may have its interests met at the same time as the hegemonic fraction of capital has its interests met. Hence the appropriateness of an alliance between these classes. In fact this is the position that Poulantzas (CD,p208) adopts indirectly (1).

(1) Interestingly this position is supported by Miliband (1969,1972) at the level of "bearers". He suggests that the personnel of the state choose, rather than are forced, to support or act for the ruling class. Economic and ideological pressures convince these personnel to act for the ruling class.
The new petit-bourgeoisie in various state apparatuses may hold those apparatuses, i.e. have those apparatuses operate in its interests at the same time as these apparatuses operate in the interests of one or other fraction of capital but they do not have power. The state and its institutions cannot confer power on the members of the SAs because the state operates in the interests of the bourgeoisie. For this reason the apparatuses of the state are not neutral but must be smashed (Poulantzas, CD, p93) or their personnel won from support of the bourgeoisie to support of the working class.

The alliances and strategy of the new petit-bourgeoisie in the conjuncture are all-important in determining their presence or the extent to which their interests are met. This issue is both crucial (see Hirst's (1977) criticisms discussed above) and poorly articulated by Poulantzas.

In summary these categories of the new petit-bourgeoisie have autonomy and represent a social force due to

(1) alliances with the working class:
The capitalist state comes to rely on the dominated classes and sometimes to play them off against the dominant classes (Poulantzas, PPSC, p286)

(2) the institutional specificity of the state:
The state sets the limits within which the class struggle affects it; the play of its institutions allows and makes possible the relative autonomy from the dominant classes and fractions (Poulantzas, PPSC, p289)
(3) the necessity for monopoly capital to rely on the state to meet its political interests. Thus should the hegemonic fraction gain power through party strength, occupying the "heights" of the bureaucracy etc, the relative autonomy of the state decreases as its importance as a factor of cohesion decreases (Poulantzas, PPSC, p320-1).

The SAs are the "privileged seats of one or other fractions of capital in the power bloc" (Poulantzas, CCC, p164). This leads to dislocations of state power and displacements of function between the SAs due to shifts in the "capture" of SAs by various fractions (Poulantzas, FD, p306). As will be explained below, this describes the shift in emphasis between the Department of Trade and the TBIAC. Despite its internal dislocations, the:

unity of state power is to be found...in the univocal correspondence of the state to the specific interests of that class or fraction (Poulantzas, PPSC, p300-1).

In summary

it is the particular configuration of the terrain of class domination, of state power (power bloc, hegemonic and governing classes or fractions as well as class alliances and supporting classes) which determine in the last instance, both the role of this or that apparatus or branch of the state in the reproduction of social relations, the articulation of the economic, political and ideological functions within this apparatus or branch, and the concrete arrangement of the various apparatuses or branches (Poulantzas, CCC, p27).

In other words the extent to which the new petit-bourgeoisie have their interests met via materialisation of their class relations in state apparatuses depends on their alliances in the social formation. One cannot discuss the "presence" of
such a segment without examining its alliances in the concrete conjuncture. The reasons that the new petit-bourgeoisie form alliances with the hegemonic fraction of capital is that both its interests and the interests of this fraction of capital may be satisfied at the same time – as will be seen below.

Thus the economists in the TBIAC do not have power as the analysis presented in Chapter Three suggested. Therefore their apparent power must be explained. Using the theoretical analysis developed above it will be suggested that the economists captured the TBIAC, and this institution operated in their interests, at the same time as the hegemonic fraction shifted from domestic monopoly to international monopoly capital in the Australian formation. The empirical evidence for this analysis is presented in Chapters Seven and Eight below. In Chapter Eight it will be suggested that the TBIAC economists and international capital form an unconscious "alliance" which explains the apparent power of the TBIAC economists and the increased autonomy of this institution from the Department of Trade.

6.4. Conclusions and Hypotheses

To analyse the presence of the new petit-bourgeoisie in the SAs one must discuss the power of the other classes. Poulantzas' formulation of class power is diagrammed below.
Figure 6.1. Class Power - Long Term Interests

Iwc __________________________ Ibie political interests
(revolution) (elimination of working class organization)

long term interests

Power is determined by a class's interests (Iwc for the working class and Ibie for the bourgeoisie), its class organization and the organization of other classes which determines its class position. The interests, of the working class at least, are both long term (to change the structures) and short term (to maximize its class position in the present conjuncture).

The determination of short term interests on the other hand, depends on an analysis of the conjuncture and a hypothesis concerning the extent to which the class could meet its interests if it had the "best possible" organization. These variables are shown in the diagram below for the bourgeoisie and the working class.

Figure 6.2. Class Power - Short Term Interests

\[
\begin{align*}
&\text{Fwc(h)} \quad \text{Fwc} \quad \text{Fbie} \\
&\text{Iwc} \quad \text{Ibie} \\
&\text{stIT2} \quad \text{T2} \quad \text{T1}
\end{align*}
\]

elimination of surplus value
wages = reproduction of labour
The interests (I) represent the limit of the structures for the two opposing classes. In T1 the working class are paid \( x \) wages. Via the class organization of trade unionism they exert the force \( F_{wc} \) to increase wages which the bourgeoisie (via the Arbitration Commission - see below) resist with \( F_{bie} \). T2 is the new class position of both parties. It may be hypothesized that if the strike had been longer (strategy) or the trade unionists more united (ideology - consciousness), \( F_{wc(h)} \) would have been applied and a different class position achieved. This represents the short term interests of the working class under perfect organizational conditions (stT2).

This is an extremely crude interpretation of Poulantzas but one that is necessary if power in the conjuncture is to be analysed. This analysis ignores the continuing actions which determine class position and the total set of class relations in this particular social formation. Thus the judges of the Arbitration Commission may form a temporary alliance with the working class for some reason.

Can this diagram be applied to a discussion of the new petit-bourgeoisie, and specifically the economists in the TBIAC? The new petit-bourgeoisie have no long term interests. However the new petit-bourgeoisie do have short term interests and these are to defend and extend their ideological practices.
If we reconceptualise the diagram above to take account only of interests, the following schematization may be developed:

Figure 6.3. Class Power in Relation to Assistance Levels

The economists of the TBIAC favour low rates of assistance (1). They apply force Fe. The interests of domestic monopoly capital are for higher tariff barriers and this fraction "seeks state intervention which would guarantee its protected markets at home" (Poulantzas, CD, p43). Let us hypothesize that international capital favours a reduction in assistance because it pursues a policy of extensive exploitation of labour (relocation in less developed countries) as well as centralization of capital (the imperialist chain centred in imperialist metropolises but flung across the world regardless of national boundaries). The problematic nature of this hypothesis is pursued below.

---

(1) e.g. "Some Issues in Structural Adjustment", 1977; "Implications of the Manufacturing Green Paper for General Industry Development in Australia", Address to the Australian Institute of Management, 1976 as well as the various IAC Annual Reports espouse this policy towards assistance in Australia.
It was discovered in Chapter Two that three events occurred at once in the sixties in relation to the TBIAC. This institution became less protectionist in its attitude towards assistance policy. Economists came to prominence in the TBIAC and the TBIAC gained autonomy from the Department of Trade. How can Poulantzas' analysis of power and presence apprehend these events?

The state operates in the economic interests of the hegemonic fraction of capital. If it is assumed that the hegemonic fraction of capital shifts from domestic monopoly capital to international capital in the sixties and the interests of the former are protection and the latter low tariff barriers, the change in assistance policy may be explained. If the hegemonic fraction of capital shifts, either the balance of power between the institutions of the state shifts also or the prominent institutions change their policy. Thus the TBIAC gains prominence over the Department of Trade because this institution favours the economic needs of the new hegemonic fraction. The rise to prominence of the economists within the TBIAC occurs because this petit-bourgeois grouping form an "alliance" with the hegemonic fraction of capital, and meets its economic interests while at the same time meeting its own ideological interests.
In this way the TBIAC becomes the ideology-monger for international capital. The neo-classical economics paradigm justifies and legitimates the reduced tariff barriers which are in the interests of international capital. If the TBIAC is not a central apparatus, however, it is unlikely that the hegemonic fraction will seek to capture it. This point is elaborated in the next chapter.

To test this explanation three sets of data have been gathered and analysed in Chapters Seven and Eight. Firstly the data which establishes the dominant fraction of capital is presented. Secondly the economic interests of international and domestic capital are discussed. Finally the extent to which both tariff policy and the TBIAC as a factor in creating tariff policy meets these interests is explored. This analysis also reveals the extent of the relative autonomy of the TBIAC economists from the fractions of capital, which is a further indicator of their presence from the sixties.
Chapter Seven

The Hegemonic Fractions of Capital

in the Australian Formation

I would like to repeat once again that what is involved here is not a mere question of percentages. We must therefore go on to deal now with the present modifications in the international constitution of capital and the imperialist social division of labour (Poulantzas, CCC, p57).
7.1. Introduction

In Chapter Two it was demonstrated that the role of the TBIAC changed between the late fifties and 1973. From being a Tariff Board whose policy was largely determined by the Department of Trade it became a Commission with the capacity to determine its own policy and direct its own affairs. For a time it was located in the Prime Minister's portfolio rather than the portfolio of the Minister for Trade which speaks of its increased prominence, at least in the eyes of the then Prime Minister, Gough Whitlam. From being a body which on the whole favoured protection and indiscriminate survival of Australian based industry, it became a body which increasingly sought to lower the tariff rates, especially very high rates of protection. From being a Board staffed by public servants and Commissioners whose agreed role was to protect industry interests, it became a body which saw itself as a professional economic planning and advisory body, not only on the assistance that should be accorded each industry but also in terms of the effects of assistance in the overall economy. These changes are evident both in the journalistic account of the TBIAC (Section 2.2) and in the content analysis dealing with its changed self-conception (Section 2.3).

In Chapter Three it was shown that in terms of classical organization theory, TBIAC economists came to prominence during the sixties. This chapter demonstrated
that the organization theory models could not explain how this prominence, which these models termed "power", came about. It was suggested that the failure of this model is due to its ground assumptions. These are the assumptions of structural functionalism. The first assumption suggests the world can be divided up into small parts for study, because the remainder of the world is presumed to be reasonably static (Allen, 1975, chapter two). The second assumption is empiricism or the definition of concepts by the empirical object to which they refer. This, for instance, allows the work organization to be defined as the particular research site under study. This unfortunate combination of "theory" and research methods leads to an almost total neglect of the environment and its influence on organizational functioning.

Even those more recent studies which do deal with the environment (e.g. McNeil, 1978) still treat the organization as the subject of study and factors from the environment are built into the model as an addendum. Such analyses presume that power is either a result of organizational factors (the crude version) or a combination of these and environmental factors (the more sophisticated model). Organization theory is at an impasse in its attempt to explain the power of TBIAC economists. On the one hand it states that they have power while on the other hand it cannot explain how this power came about.
As suggested in Chapter Four above, Marxist theory does not work out from the subject of study and determine the variables in proximity to that subject. Rather it defines the subject itself in terms of higher-order concepts which are given by a theory of the social formation as a whole. The concepts necessary to define class power are reviewed in Chapter Four. It will be remembered that power is defined as a relation of domination and subordination between classes. This means that the role of IAC economists can only be discussed with reference to the other classes in the social formation: the fractions of capital and the dominated classes. Additionally it was shown that because the new petit-bourgeoisie are not in relations of domination-subordination with all classes, they do not have power but presence. Further, because these economists are located in a state apparatus, some attention must be given to the role of the state and the functioning of its apparatuses. Chapter Six set the scene for the empirical analysis pursued below, by discussing the role of the state and its apparatuses in relation to the classes in the social formation, particularly the dominant class, the fractions of capital. This and the next chapter test the hypothesis that the increased presence of the TBIAC economists in the sixties was due to an alliance with the hegemonic fraction of capital, (and not, as superficially it might seem, to the power of these economists or changes in government). To test this hypothesis a number of sub-hypotheses are
developed in the next section.

7.2. The Parameters of the Model

In Chapter Six above Poulantzas' notion of the role of the state in capitalist formations was discussed. Poulantzas considers that the state achieves its role of cohesion in the social formation by operating in the political interests of the dominant classes and constituting their political unity out of their economic isolation. This role gives the state a certain coherence in its operations and forms the basis of its institutional specificity. Secondly, Poulantzas claims that the state operates in the economic interests of the hegemonic fraction of capital.

As discussed in Chapter Six above, the autonomy or presence of a state apparatus will depend on the extent to which it represents the interests of the hegemonic fraction of capital. The Tariff Board was a relatively powerless body up until 1 January 1974 when it became the IAC. During the period from the early sixties the Tariff Board became increasingly staffed with economists who sought greater autonomy to pursue a policy of reduced tariff barriers in the Australian economy. Poulantzas' analysis of the role of the state would suggest that the economists of the TBIAC did not gain power but rather represented the interests of a newly emergent hegemonic fraction and so became a centre of influence, came to have autonomy from other institutions of
the state in order that they could meet the interests of the hegemonic fraction.

Two aspects of this analysis must be distinguished. Firstly the changing tariff policies of the state as a whole must be considered. Secondly the input of the TBIAC into these policies must be considered. If it can be shown that tariff policy is of central importance in meeting the economic interests of capital, the hegemonic fraction of capital should have its economic interests met by Australia's tariff policy. Secondly, the role of the TBIAC economists, or their "presence" in determining tariff policy must be considered separately, in order to discuss the role of this new petit-bourgeois grouping in a state apparatus.

To pursue the first point, which relates to the state as a whole, the hypothesis that will be tested is that tariff policy in Australia operates in the interests of the hegemonic fraction of capital. To test this hypothesis it must be established:

1. What the hegemonic fraction of capital is at different points in time
2. What the interests of the hegemonic fraction are
3. Whether tariff policy meets them
4. Whether or not it is significant if tariff policy meets these interests, i.e. the centrality of tariff policy in meeting the economic interests of the hegemonic fraction. Even though one single aspect of the state's economic policy cannot completely incorporate the state's total economic policy, if it is a dominant factor in that policy, for the purposes of research it may be said to represent that policy as a whole.
In the analysis pursued below it will be suggested that Australia's tariff policy changed from being "protectionist" in the late sixties to favouring increasingly reduced tariff rates by 1975. Over the same period, it will be suggested, the hegemonic fraction of capital in Australia changed from domestic monopoly capital to international monopoly capital.

In relation to the second aspect of this analysis, it will be suggested that the economists of the TBIAC achieved prominence in the seventies, a prominence which culminated in the formation of the IAC in 1974. Their prominence occurred not because of an increase of power but because they formed an alliance with the hegemonic fraction of capital. The second hypothesis then is that the presence of new petit-bourgeois groupings located in state apparatuses is a result of their alliance with the hegemonic fraction. This hypothesis is established if the following conditions are met:

1. The coming to prominence of the TBIAC economists in the early seventies is concurrent with a change in the hegemonic fraction of capital.
2. The policy pursued by the TBIAC economists met the interests of the hegemonic fraction of capital.
3. Tariff policy is central to meeting the economic interests of the hegemonic fraction.

In this section Poulantzas' conceptualisation of the role and shifts in dominance of three fractions of capital is discussed. These fractions are competitive capital,
domestic monopoly capital and international capital (1). Their identification will be discussed briefly before applying the analysis to the Australian formation.

Poulantzas discusses two separated series or stages of capitalism - one refers to the coming to dominance of monopoly capital over competitive capital, the other refers to the rise to dominance of international capital over domestic capital. From the end of the nineteenth century until the inter-war period Poulantzas suggests that there is an unstable equilibrium between competitive capital and monopoly capital. Some time during the inter-war period monopoly capital comes to dominate competitive capital. Not only does this mean that monopoly capital is economically preponderant but that the relations of production in the social formation come to characterise those of monopoly capital (this is the thrust of Poulantzas' comment made at the beginning of this chapter). The changes in the relations of production concern both changes in capital's domination and labour's subordination. Thus economic ownership and possession become separated as the individual entrepreneur is replaced with the "global capitalist" or a

(1) As discussed in Chapter Six above, fractions of capital may be divided along a number of dimensions. These fractions have been chosen because they are the fractions which Poulantzas considers to be hegemonic from time to time over the development of capitalism. Additionally these fractions are amenable to empirical identification and assessment of their economic interests in relation to tariff policy.
hierarchy of managers and multiplicity of holding companies which separate the legal owners from control of the company. Secondly as the concentration of capital proceeds, larger firms are absorbed by the largest. The smaller firms, those run on traditional petit-bourgeois lines, are likely to be wiped out completely. The intensive exploitation of labour comes to dominate the extensive exploitation of labour, i.e. exploitation based on demanding more from the labourer each hour comes to dominate exploitation based on demanding more hours of work.

After the Second World War the dominance of international capital is gradually established. Here Poulantzas moves on to a discussion of the stages of imperialism which he does not link with his discussion of the stages of capitalism outlined briefly above. The "export of capital is the fundamental and determinant tendency of imperialism" (Poulantzas, CCC, p42). Not only should the extent of foreign control in the dependent formations increase but again there are changes in the international relations of production which mark the dominance of foreign capital and, in the present phase, the dominance of American capital. Basically, during the imperialist stage which marks this dominance of American capital, international capital does not operate overseas in an expanded version of the "town-country" logic of commodity exchange, but rather operates to reproduce advanced capitalist relations of production in the dependent
formations. Between the wars the capitalist world is divided into imperialist powers and their dependent colonies. The imperialist powers manufacture finished goods, the dependent colonies export raw materials and primary products to these powers. In the imperialist stage this "division of labour" becomes less obvious as capital seeks to reproduce itself by setting up factories in dependent formations to take advantage of the cheap labour supplies, tariff barriers etc there. Thus the multinational corporations which make their appearance in this phase treat the whole world as a source of labour and raw materials and often have vertically integrated production processes across national boundaries. Dependent formations come to reflect the relations of production characteristic of the imperialist metropolises - concentration of capital, increased application of technology, intensive exploitation of labour etc. Instead of international relations being based on rivalry between Germany, Great Britain, USA and their sets of colonies, world capitalist relations come to be dominated by the USA and the logic of capitalist reproduction originating in this formation.

It should not be assumed from this analysis that all formations follow a unilinear development which corresponds to the time scale described above:

the stages and phases of periodization refer to modifications in the reproduction process, so long as it is understood that these modifications are not measurable by reference to an ideal and pre-existing model (Poulantzas, CCC, p49).
In other words the history of an actual social formation will depend not only on the concepts derived from theory but also on an analysis of its own unique development, its own class struggles and its specific position in the imperialist chain.

In fact it will be seen below that Australia departs from these stages of capitalism at a number of points. It will be seen that Australian industry has since Federation been marked by the presence of large establishments (see Table 7.1), although it appears that the relations of production characteristic of monopoly capital do not change until the forties - which is about the timing that Poulantzas suggests. The presence of large factories before this period may be attributable to Australia's coming later into capitalist production than other countries and so beginning with larger factories.

On the other hand, it may also be seen from Table 7.1 that the small production sector (percentage of employment in establishments employing less than 5 persons) has stabilized since 1939-40, rather than decreased as Poulantzas contends.

Finally, as will be discussed more fully in Chapter Eight, Australia has an ambiguous role in the imperialist chain. She is to a large extent a dependent formation, but within her geographical area one of the most developed countries. This has interesting results for her changing
role in the imperialist chain which are explored in Section 8.1 below.

Secondly Poulantzas warns that this schematization of the stages of capitalism and imperialism simplifies a much more complex and contradictory process concerning the relations between the fractions of capital. It may seem that the hegemonic fraction of capital constitutes itself as an indomitable social force in each stage. It should be remembered that capitals compete among themselves for "public finance and state support", markets and capital (Poulantzas, CCC, p137). Within the fraction of international monopoly capital Poulantzas (CCC, p92 and p137) identifies intensely competing fractions of industrial, banking, commercial and occasionally agricultural bourgeoisie. In the present phase, productive capital dominates commercial capital as indicated by its development of its own distribution channels etc (Poulantzas, CCC, p136).

Poulantzas suggests that domestic monopoly capital

On the basis of a certain type and degree of contradiction with foreign imperialist capital, acquires a relatively autonomous place in the ideological and political structure, and exhibits in this way a characteristic unity (Poulantzas, CCC, p71).

The relations between the fractions of capital and the state are founded upon "an unstable equilibrium of compromise" (Poulantzas, PPSC, p192). Unstable in that the limits of the equilibrium are set by the conjuncture and the
boundaries between the fractions of capital are "variable and relative" (Poulantzas, CCC, p140). Compromise in that alliances form both between the various fractions of capital (e.g. all fractions of capital in the one industry make a similar request to the IAC) and between fractions of capital and the dominated classes. Non-monopoly capital is small capital in which the organic composition of capital tends to be lower, the capital is located in only one branch of industry and in which economic ownership and possession closely coincide, and legal ownership most frequently amounts to economic ownership (Poulantzas, CCC, p141).

Although non-monopoly capital may sometimes take higher profits than monopoly capital, on the whole it is in the less advantageous economic sectors of fluctuating profits. It therefore resists the demands of the working class more strongly and helps disguise monopoly capital's super-profits. It also aids monopoly capital's economic interests by opening new sectors of the economy, innovating technology that only monopoly capital can apply and training/socialising low skilled labour from the rural sector.

Monopoly and non-monopoly capital will sometimes form alliances against other class segments. More interestingly, Poulantzas suggests (CCC, p149-53) that monopoly capital may side with the working class against non-monopoly capital. The September 1978 Utah Mining wage decision can be seen as
an alliance of this sort; non-monopoly capital not being in a position to pay such wages.

Finally the relations between the fractions of capital are in equilibrium because sacrifices are made to the dominated classes and other fractions of capital. This does not challenge the political power which sets limits to the equilibrium. Thus although the state will act for this or that alliance of various fractions of capital overall its role is to take charge of the international reproduction of capital under the domination of American capital (Poulantzas, CCC, p84)

Poulantzas denies that the hegemonic fraction is the economically dominant one, although his own analyses tend to adopt this position. The quotation above suggests that Poulantzas sees international capital as hegemonic whilst elsewhere (CCC, p159) he identifies monopoly capital as hegemonic.

The reasons for this ambiguity are twofold. Firstly Poulantzas considers the stages of imperialism and of monopoly capitalism separately. When he comes to discuss present capitalist formations he does not clearly articulate whether international or domestic monopoly capital is hegemonic and fluctuates in his identification of the hegemonic fraction.
Secondly he does not clearly differentiate economic dominance and hegemony, but appears to ascribe dominance to the economic region and hegemony to the political region without clearly articulating such a distinction. Thus he discusses "the preponderant place in economic domination being occupied, according to the different stages...by one or the other fraction of the bourgeoisie" (Poulantzas, CCC, p92, italics mine). On the other hand, he locates in "the terrain of political domination", the power bloc which functions "under the leadership of one of the dominant classes or fractions, the hegemonic class or fraction" (Poulantzas, CCC, 93, italics mine). He then states:

This class or fraction, which can in no way be identified with that which holds the preponderant position in economic domination, can itself vary with the different stages (Poulantzas, CCC, p93).

In his discussion of the stages of capitalism, Poulantzas (CCC, Parts 1 and 2) identifies the economically dominant fraction by a combination of its sheer economic presence in the economy and by the increasing dominance of its particular relations of production within the economy. Thus in each stage of capitalism a particular fraction comes to control the commanding position in production and to impose its relations of production on the economy as a whole.
On the other hand, his own definition of the hegemonic fraction is tautological - it is the fraction in whose economic interests the state operates. Poulantzas does not articulate the conditions of hegemony of this or that fraction. However, despite the statement quoted above, his analyses tend to ascribe hegemony to the economically dominant fraction. As this research sets out to test whether the state does operate in the interests of the hegemonic fraction, an independent measure of hegemony is needed. Because Poulantzas' analysis suggests this, the hegemonic fraction will be defined as the economically dominant fraction. To conclude this theoretical introduction to the research, the following diagram portrays the changes in the economically dominant fraction of capital as outlined by Poulantzas.

Figure 7.1. Changes in the Economically Dominant Fraction of Capital in the Twentieth Century

<table>
<thead>
<tr>
<th>TIME</th>
<th>DOMINANT FRACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>end C19 to WWI</td>
<td>competitive capital</td>
</tr>
<tr>
<td>end WWI to WWII</td>
<td>domestic monopoly capital</td>
</tr>
<tr>
<td>post-WWII</td>
<td>international capital</td>
</tr>
</tbody>
</table>

Thus competitive capital establishes its relations of production as dominant at the end of the nineteenth century. After the first World War monopoly capital achieves dominance. As suggested in the text below, it is domestic monopoly capital that is dominant in this period. This is
marked by changes in the relations of production to those which describe "big" capital. After the Second World War the international relations of production become dominant and more and more countries are brought under the logic of the international reproduction of capital irrespective of national boundaries. International capital becomes the dominant fraction. The next section constructs the empirical measures of these fractions of capital and the relations of production characterising each.

7.3. The Empirical Measures of the Fractions of Capital

Fractions of capital refer to theoretical constructions located in a Marxist problematic. Statistical series are located in commonsense problematics based on the concepts of neo-classical economics - profit, factory, "hands employed", rather than surplus value, apparatus, class struggle. The use of statistics to describe theoretical concepts must be undertaken with great caution.

Hindess criticises the modes in which the ethnomethodological and empiricist schools appropriate statistics. The first school operates within a hermeneutic framework and describes how official facts are processed and comprehended; it explains the accounts of collectors but is unable to account for the validity of the statistics. The empiricist school focusses on the technical instruments of survey and so on and the conceptual instruments of category
assignment etc. This denies, in the hope of excluding, the inputs of the subjective experiences of officials:

The common error in these positions lies in their attempts to establish human experience as the foundation of knowledge and in their consequent denegation of the place of concepts and of rationalist forms of demonstration (Hindess, 1973, p28).

In other words, these approaches fail to elucidate the relationship between data/research and the concepts of theory. They focus on the first problem, the generation of the statistics themselves:

all such statistics are the product of a determinate process of production of knowledge governed by a determinate system of concepts (Hindess, 1973, p56)

while ignoring the translation of these concepts and the categories that stand for them into the theory's problematic.

Data collection is based on the notions of members of collection agencies concerning the social formation, as shaped by the needs of powerful consumers. A nodding acquaintance with Australian Bureau of Statistics data collections is sufficient to indicate that categories devolve from the neo-classical economics paradigm and its "concepts" (e.g. business firm rather than capital, profits rather than surplus value, government expenditure rather than contributions towards the maintenance of social cohesion). The collections are oriented towards the needs of government and business rather than Marxist theorists. This leads to gaps and biases in the collections which make
attempts to discover the transition between the stages of capital extremely hazardous.

However, in line with Poulantzas' attempts to make the transition from theoretical concepts to their empirical representations (see Poulantzas, CCC, p48-53, pl12-4, p152), such an attempt will be made here. Two things must be done. As described in Section 7.2 above, the hegemony of particular fractions of capital is shown by two separate indicators: firstly by the sheer economic dominance of this fraction of capital and secondly by the existence of the relations of production which characterise its hegemony.

In the previous section, three fractions of capital were identified by Poulantzas as dominant at one time or another in the course of the development of capitalism. These are competitive capital, domestic monopoly capital and international capital. These can be diagrammed as follows:

Figure 7.2. The Fractions of Capital

\[
\begin{array}{ccc}
\text{monopoly} & \text{non-monopoly} \\
\text{domestic} & \text{competitive} \\
\text{domestic monopoly} & \text{capital} \\
\text{international} & \text{(international monopoly competitive)}
\end{array}
\]
Initially Poulantzas distinguishes monopoly capital from competitive capital (see arrow a in diagram). It is implicit, rather than explicit, in his analysis that these are domestic fractions. He later differentiates domestic capital from international capital. It is again implicit that the fractions of concern here are the monopoly rather than the competitive fractions (see arrow b in diagram). As shown in the diagram it is logically possible to derive four fractions of capital. However, it is unlikely that a fraction of international competitive capital will exist with any empirical significance. This is because international capital arises out of the relations of production which characterise monopoly capital and so is "big" capital. International capital may not appear to be concentrated in statistics published for individual countries, but in terms of its world operations it will tend to be multinational and have its origins in large enterprises in the source country. For these reasons, domestic monopoly capital will be referred to as monopoly capital, domestic competitive capital as competitive capital and international monopoly capital as international capital. The three fractions are identified as follows:

The identification of competitive capital. This is represented by low concentration in an industry and small size of enterprise. To some extent this is the converse of monopoly capital, the identification of which is elaborated below.
The identification of monopoly capital. Poulantzas discusses the drawbacks of normal concentration indices as a measure of monopoly capital - these are not normally collected across industry and product boundaries and never across national boundaries. The control measures employed often fail to uncover the complete extent of interlinking economic control between businesses. For Australian industries three measures of concentration are available. The first assesses the size of factories in terms of hands employed and is completely inadequate but the only series available prior to 1968. The second is based on the percentage of employment or whatever accounted for by the largest \( x \) establishments in each industry classification. This is available for 1968-9 and 1972-3. The third refers to the concentration of industry by enterprise group and is available for 1968-9 to 1975-6. The last measure is the best because it deals with all establishments under the control of one directing instance and so conforms with Poulantzas' notion of control. All the indicators, however, will have to be used in the analysis pursued below.

The identification of international capital. For Australia, and only since 1962-3, several indices of the extent of foreign ownership and foreign control are available. These measure the extent of foreign control and ownership of industries based on number of establishments, employment, wages paid, value of production and fixed capital expenditure. A selection of these will be used. In line
with both the Australian Bureau of Statistics and Poulantzas, a business will be designated foreign controlled when 25% or more of its share capital is owned by overseas residents or companies. There is one set of data for 1972-3 and 1975-6, which deals with foreign control of enterprise groups. Being a superior basis of classification, this data set will be used where possible.

The definition of international capital does not differentiate international monopoly capital and international competitive capital. As discussed above, it is theoretically unlikely that international competitive capital exists. There is empirical evidence concerning the Australian formation which supports this. As an example of the preponderance of "big" foreign capital in Australia, 45% of foreign controlled establishments in Australia are among the largest 200 enterprise groups, while only 5% of Australian controlled establishments are so defined (1).

Finally, as discussed in Section 7.2 above, Poulantzas also discusses the relations of production which mark a shift in dominance from competitive to monopoly capital and from monopoly capital to international capital. These should provide further indicators concerning the timing of

changes in the hegemonic fraction and will also be investigated below.

Poulantzas offers some empirical indices that may be used to indicate the transition between stages of capitalism (Poulantzas, CCC, p48-53 on the domination of international capital; pl12-4 on the identification of monopoly capital). These indices are summarised below and evidence for them in the Australian formation is discussed in this section.

The change in dominance from competitive to monopoly capital is suggested by the following indicators:

1. Increase of proportion of managers in total workforce as management becomes the function not of the individual entrepreneur but of specialised subaltern agents

2. Increased intensive exploitation of labour reflected in increased technological development and investment.

3. A decrease in the importance of the traditional petit-bourgeoisie as these are overrun by larger capitals

4. Merger activity reflects the concentration of enterprise groups

It will be remembered that in Section 7.2 above it was suggested that the imperialist phase, characterised by the dominance of international capital, is marked by a "homogenization" of the international relations of production. In other words, dependent formations become increasingly like the imperialist metropolises: investment is in the secondary sector rather than for the extraction of
raw materials and industries become more concentrated. Secondly the imperialist phase is marked by an internationalisation of the relations of production - increases in direct investment, the rise of multinational companies, investment in other advanced formations and increased world trade testify to the treatment of the whole world as a market and source of materials and labour. Finally, Poulantzas (CCC,p50-7) suggests that USA capital becomes the dominant fraction in the reproduction of international relations. These relations of production are given by the following indicators which indicate the change in dominance from domestic monopoly to international monopoly capital:

1. Increase in USA investment as a proportion of all investment overseas
2. Increase in direct investment in relation to portfolio investment
3. Increase of investment in the productive sector as opposed to the services and extractive sectors
4. Increased concentration of and economic dominance in those industries invested in
5. The direction of international investment shifts from the dependent formations to the European formations
6. The rise to economic dominance of the multinational company
7. Increased quantities of world exports and imports and a change in the distribution between the export and import of manufactured goods and raw materials from the dependent and developed formations.
Some of these indicators apply to Europe rather than Australia. Australia may participate in the internationalisation of the relations of production without necessarily registering all these changes. In the next section, it will be shown first that these changes do apply to Europe as Poulantzas contends. Investigation of the extent to which they also apply to Australia will then be undertaken.

Ideally, of course, each enterprise would be analysed for the extent of its representation of the three types of capital. The contribution of each type of capital to sales, employment or whatever for the Australian formation could be assessed over Australia's history to determine the economic dominance of each fraction in each time period. If the statistics were available, this would be done. However they are not available, and the analysis below is sometimes makeshift for that reason. All available official statistics from the Commonwealth Bureau of Census and Statistics (CBCS), or, as later renamed, the Australian Bureau of Statistics (ABS), have been analysed to give the most comprehensive account of the development of the Australian formation. The inadequacies of that account are due to the different needs of the materialist dialectic as compared with the businessman/governmental official for whom the statistics are designed. The former requires longitudinal analysis, the latter the latest information. The former requires data on deep structural changes, the
latter on visible events. To proceed rather than to reprove, Section 7.4 undertakes this analysis.

7.4. Identifying the Hegemonic Fraction of Capital

Firstly, the hegemony of monopoly capital over competitive capital must be established. This reputedly occurred in the inter-war period. The only data available for this period are measures of concentration based on the size of factories measured by the number of hands employed. A measure of concentration on the basis of the number of hands is inadequate on two counts. Monopoly capital's relations of production are characterised by intensive exploitation of labour; i.e. capital invested or turnover may increase without hands employed doing so. Secondly factories are not the same as enterprises, a much better indicator of capital under one controlling instance. Brown and Hughes (1970) suggest that even for relatively dated data it should be assumed that each firm owns between two and five factories.

Table 7.1 below shows various indicators of factory size based on employment (number of "hands") from 1907 to 1967-8. Thus the data for 1959-60 show that the average size of a factory was 20.1 hands, that 48.3% of factories were accounted for by establishments employing less than 5 persons, 3.2% employed more than 100 persons but these accounted for 51.6% of employment. Those factories
employing less than 5 persons only accounted for 5.5% of employment.

Table 7.1. Distribution of Size of Factories as Measured by Number of Hands Employed

<table>
<thead>
<tr>
<th>Year</th>
<th>1907</th>
<th>1914</th>
<th>29-30</th>
<th>39-40</th>
<th>49-50</th>
<th>59-60</th>
<th>67-8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of persons employed</td>
<td>19.8</td>
<td>21.5</td>
<td>19.0</td>
<td>21.9</td>
<td>22.3</td>
<td>20.1</td>
<td>21.3</td>
</tr>
<tr>
<td>% employment in factories employing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than 5 hands</td>
<td>13.8</td>
<td>3.9</td>
<td>5.4</td>
<td>4.8</td>
<td>4.4</td>
<td>5.5</td>
<td>5.1</td>
</tr>
<tr>
<td>5-100 hands</td>
<td>50.5</td>
<td>54.8</td>
<td>52.0</td>
<td>45.7</td>
<td>46.6</td>
<td>42.9</td>
<td>41.9</td>
</tr>
<tr>
<td>more than 100</td>
<td>35.7</td>
<td>41.3</td>
<td>42.6</td>
<td>49.5</td>
<td>49.0</td>
<td>51.6</td>
<td>53.0</td>
</tr>
<tr>
<td>% establishments employing:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than 5 hands</td>
<td>26.5</td>
<td>27.9</td>
<td>41.2</td>
<td>42.6</td>
<td>39.4</td>
<td>48.3</td>
<td>47.8</td>
</tr>
<tr>
<td>more than 100</td>
<td>3.2</td>
<td>3.6</td>
<td>3.0</td>
<td>3.7</td>
<td>3.6</td>
<td>3.2</td>
<td>3.5</td>
</tr>
</tbody>
</table>


This table suggests that the average size of factory has increased little since 1907. However, the concentration of Australian industry, measured by the proportion of employment in factories larger than 100 hands, has grown steadily over the period from 35.7% in 1907 to 53% in 1967-8 even though these factories did not account for as much as 4% of all factories throughout the period. This data suggests that Australian industry has always been reasonably concentrated, although the degree of concentration has increased steadily since 1907. Interestingly, in terms of
number of factories but not employment, the total traditional petit-bourgeois sector has grown in size from 26.5% of factories to 47.8%, although this has coincided with a fall in employment in such factories from 13.8% to 5.1% of the total workforce. As stated above, measures of concentration based on employment figures are bound to be inadequate.

To pursue this so far inconclusive analysis, there is further indirect evidence that Australian industry has always been reasonably concentrated. Connell (n.d.,(b)) notes that by 1911 there were monopolies in sugar, brewing and tobacco. Both colonial legislatures (Brown and Hughes, 1970) and the early Federal governments (Hopkins, 1978) were concerned about monopolies and attempted to introduce anti-trust legislation.

Table 7.2 below shows that there is little doubt that Australian manufacturing industry is now dominated by large enterprise groups (1). Thus the 50 largest enterprise

(1) The ABS ("Industry Concentration Statistics, Manufacturing Census," 1972-3, Ref.No.12.33,p4) identifies an enterprise group as follows:
It is defined broadly as the unit comprising all operations in Australia of a group of legal entities (enterprises) under common ownership or control. The definition of ownership and control follows as closely as possible the definitions employed in the Companies Acts.
Table 7.2. Indices of Concentration in Manufacturing Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>1972-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of establishments accounted for by:</td>
<td></td>
</tr>
<tr>
<td>50 largest enterprise groups</td>
<td>3</td>
</tr>
<tr>
<td>200 largest enterprise groups</td>
<td>8</td>
</tr>
<tr>
<td>% of value-added accounted for by:</td>
<td></td>
</tr>
<tr>
<td>50 largest enterprise groups</td>
<td>29</td>
</tr>
<tr>
<td>200 largest enterprise groups</td>
<td>51</td>
</tr>
<tr>
<td>% of employment accounted for by:</td>
<td></td>
</tr>
<tr>
<td>50 largest enterprise groups</td>
<td>25</td>
</tr>
<tr>
<td>200 largest enterprise groups</td>
<td>44</td>
</tr>
<tr>
<td>% of fixed capital expenditure accounted for by:</td>
<td></td>
</tr>
<tr>
<td>50 largest enterprise groups</td>
<td>38</td>
</tr>
<tr>
<td>200 largest enterprise groups</td>
<td>61</td>
</tr>
</tbody>
</table>

Note: Similar data are also available for 1968-9 and 1975-6. As the data does not vary by more than 4% over the whole period, the other figures are not shown.

Source: Adapted from ABS, "Industrial Concentration Statistics", 1972-3, p8, Ref. No. 12.33

Groups in manufacturing industry in 1972-3 account for only 3% of establishments, but in 1972-3 are the origin of 29% of value-added, 25% of employment and 38% of fixed capital expenditure in the secondary sector. The largest 200 enterprise groups account for over 50% of value-added and capital expenditure although only 44% of employment.

In 1968-9 the largest 200 enterprise groups in the manufacturing sector represented 7% of establishments and accounted for 49% of value-added; the 200 largest in wholesale trade represented 12% of establishments and accounted for 42% of value-added; the largest 200 in retail trade represented 4% of establishments and accounted for
over 33% of value-added; in the mining sector the largest 200 represented 37% of establishments but accounted for 97% of value-added (1). The figures for the largest 12 enterprise groups portray a similar story. 1% of enterprise groups in the mining sector accounted for 59% of value-added. In the manufacturing sector .04% of enterprise groups accounted for 16% of value-added. In wholesale trade .05% of enterprise groups accounted for 13% of value-added and in retail trade .01% accounted for 15% of value-added.

Overall, the largest 12 establishments in the Australian economy (excluding farming) accounted for 10% of value-added (2). All sectors in the Australian formation are dominated by a small group of large enterprise groups.

Neither Table 7.1 nor the data available on enterprise groups (shown in Table 7.2) reveal a rise to dominance of monopoly capital. Table 7.1 suggests that large factories have been significant in Australia since 1907 although they have grown in significance over the period. Table 7.2 suggests that large enterprise groups in 1972-3 accounted for a good proportion of value-added etc which indicates that monopoly capital is quantitatively dominant by the late sixties. The rise to dominance of monopoly capital may be revealed by a shift in the relations of production from


(2) ABS, ibid
those characterising competitive capital to those which characterise monopoly capital. These relations of production, as described in the previous two sections, are reflected in an increase in merger activity, increased capital investment, decline in the traditional petit-bourgeoisie and an increased proportion of managers in the labour force.

On merger activity, Connell (1977,p68) suggests that the twenties were a period of many mergers, while Karmel and Brunt (1962,p61) suggest that merger activity increased to "spectacular proportions" in 1954-5 and 1958-60 following a rapid post-war increase. However a substantial proportion of mergers (90% in 1947-56) dealt with the take-over of assets worth less than 500,000 pounds. Such figures do not show whether it is a small group of large companies continually taking over the small companies or not.

Table 7.3 below gives various indices of capital investment in manufacturing industry. Production per employee first doubles in the period 1939-40 to 1949-50. Power per factory doubles between 1910 and 1919-20 and again between 1939-40 to 1949-50. Plant per factory doubles in the fifties while horse-power per factory doubles every decade from 1910 to 1929-30. Consistent and rapid growth in all indices of capital investment is maintained after 1949-50. It will be remembered that increased intensity of exploitation of labour is characterised by increased capital
investment. Table 7.3 suggests that this aspect of monopoly
capital characterised the Australian formation by the
fifties and was probably introduced in the forties, as
production per employee and power per factory doubled in
this period.

Table 7.3. Indicators of Capital Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Production per Employee ($A'000)*</th>
<th>Power per Factory ($A'000)*</th>
<th>Plant per Factory ($A'000)*</th>
<th>Horse-power per Factory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1907</td>
<td>289</td>
<td>.33</td>
<td>3.92</td>
<td>17.57</td>
</tr>
<tr>
<td>1910</td>
<td>317</td>
<td>.38</td>
<td>4.17</td>
<td>21.56</td>
</tr>
<tr>
<td>1919-20</td>
<td>553</td>
<td>.72</td>
<td>7.37</td>
<td>40.51</td>
</tr>
<tr>
<td>1929-30</td>
<td>746</td>
<td>1.20</td>
<td>11.24</td>
<td>83.22</td>
</tr>
<tr>
<td>1939-40</td>
<td>753</td>
<td>1.25</td>
<td>11.05</td>
<td>154.30**</td>
</tr>
<tr>
<td>1949-50</td>
<td>1442</td>
<td>2.64</td>
<td>13.73</td>
<td>158.90</td>
</tr>
<tr>
<td>1959-60</td>
<td>3676</td>
<td>6.38</td>
<td>43.12</td>
<td>250.22</td>
</tr>
<tr>
<td>1967-8</td>
<td>5582</td>
<td>8.88</td>
<td>78.82</td>
<td>409.38</td>
</tr>
</tbody>
</table>

*not deflated to real prices - ABS will not deflate such a
long time series

** Statistical collection break

Source: Adapted from CBCS, "Manufacturing Industry
Bulletin", 1967-8

Table 7.4 below shows that capital raisings by listed
companies gains increasing importance (except for a reversal
in 1964-5) in relation to that raised by unlisted companies
from 1954-5 (first period for which data are available).
This is another indirect indicator of the growth in
prominence of monopoly capital. In other words, this table
suggests that economic growth shifts from small private
companies to large public companies - the latter being more
characteristic of monopoly capital's relations of
Table 7.4. Capital Raisings by Companies in Australia

<table>
<thead>
<tr>
<th>year</th>
<th>listed companies</th>
<th>unlisted companies</th>
<th>total($Am)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954-5</td>
<td>70.6</td>
<td>29.4</td>
<td>247</td>
</tr>
<tr>
<td>1959-60</td>
<td>84.1</td>
<td>15.9</td>
<td>591</td>
</tr>
<tr>
<td>1964-5</td>
<td>76.7</td>
<td>23.3</td>
<td>138</td>
</tr>
<tr>
<td>1969-70</td>
<td>91.8</td>
<td>8.2</td>
<td>195</td>
</tr>
<tr>
<td>1974-5</td>
<td>96.8</td>
<td>3.2</td>
<td>469</td>
</tr>
</tbody>
</table>

Source: Adapted from CBCS and ABS "New Capital Raisings by Companies in Australia", 1954-5...1974-5

Note: Listed companies are public companies which sell shares on the stock exchange. Unlisted companies are private and usually smaller family companies.

In Table 7.1 above it was shown that the percentage of establishments employing 5 or less hands has increased over the century until 1967-8. On the other hand, according to data on the percentage of the workforce who are independent proprietors, the percentage of the workforce which could thus be classified as the traditional petit-bourgeoisie has declined from 4% in the twenties and thirties, to 3% in the forties, to less than 2% in the sixties (1). This apparent anomaly can be explained in terms of a shift in employment to establishments of other sizes, and thus to identification in other employment categories. Thus between 1907 and 1967-8 the percentage of employment accounted for by factories employing less than four hands fell from 13.8% to only 5.1% (see Table 7.1 above). Given that the definition "independent proprietor" does not coincide with "owner of

(1) CBCS, "Production Bulletin", 1907...1939-40; "Secondary Industries Bulletin", 1949-50...1964-5
factory employing less than 4 hands", these two results are compatible. The data on independent proprietors conforms with Poulantzas' hypothesis that the dominance of monopoly capital leads to a decline in the small commodity production sector. Unfortunately no data for the rise of the managerial caste in Australia are available due to the combination of clerical workers and managers at a crucial juncture in the series. Thus the hypothesis that a rise in the managerial proportion of the workforce characterising monopoly capital's relations of production cannot be tested.

One may conclude tentatively from this data that Australian industry has been dominated by large establishments since the turn of the century (see Table 7.1). It may additionally be concluded that the relations of production in Australia came increasingly to characterise the relations of monopoly capital from 1939-40. This is revealed by increases in capital investment from the thirties (see Table 7.3), a decline in the traditional petit-bourgeoisie, merger activity after the Second World War which peaks in 1954-5 and 1958-60, and the fact that capital raisings by listed companies more than doubles 1954-5 to 1959-60 while that of unlisted companies increases only by 30% (see Table 7.4). In other words, not only is industry "big" after the thirties, it is also characterised by the relations of production of monopoly capital.
Having established the dominance of monopoly capital over competitive capital as occurring at latest in the inter-war period, the shift in dominance to international capital must now be investigated. According to Poulantzas, this occurs gradually after the Second World War. Data on the extent of foreign control of Australian industry have only been collected since 1962. Table 7.5 below shows that the presence of foreign controlled industries using value-added/value of production as a base rose from 24.4% of the manufacturing sector in 1962-3 to 28.7% in 1966-7 to 34.3% in 1972-3. Similar results characterise the amount of employment accounted for by foreign controlled industries. In the publication in which these data appear, the ABS warns that the data are not directly comparable over the entire decade but show "a broad approximation of the levels of ownership and control that would have resulted if the 1972-3 basis and methods had been used" (1) for previous sets of data. Similar treatment of the employment data has not been undertaken and so this should be judged more cautiously.

(1) ABS, "Foreign Ownership and Control in Manufacturing Industry", 1972-3, p5.
Table 7.5. Extent of Foreign Control of Australian Manufacturing Industry

<table>
<thead>
<tr>
<th>year</th>
<th>foreign controlled industries as % of total: factories</th>
<th>employment</th>
<th>value of production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-3</td>
<td>2.9</td>
<td>17.7</td>
<td>24.4</td>
</tr>
<tr>
<td>1966-7</td>
<td>3.7</td>
<td>20.5</td>
<td>28.7</td>
</tr>
<tr>
<td>1972-3</td>
<td>-</td>
<td>28.5</td>
<td>34.3*</td>
</tr>
</tbody>
</table>

*data for 1972-3 refers to value-added which ABS treat as comparable with value of production.

Source: Adapted from CBCS, "Overseas Participation in Australian Manufacturing Industry" 1962-3 and 1966-7, Ref.No. 12.20; ABS, "Foreign Ownership and Control in Manufacturing Industry" 1972-3, Ref.No. 12.38

The Australian mining industry was marked by even higher levels of foreign control in 1974-5. In that year, 58.9% of value-added was accounted for by foreign controlled industries (1).

A final set of data, referring to the 200 largest enterprise groups, shows that foreign controlled industries at least share in dominance of the Australian formation by the seventies. Table 7.6 below shows the extent of foreign control and Australian control of the 200 largest enterprise groups in Australia. These enterprise groups account for 54% of turnover, 61% of capital expenditure, 51% of value-added in the whole manufacturing sector. Although foreign controlled industries only account for 34% of value-added for the whole manufacturing sector (see Table 7.5 above), they account for 45% of value-added in the top

(1) ABS, "Foreign Ownership and Control of the Mining Industry" 1973-4 and 1974-5, Ref.No.10.42.
200 enterprise groups. Although there are about 25 more top Australian controlled enterprise groups than overseas controlled ones, the foreign controlled enterprise groups account for almost half of the turnover, capital expenditure and value-added. In terms of economic preponderance it cannot be said which fraction of capital - domestic monopoly or international monopoly - is dominant at this point in time.

Table 7.6. Foreign Control of 200 Largest Enterprise Groups in Manufacturing Sector, 1972–3

<table>
<thead>
<tr>
<th></th>
<th>Foreign Control</th>
<th>Australian Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>87</td>
<td>113</td>
</tr>
<tr>
<td>% establishments</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>% turnover</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>% capital expenditure</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>% value-added</td>
<td>45</td>
<td>55</td>
</tr>
</tbody>
</table>

Note: Foreign controlled group includes 5 joint Australian and foreign controlled enterprises.

Source: Adapted from ABS "Foreign Control in Manufacturing Industry: Study of Large Enterprise Groups", 1972–3, p7, Ref. No. 12.35

Some further indicators of the rise to dominance of international capital may however be gathered by analysing the relations of production characteristic of international capital. It will be remembered from Sections 7.2 and 7.3 that the imperialist stage of capitalism is marked by seven empirical variables. These are the dominance of US investment in foreign investment, the movement of investment
from portfolio to direct and from extractive and services industries to the productive sector, a shift from the dependent formations to the European formations as the new target, a rise to prominence of the multinational corporation, a tendency for foreign investment to reproduce its relations of production in the industries invested in and a dramatic increase in international investment and trade.

These variables in effect identify the results of the international division of labour and concentration of capital. The world market is the market capitals seek to conquer and the role of individual countries becomes more homogenized in that world market. Monopoly capitalist relations of production are established in more and more countries. Now this set of variables can, and should be, viewed in two ways. Firstly it must be established that world trade as a whole is conforming to these changes because imperialist relations of production refer to international rather than national changes. Secondly it must be established whether the Australian formation is becoming integrated in that process as Poulantzas suggests is happening to the European formations. These two issues will be taken separately.

Poulantzas has gathered evidence suggesting that US investment has become the preponderant form of international investment since the Second World War.
(Poulantzas, CCC, p50-1). He (CCC, p50-2) details the increasing preponderance of direct over portfolio investments and of investment in manufacturing over investment in other sectors of the European economy.

Thus US investment is directed towards the productive sector and it does take the form of direct investments, i.e. it is characteristic of the relations of production marking the imperialist stage of capitalism.

Table 7.7 below shows the direction of US foreign investments by country since 1950.

Table 7.7. US Direct Investment Overseas 1950-70

<table>
<thead>
<tr>
<th></th>
<th>1950</th>
<th>1960</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>% directed towards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>30.5</td>
<td>34.2</td>
<td>29.2</td>
</tr>
<tr>
<td>Latin America</td>
<td>39.0</td>
<td>28.3</td>
<td>18.8</td>
</tr>
<tr>
<td>Europe</td>
<td>14.4</td>
<td>20.4</td>
<td>31.4</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>8.5</td>
<td>9.8</td>
<td>6.5</td>
</tr>
<tr>
<td>Oceania and the Rest of World</td>
<td>7.6</td>
<td>7.4</td>
<td>14.1</td>
</tr>
<tr>
<td>ALL ($USm)</td>
<td>11788</td>
<td>32788</td>
<td>78178</td>
</tr>
</tbody>
</table>


This table shows that in 1950, the excolonia formations (Latin America, Middle East and Africa) were the destination for 47% of US investment, this amounted to only 25% in 1970. Canada maintained her share of approximately 30% of overseas investment but the large increase went to Europe which received 31% in 1970 to become the most favoured investment recipient, as compared with 14% in 1950.
The last category, Oceania and the Rest of the World, which includes Australia, doubled its proportion of investment received. This table conclusively supports a shift in investment from the dependent ex-colonial formations to the European formations.

The international reproduction of capitalist relations of production is also reflected in the direction of trade. In the colonial days of competitive capitalism, trade was isolated on the whole to each capitalist power and its colonies; each colony exporting raw materials like beef and wool to its "mother country" who exported manufactured goods back to the colonies. Following the First World War and the breakdown of colonial empires, investment decisions abroad were based on the desire to exploit foreign domestic markets (this as will be seen below is the major reason for US investment in Australia during this period). Such a situation would be revealed by a tendency for foreign controlled firms to sell their products domestically and not export them elsewhere. Finally, however, in the stage of imperialism, investment decisions are based on the location of the cheapest raw materials and labour etc and the markets for these goods is increasingly viewed as the whole world. If this is so, one would expect foreign controlled firms to sell a lesser proportion of their products on the domestic market and a greater proportion either to the country where their head office is located or to other countries. Statistics on the direction of sales of overseas affiliates
of US companies are available since 1965, and are shown in Table 7.8 below. In 1964, of the sales of all overseas affiliates of United States based companies, i.e. those whose head office is located in the USA, 82% were sold on the domestic market (see "local" figures in Table 7.8 below). By 1976 this had dropped to 65%. Both sales to the USA and sales to other countries doubled over the period as a proportion of total sales. When individual countries and regions are analysed, the pattern is similar.

Table 7.8. Direction of Sales of Overseas Affiliates of US Companies as Percentage of Total Sales

<table>
<thead>
<tr>
<th>Country of Location</th>
<th>Year</th>
<th>Direction of Sales (Percentage of Total)</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Local</td>
<td>USA</td>
</tr>
<tr>
<td>Canada</td>
<td>1965</td>
<td>82</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>1976</td>
<td>77</td>
<td>17</td>
</tr>
<tr>
<td>Latin America</td>
<td>1965</td>
<td>93</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1976</td>
<td>70</td>
<td>11</td>
</tr>
<tr>
<td>Europe</td>
<td>1965</td>
<td>76</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1976</td>
<td>71</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1965</td>
<td>93</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1976</td>
<td>46</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>1965</td>
<td>82</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1976</td>
<td>65</td>
<td>7</td>
</tr>
</tbody>
</table>


For the European formations, which in 1976 accounted for 40% of sales of US affiliates, the pattern emerges of US controlled companies located in those countries selling their products not to the US but to other countries. Thus
the percentage of sales to the US increases only from 1% to 2% but the proportion sold elsewhere increases from 22% to 27%. The figures for the Other countries reflect to a large extent the exploitation and world wide sale of oil from the Middle East. The countries geographically closest to the States, those located in the Americas, increasingly sell finished products to the USA itself. This table displays the web of international relations of production. It shows both the enormous increase of overseas trade and the tendency for its direction to be multilateral, although controlled and dominated by the USA.

The US Department of Commerce documents this tremendous rise in U.S. assets abroad over the last two decades - from $54 billion to $167 billion. The largest single factor accounting for this dramatic increase was direct investments which are explained to a large extent by the foreign operations of multinational corporations ("Studies in US Foreign Investment", Vol. I, 1972, p14).

As an example of the dominant role of multinational corporations in overseas trade, in 1966 47% of American exports were accounted for by multinational corporations and in 1970 this had risen to 51% (1). According to the US Department of Commerce (2) multinational corporations accounted for over 80% of US foreign direct investments in 1970.

Multinational corporations, by definition, treat the world as a unity of resources regardless of national boundaries. It is obviously to the advantage of such corporations to break down trade barriers as much as possible, i.e. to reconstitute national boundaries as though they did not exist:

The international company has been the most important vehicle for developing a world system based on a more rational allocation of resources than has been the case in the past (US Department of Commerce, "Studies in US Foreign Investment, Vol. I", 1972, p16).

Although this statement is couched in the language of neo-classical economics, the study from which it is quoted draws together impressive evidence for the progressive internationalisation of capital between 1950 and 1970. In 1920 overseas investment by the USA amounted to $60 million (1). The book value of US assets abroad increased from $1509 million in 1920-4 (2) to $1.67 billion in 1970 (3). Total overseas investment increased 100 fold between 1950 and 1970.


(2) ibid, p33

From the data discussed above it may be concluded that Poulantzas' hypotheses concerning the internationalisation of the relations of production and the consequent domination of US capital are supported both by the enormous increases in and qualitative changes to foreign investment - from portfolio to direct, from extractive and services to manufacturing industries, from an unbalanced but patterned flow of raw materials to the developed formations and finished products to the colonies to multilateral flows of exports between almost all countries in the Western world.

Does this pattern apply also to Australia? Imperialism is a force which develops unevenly depending on the specific nature of the terrain it treads. Not all countries are bound into the chain in exactly the same way. Some, perhaps like the Middle East and New Zealand are still largely exporters of raw materials and importers of manufactured goods; others like Japan and until recently the Peoples' Republic of China, have displayed considerable resistance to US domination. Thus in 1976, sales by US affiliates located in Japan accounted for only 4% of US affiliates' total sales. Of these sales 94% were made on the local market compared with a world average of 65% (1).

Without doubt there are unique features describing Australia's role in the imperialist chain. Rather than exploring these in detail, the task here is to establish whether the Australian formation is dominated by US capital, whether it is characterised by international relations of reproduction. In 1947-8, the first period for which official statistics are available, the total inflow of overseas investment into Australia was $A74m. In 1964-5 this had risen to $A584m, and by 1974-5 to $A882m. In 1947-8 US investment as a percentage of all overseas direct investment was 18%, by 1974-5 US investment accounted for 39% of the total inflow (1). For instance in 1975-6 of the total inflow of overseas investment to companies in Australia of $A744m, $380m originated in the USA, $264m in the UK, and $80m in Japan (2). Thus overseas investment in Australia is increasingly dominated by investment from the States, which, as Poulantzas points out, is characteristic of the imperialist phase.

Of the total inflow of overseas investment in 1964-5, 46% was directed towards manufacturing industry, by 1974-5 this had risen to 53%. Compared with total private gross fixed capital expenditure in Australia, foreign investment


(2) ABS, "Overseas Investment", 1975-6, Ref.No.5.20.
is disproportionately oriented towards the productive sector. Thus in 1960-1, capital expenditure in the manufacturing sector represented 25% of all such expenditure, in 1965 it represented 26% and in 1972-3 (the latest year for which data are available) it had fallen to 16.5% (1). Thus overseas investment in manufacturing industry not only increases from 46% to 53% over this decade but also reflects a trend which is opposite to that for total capital expenditure in Australia.

These statistics do not provide a significant longitudinal comparison. Data collected by US statistical departments are more comprehensive, although, of course, they refer only to investment by the United States in Australia. US investment in Australia amounted to $US8.5m between 1898 and 1907 (Brash, 1966, p22). In 1950, direct investments in Australia amounted to $US201m, in 1960 the figure was $US856m (a 400% increase) and in 1968 it was $US2645m (a further 400% increase - 2). In other words in each of the decades since 1950, the total amounts of foreign investments from the USA have multiplied four-fold. Over the same periods gross fixed capital expenditure in Australia has increased by 140% and 138% showing that the inflow of US investment has increased at a faster rate than this indicator of the Australian economy's growth.

In 1969, Australia was the fourth ranked recipient of US investment, after the UK, Germany and Canada (all established capitalist formations).

Additionally, US investment has brought with it advanced capitalist relations of production. This is revealed both by the direction of investment towards advanced technological sectors, like plant and industry, metal manufacturing, electrical equipment, pharmaceuticals (Brash, 1966, p.24) and the fact that the average size of US controlled factories in terms of the number of hands employed is usually between 200% (pharmaceuticals, plant and machinery, motor accessories, paper and paper products) and 30% larger in size than the overall average for each ASIC industry classification (Brash, 1966, p.331).

In conclusion, the data presented in this section establish a number of hypotheses concerning the dominant fraction of capital in the Australian formation. The first set of data display quite lucidly the domination of the Australian economy by a few key enterprises. This is particularly revealed by Table 7.2 which shows that 3% of establishments in 1968-9 accounted for 30% of value-added and 36% of capital expenditure in the manufacturing sector. By the late sixties, then, and no doubt considerably earlier, Australia was dominated by monopoly capital both quantitatively and in terms of its characteristic relations of production. However, as Table 7.5 indicates, of the 200
largest enterprise groups in the manufacturing sector in 1972-3 foreign controlled and Australian controlled groups each accounted for about half of the turnover and capital expenditure of the 200 largest enterprise groups. This data does not unequivocally support the dominance of either domestic or monopoly capital in the Australian formation in the seventies. The data presented in the remainder of the section do reveal the massive increase of foreign and particularly US investment in world relations and the increasing characterisation of world capitalist relations as imperialist - i.e. as relations which lead to the reproduction of advanced capitalist relations of production in both the dependent (previously colonial) and formerly independent (e.g. the EEC countries) formations. The type, direction and effects of American investments support this contention. Thus Poulantzas' description of the relations of production characterising the imperialist phase of capitalism is borne out by the data presented here.

To the extent that data for Australia are available, it is also indicated that Australia too is increasingly characterised by international relations of production and thus the dominance of international capital. Thus US investment in Australia has increased dramatically since the last war and its direction and effects reflect those of investment in the European formations.
In conclusion, Table 7.6 demonstrates that foreign control is nearly co-equal with domestic capital in terms of dominance of the largest enterprise groups in Australia. Additionally, it has been shown that Australia appears to be increasingly characterised by the imperialist relations of production which mark the dominance of international capital. This is indicative evidence, at least, that Australia, too, is now dominated by international capital. However the explanation can only be tentative due to the lack of available data. It has been shown, however, as far as is possible, that Australia is increasingly drawn into the world's relations of imperialism which Poulantzas documents as characteristic of the hegemony of international capital.

This chapter has established the dominance of monopoly capital in Australia, possibly since the turn of the century, but more likely since the forties. This is evidenced by the large size of Australian industry (e.g. factories larger than 100 hands (only 3-4% of all factories) have employed at least 35.7% of the workforce since 1907 - see Table 7.1), the shift in the relations of production to the more intensive capital investment and thus exploitation of labour characteristic of the dominance of monopoly capital in the forties (see Table 7.3), and the fact that the 200 largest enterprise groups in Australia in 1972-3 accounted for over 50% of turnover and capital expenditure (see Table 7.5). Similarly, this chapter has suggested that
since the Second World War, Australia has been drawn into the international relations of production characteristic of the domination of international capital, i.e. growth in foreign investment in Australia (see Table 7.6), growth in US investment as a proportion of the total, and a tendency for overseas investment to be oriented towards world markets of raw materials and consumers (this is shown by the data on changing direction of exports of US owned subsidiaries in Table 7.8).

The next chapter investigates the interests of these various fractions of capital and whether they are met by Australia's tariff policy.
Chapter Eight

The Australian State and the Hegemonic Fraction of Capital

Manufacture was all the time sheltered by protective duties in the home market, by monopolies in the colonial market, and abroad as much as possible by differential duties (Marx and Engels, GI, p59).

Competition soon compelled every country that wished to retain its historical role to protect its manufactures by renewed customs regulations (the old duties were no longer any good against big industry) and soon after to introduce big industry under protective duties (Marx and Engels, GI, p61).

All science would be superfluous if the outward appearance and the essence of things directly coincided (Marx, Capital, Vol III, p817).
8.1. The Interests of the Hegemonic Fraction of Capital

In the last chapter it was suggested that if the hypothesis that tariff policy operates in the interests of the hegemonic fraction of capital is to be established, four sets of information must be gathered. These were:

1. The establishment of the hegemonic fraction of capital at different points in time. This was done in Section 7.4 above.

2. The establishment of the interests of these various fractions. This is done in this section.

3. The extent to which tariff policy meets the interests of the hegemonic fraction. This is pursued in Section 8.2 below.

4. Whether tariff policy is significant for meeting the interests of the hegemonic fraction. This is done in Section 8.3 below.

To begin with the second point, as noted in Section 6.4 above the economic interests of domestic monopoly capital are for high tariff barriers to protect them from overseas competition. A protectionist policy per se indicates that the interests of domestic capital are being met. The data presented below investigates which fraction of domestic capital is the prime beneficiary of assistance policy.
In the case of international capital, the situation is not as clear. There is some evidence to suggest that in the fifties and sixties international capital moved to Australia to take advantage of the high tariff barriers, i.e. to get "behind" the tariff walls (see Corden's (1963) data discussed in Chapter Two). Certain strongholds of international capital, e.g. the motor vehicle industry, continually resist the lowering of tariff rates and other barriers to trade (1). As McFarlane (1972, p.156) notes of Australia's protectionist policy:

The beneficiaries of this were American corporations in the period 1945-70 and, more recently, the Japanese cartels.

Secondly it will be remembered that the relations between the fractions of capital and the state are founded on an unstable equilibrium of compromise (Poulantzas, PPSC, p.192). In other words there are cross-cutting alliances between fractions of capital and often open hostilities within them. Certain compromises have to be made to the dominated classes. The summation of the state's policy should favour the hegemonic fraction but the twists and turns of administrative decisions may be contradictory from time to time.

Within the fraction of international capital, it is possible to hypothesize two groups. The first is located in Australia and has the same interests as domestic monopoly

(1) e.g. see IAC "Motor Vehicle Reports", 1974, 1975, 1976.
capital - to maintain high tariff barriers. The second
group is either presently located in Australia but seeking
relocation elsewhere (e.g. in the Pacific rim countries
where labour is cheaper) or is planning location in these
neighbouring regions. In other words, this group may not
have factories in Australia but will be represented by
Australian import houses and other groups deriving their
income from overseas trade. It is in the interests of this
group to reduce Australia's tariff rates. For those
multinationals located both in Australia and the Asian
region there would be a conflict of interests over the
desired assistance policy depending on their profits from
operations and plans for investment.

Poulantzas (CCC, p70-2) actually discusses the
theoretical distinction between two such groups which he
names the comprador and internal bourgeoisie and which he
distinguishes from the indigenous bourgeoisie. The
indigenous bourgeoisie occupies a relatively autonomous
place in the formation and is able to use ideological
notions of the "people" and the "nation" to gain state
intervention. The comprador bourgeoisie act as a simple
intermediary for foreign imperialist capital and is
subordinated to international capital. In the case of the
European formations, Poulantzas introduces a third group,
the internal bourgeoisie. The internal bourgeoisie

no longer possesses the structural characteristics
of a national bourgeoisie...(it is)...implicated
by multiple ties of dependence in the
international division of labour and in the
international concentration of capital under the domination of American capital, and this can go so far as to take the form of a transfer of part of the surplus-value it produces to the profit of the latter;...secondly...it is affected, as a result of the induced reproduction of the political and ideological conditions of this dependence, by dissolution effects on its political and ideological autonomy vis-a-vis American capital (Poulantzas,CCC,p72).

What would this fraction be but the multinational corporations whose origin of control is the USA? Such organizations accumulate capital both in the USA and abroad but under a logic determined by the international division of labour and centralisation of capital.

These three bourgeois fractions will have different interests in relation to tariff policy. The indigenous bourgeoisie operating under the relations of domestic monopoly capital seeks increased tariff rates. The comprador bourgeoisie operating as agents of international capital seeks reduced tariff rates (e.g. large importing firms operate in the interests of foreign capital). The foreign-based internal bourgeoisie, on the other hand, has a contradictory attitude to tariff rates. On the one hand it will seek increased barriers to the extent that its investment decisions suggest Australia is a suitable target for location. On the other hand it will seek reduced tariff barriers to the extent that other formations are considered suitable targets for investment and Australia a suitable market. The data in Section 7.4 point to the increased internationalisation of USA's capitalist relations since the
fifties.

One possible way of assessing the preponderance of the comprador or foreign-based internal bourgeoisie in the Australian formation is to compare the significance of Australia as a target for overseas investment with investment in all formations. In 1950 Australia accounted for 1.7% of US direct investment overseas, in 1960 she was the recipient of 2.6% and in 1968 of 4.1% of US direct investment (1).

Given that US investment has increased absolutely and relatively over the period it seems unlikely that international capital would seek a reduction in tariff rates. However if Australia is becoming a conveyor belt for imports and exports by multinational corporations, these representatives of international capital will seek a reduction of tariff barriers to facilitate a better flow of raw materials and finished goods. If international corporations are seeking relocation in the Pacific rim area to take advantage of lower wages paid in these countries, Australia provides a ready and substantial market for these businesses. Secondly if the international trade of overseas corporations is increasing, the "multinationals" will be in favour of a world-wide reduction in tariff barriers. This, as Poulantzas (CCC,Part 1) points out, is what the

internationalisation of the relations of production is about: the search for the cheapest labour, the cheapest raw materials, the best tax incentives, the most lucrative markets irrespective of national boundaries. Data in relation to both these hypotheses will be examined.

Table 8.1 below shows that between 1960 and 1975, US investment in the Pacific rim countries increases substantially both in gross amounts and as a percentage of total overseas investment by the US. From 1970, Australia's share of American investment remains static while the share going to the near Asian countries increases steadily. This suggests that from 1970, in relation to the region surrounding Australia, the Australian formation becomes a less important target for investment compared with other areas. This lends support to the Pacific rim thesis concerning the directions and rationale of US investment.

Table 8.1. US Investment in the Pacific Region, 1960-75

<table>
<thead>
<tr>
<th>Year</th>
<th>ALL ($USm)</th>
<th>Australia, N.Z., South Africa (% of total)</th>
<th>Far East and Pacific (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>31865</td>
<td>3.8</td>
<td>3.1</td>
</tr>
<tr>
<td>1965</td>
<td>49474</td>
<td>4.7</td>
<td>2.8</td>
</tr>
<tr>
<td>1970</td>
<td>78178</td>
<td>5.6</td>
<td>3.2</td>
</tr>
<tr>
<td>1975</td>
<td>124212</td>
<td>5.6</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Note: No further breakdown of data available

Source: Derived from "Statistical Abstract of the United States", 1960...1975
Table 8.1 then, suggests that the Far East and Pacific regions are becoming a more significant destination for US investment in relation to Australia. This evidence tends to suggest that these regions too are sharing in the internationalisation of the relations of production and are also coming under the hegemony of US capital. If the purpose of investment in these regions is to produce manufactured goods and export them to Australia then the interests of this fraction of capital would be for reduced Australian tariff walls. If US capital is considering the Pacific rim countries a more valuable target for the reproduction of capital and Australia is considered a less viable target then the interests of international capital as a whole in relation to Australia will shift from high tariff barriers to low tariff barriers.

Ideally, data supporting this hypothesis would demonstrate that international investment in these Asian countries was indeed to produce manufactured goods and that such goods were being exported to Australia, or would be if tariff walls were lower. Conversely international capital located in Australia would not be increasing its investments there and would be considering relocation in the Pacific rim countries. There is no coherent series of data demonstrating this although some indicative evidence for it is given in Section 8.3 below. However, if it can be shown that Australia's pattern of export and import composition in relation to the Asian countries has changed, in line with
the hypothesis presented here, this is indicative evidence that the comprador bourgeoisie in Australia are growing in size and seeking a reduction in tariff rates to allow importation of manufactured goods from other countries. In other words, if the importation of manufactured goods from these countries has increased and the export of finished goods to them decreased as a proportion of total imports and exports, it may be tentatively concluded that there is a shift in the interests of international capital from Australia to Asia. The only reason that such a conclusion may not be reached positively is due to the possibility that the origin of the increased export of manufactured goods may be indigenous companies or Australian companies located overseas. Given that US investment in these areas has increased substantially (see Table 8.1 above) and that the nature of US investment has been shown to be directed towards the manufacturing sector, there is a strong likelihood that this increase in US investment has led to the increase of export of manufactured goods to Australia shown in Table 8.2 below.
Table 8.2. Australian Exports to and Imports from Asia by Commodity Classification

<table>
<thead>
<tr>
<th>Commodity Classification</th>
<th>Exports 1970-1</th>
<th>Exports 1975-6</th>
<th>Imports 1970-1</th>
<th>Imports 1975-6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Food and live animals</td>
<td>40</td>
<td>43</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Crude materials and fuel</td>
<td>5</td>
<td>10</td>
<td>67</td>
<td>64</td>
</tr>
<tr>
<td>Chemicals</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Manufactured goods</td>
<td>16</td>
<td>14</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Machinery and transport equip.</td>
<td>26</td>
<td>19</td>
<td>.5</td>
<td>4</td>
</tr>
<tr>
<td>Misc. manufacturing</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Total to/from Asia ($Am)</td>
<td>310</td>
<td>502</td>
<td>78</td>
<td>276</td>
</tr>
<tr>
<td>All Australian exports/imports</td>
<td>4242</td>
<td>9360</td>
<td>4098</td>
<td>8158</td>
</tr>
</tbody>
</table>

Note: Percentages do not sum to 100 due to exclusion of minor categories and "not classified". Asia = Papua-New Guinea, Singapore, Malaysia. These are only Asian countries for which such data are available.

Source: Adapted from CBCS, "Australian Imports", 1970-1
CBCS, "Australian Exports", 1970-1
ABS, "Australian Imports", 1975-6
ABS, "Australian Exports", 1975-6

From Table 8.2 it can be seen that Australia's exports of all raw materials to Asia has increased over the period - food from 40% to 43%, raw materials for manufacture and chemicals from 5% to 10% and 4 to 5% respectively. On the other hand the export of manufactured goods has decreased from 16% to 14%, of machinery and transport equipment from 26% to 19%, while miscellaneous manufacturing has remained stationary. These trends are consistent with those for all Australian exports over the same period - raw materials categories have increased from 76% to 81% of the total while the manufactured goods categories have dropped from 22% to 17% of the total (Source: As for Table 8.2). The drop in
manufactured goods exported to Asia overall was 9% (sum of last three categories shown in table) while that for all exports was only 5%. The data on Australia's imports from Asia demonstrate the reverse trend. The importation of raw materials has fallen (except for chemicals) while the importation of manufactured goods has risen - by 1% for manufactures, 3.5% for machinery and transport equipment and 3% for miscellaneous manufacturing. These trends are in the opposite direction for all Australian imports: the percentage of the total attributable to manufactures has dropped by 2%, that attributable to machinery and transport equipment has fallen by 3% although the amount attributable to miscellaneous manufactures has risen by 2% (Source: as for Table 8.2)

Although the data register only small changes, it should be remembered that they cover only a five year period and that each percentage increase registers an absolute increase - as shown by the total figures in the table. It should also be noted that imports from Asia have grown at a faster rate than imports from the whole world while exports to Asia have not kept pace with the growth of exports to the whole world. This is further evidence that the Asian countries are redressing the normal imbalance of trade between developed and less developed formations.
Despite the cautions noted above, Tables 8.1 and 8.2 together do suggest an explanation of the growth in US investment in Asia concurrent with a shift in import and export patterns to Australia based on the relocation of American multinationals in these countries. If this is so, it is likely that the comprador bourgeoisie in Australia, representing the interests of international capital located overseas, has grown over the period.

It may seem that this analysis which suggests a shift in investment from Australia, a developed formation, to the undeveloped Asian countries contradicts Poulantzas' hypotheses concerning the relocation of capital in advanced imperialist metropolises. To show that this is not the case, the findings of the empirical analysis will be recapitulated briefly below to schematize the various places that formations may have in the imperialist chain.

A chain implies a number of links. In the colonial days before the World Wars this was a reasonable analogy to use to describe the shape of international relations. Each imperialist power had her chain of colonies which she dominated and exploited for mineral resources and cheap land. Trade flowed up and down the chain of colonies and to a much lesser extent between the imperialist groupings. The true internationalisation of the relations of production treats not 20% or 25% but the whole of the world as the economy. Instead of a chain, the international relations of
production would be better likened to a web, with the USA at the centre. Trade is no longer oriented to and from the imperialist powers and their colonies but also between imperialist metropolises and the dependent formations.

Focussing on the changes this brings to the South-East Asian region, in colonial times Malaya exported rubber to England, Australia wool and wheat and Singapore became an international shipping port. True internationalisation of the relations of production however sees the dependent formations as possible bases for manufacturing goods - in the first place to sell on the domestic market and later to export to other markets. The data presented in the previous section suggest that in the fifties and sixties, Australia was the best target for such investment decisions in the South-East region. The post-war period saw a rapid influx of cheaper immigrant labour, Australia was the most developed nation in the region, she had a reasonably established infrastructure (see for instance Bolton,1969). She had a stable government. This to multinationals means a conservative government which reproduces expectations of political and ideological subordination in the workforce and respects the privileges of private capital (see Chapter Six for an analysis of the role of the capitalist state).

However, labour power has always been cheaper in the Asian countries than in Australia. If this labour power becomes appropriate to the needs of capital - i.e.
reasonably educated and susceptible to the discipline factory production requires - it is likely that international capital will increasingly seek to exploit it. Proof of this is beyond the scope of this thesis, but the tendency for international capital to seek relocation in the Pacific rim as opposed to Australia is widely endorsed by Australian commentators (e.g. McFarlane, 1972, p63; Evans, 1972, p175; Connell, n.d., (c)) and supported by the data shown in Table 8.2 above.

The European formations are in a different relationship with the US metropolis in comparison with Australia's relationship. They have large markets, advanced technology, access to international (cheap) labour from their less advanced neighbours. Their new role in imperialist relations is a role of reproduction of capitalist relations of domination - i.e. they in turn export capital and dominate dependent formations. Possibly Australia may have had this role in the Pacific region if certain factors had been different but this seems unlikely historically. She was for too long a colony in the British empire which accented in her development the primary sector - raw materials and the fruits of the soil. She is much more like another dependent formation than a capitalist metropolis, although obviously shares some characteristics of each.
Thus, it seems, the choice for multinational companies was made between Australia and the near Asian countries. From the late sixties the latter became a more profitable source of international investment as Table 8.1 suggests. This investment is not oriented towards the extractive industries but towards manufacturing industries as the data in Table 8.2 indicate. The fact that the results of such investment are then directed towards Australia is revealed by the origin of foreign made goods which enter Australia when tariff barriers are reduced. German (e.g. Adidas) squash shoes come from Taiwan, Australian published books come from Singapore, American electrical goods come from various Asian countries.

The thrust of this section then is that after the Second World War domestic monopoly capital became dominant in Australia. By the seventies the mode of intervention of foreign capital in Australia had shifted from one which suggests interests similar to that of domestic capital (e.g. high tariff walls because of location inside them) to one which shows opposite interests. The strengthening and multiplying of the web of international relations in which Australia becomes more important as a market than a manufacturing centre commends to international capital the desirability of low tariffs. The next section explores how these mechanisms have worked in the late sixties and seventies.
8.2. Tariff Policy and the Interests of Productive Capital

Having established the hegemonic fractions in the various periods of Australia's history and suggested their interests in relation to tariff policy, it must now be decided whether tariff policy is an appropriate site for the study of state policy in relation to the interests of the various fractions of productive capital.

Rather than attempt to analyse the total activities of all state institutions and their net effect on economic rewards to this or that fraction of capital, it will be shown below that in relation to the manufacturing sector, the prime determinant of economic assistance is the level of tariffs. This means that the set of institutions involved with tariff level determination may be considered to be largely representative of the state as a whole in the interaction between productive capital and the state's assistance to it. The data presented in this section establishes the validity of this suggestion. Section 8.3 deals with the question "Qui bono?" or which fraction of capital benefits from Australia's assistance policy. Section 8.4 deals with the specific role of the TBIAC and its economists in this process and investigates what the notions of "presence" of the new petit-bourgeoisie and the institutional specificity of the state mean in this context.
Table 8.3 below demonstrates that tariff assistance is by far the single most important form of assistance in the Australian economy. This is particularly so for the manufacturing sector (1). Additionally the manufacturing sector is overassisted in relation to its contribution towards GNP and employment.

Table 8.3. Allocation of Government Assistance by Sector, 1974-5

<table>
<thead>
<tr>
<th>Sector</th>
<th>Rural</th>
<th>Mining</th>
<th>Manufacture</th>
<th>Tertiary</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-tariff</td>
<td>36</td>
<td>(531)</td>
<td>13 (186)</td>
<td>17 (250)</td>
<td>35</td>
</tr>
<tr>
<td>Tariff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>(531)</td>
<td>5 (186)</td>
<td>67 (2500)</td>
<td>14</td>
</tr>
</tbody>
</table>

Sector's share of GNP

- Rural: 8%
- Mining: 4%
- Manufacture: 25%
- Tertiary: 65%
- All: 100%

Sector's share of employment

- Rural: 16%
- Mining: 2%
- Manufacture: 27%
- Tertiary: 55%
- All: 100%

Note: Figures are row percentages; figures in brackets are totals in $Am.

Percentages do not sum to 100% due to rounding.

Source: Adapted from IAC, AR, 1975-6, p54-5, p106-15; IAC, AR, 1973-4, p66-7

(1) This importance has increased over the years. Giblin (1931, p129) estimated that in 1926-7 tariff assistance formed only 50% of total assistance and of this about one third was accorded the primary sector.
For the manufacturing sector 90% of their assistance is derived from tariff rates. Thus industries in the manufacturing sector or in Poulantzas' terms productive capital, see assistance as their major form of aid, or the crucial means of meeting their economic interests in relation to government aid. For primary industries other forms of assistance are more significant.

Thus within the mining sector the petroleum industry has received most of the assistance, the bulk of the remainder being in the form of income tax deduction schemes. Within the tertiary sector up until 1974-5 the bulk went to insurance ($360m in 1974-5), e.g. via personal income tax concessions for expenditure on insurance policies, but since then has gone to air navigation ($79m), insurance corporations ($48m) and the arts ($24m). Within the rural sector, $159m went to the fertiliser bounty, postal concessions and water resources conservation in order of importance. The product allocation for 1972-3 favoured dairying and cereal grains (IAC,AR,1973-4,P47-50).

From this data it can be seen that the classes located in the primary sector do not treat with the TBIAC as a power centre but do have a powerful presence elsewhere in the institutions of the state. Those class fractions located in the secondary sector will on the whole have their economic interests met to the extent that they can determine Australia's assistance policy. For this reason assistance
policy may be assumed to stand for economic policy in relation to these fractions, which are concentrated upon in the succeeding analysis.

8.3. The Economic Effects of Assistance Policy

The available data refers to industries not fractions of capital. To discuss Poulantzas' theses, these industry statistics must be reformulated to represent fractions of capital. As discussed in Section 7.2 above, Poulantzas considers three major fractions of capital - domestic monopoly, international monopoly and domestic competitive capital. In that section, also, an empirical representation of each fraction was formulated. These indicators will be used here, although only one indicator for each fraction of capital will be chosen.

The empirical measures chosen to operationalise the three major fractions of capital in the secondary sector are outlined below. To operationalise the existence of international monopoly capital a measure of foreign control is used. Two common measures are available - foreign control as a percentage of industry turnover and foreign control as a percentage of capital expenditure for the industry. Although the latter variable gives a higher correlation with levels of assistance, the former has been chosen as the more commonly used indicator of the extent of foreign control in an industry.
The existence of monopoly capital will be indicated by the extent of concentration in the industry. Concentration is an extremely difficult concept to operationalise - the choice of definition being almost arbitrary. Two usable sets of data are available: the percentage of turnover accounted for by the four largest firms and the percentage of turnover accounted for by the 20 largest enterprise groups. The latter measure has been chosen because enterprise groups is without doubt a better measure of monopoly capital in the sense that Poulantzas intends it, i.e. it does not relate as much to specific establishments as to the extent to which various factors of production are collected under the central directing instance of one capital. Non-monopoly capital will be indicated by low percentage of turnover accounted for by the 20 largest enterprise groups. If the interests of this fraction are being met it will be revealed in the correlation matrix by a negative correlation between assistance and concentration.

A pluralist account of power would suggest that various interest groups come to the TBIAC and bargain with it for rewards, i.e. for grants of assistance and tariff levels. In other words, this analysis of the role of the state would suggest that representatives of the bourgeoisie, the working class and the new petit-bourgeoisie are all likely to have their interests met at one time or another by the state, through pressure groups and bargaining. Although it was forcefully suggested above that only the dominant classes in
the formation have their economic interests met (and not the working class or the new petit-bourgeoisie) by the state (see Chapter Six), the alternative hypothesis should be considered briefly.

Unfortunately the power of the working class in relation to the TBIAC cannot be tested. Average wages may be postulated as an indicator of working class power but in fact reflect the presence of petit-bourgeois groupings within the industry (see the high correlation between average wage and tertiary qualifications in Table 8.4 below). As pointed out in Chapter Six, the TBIAC by its very functioning cannot operate in the political interests of the working class, who may only enter the assistance arena as supporters of various representatives of the bourgeoisie. The power of the new petit-bourgeoisie is tested by analysing the relationship between tertiary qualifications (a rough indicator of the presence of this class) and assistance levels.

The second hypothesis detailed in Section 7.1 suggests that the TBIAC economists have autonomy only to the extent that they may form an alliance with the hegemonic fraction. An alternative possibility, the hypothesis that TBIAC economists have an independent effect on assistance levels (the hypothesis which would be endorsed by pluralist theories of society), may be tested here. The TBIAC in its Annual Reports considers the employment, value-added and
profitability of an industry to be significant variables when considering the assistance it should be afforded, i.e. they state that assistance levels should be based on these (as well as less quantifiable factors). The first two variables indicate the extent of potential dislocation of resources following a reduction in tariff rates. Profitability, ideally, forms a u-shaped curve in its relationship with assistance according to the TBIAC economists. Unprofitable industries are frowned upon as being inefficient while industries making high profits are suspected of doing so because of excessive protection. If there is a relationship between assistance levels and employment and value-added, this indicates that the TBIAC economists have an independent input into the determination of assistance levels. Such correlations should survive a partialling out of the effects of concentration and foreign control.

Initially it will be proposed that the power of a class is measured by the amount of assistance it receives.

It will be suggested that up until the late sixties this hypothesis also applies to international capital. In other words, from the data presented in Section 8.1 above, it will be suggested that the foreign-based internal bourgeoisie, located in Australia and thus favouring high assistance, is dominant over the comprador bourgeoisie located outside Australia and requesting reduced tariff
barriers.

Three measures of assistance are available—the nominal rate of protection, the effective rate of protection and the net subsidy equivalent. The last measure is influenced by the size of the industry and so will be discarded. The nominal rate of protection measures the official tariff rates on products in the industry. The effective rate measures the actual protection that the industry receives on its own production process, net of protection on inputs to the industry. In a sense it is the deep structural variable (as opposed to the visible nominal rate) and so the most accurate measure.

From Table 4.4 it can be seen that the effective rate of protection is highly correlated only with concentration and foreign control at levels of .46 and .38, respectively. This suggests that the TRAC's chosen variables of significance (employment, profitability, value-added) do not have an effect on the effective rate of protection and the TRAC economists are not an autonomous force in the arena of tariff policy. Similarly, neither average wage nor tertiary qualifications of the labour force in each ASIR classification is correlated with the effective rate of protection to any great extent. It will be remembered that
Table 8.4. Correlation Matrix: Class Power and Assistance Levels = 1969-70, N = 40

<table>
<thead>
<tr>
<th></th>
<th>ER</th>
<th>CONC</th>
<th>FC</th>
<th>TQ</th>
<th>AW</th>
<th>EMP</th>
<th>VA</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER</td>
<td>1</td>
<td>.48</td>
<td>.38</td>
<td>.12</td>
<td>.13</td>
<td>.16</td>
<td>.06</td>
<td>.01</td>
</tr>
<tr>
<td>CONC</td>
<td>1</td>
<td>.47</td>
<td></td>
<td>.64</td>
<td>.59</td>
<td>.02</td>
<td>.25</td>
<td>.37</td>
</tr>
<tr>
<td>FC</td>
<td>1</td>
<td></td>
<td>.64</td>
<td>.59</td>
<td>.02</td>
<td>.25</td>
<td>.37</td>
<td></td>
</tr>
<tr>
<td>TQ</td>
<td>1</td>
<td></td>
<td></td>
<td>.75</td>
<td>.21</td>
<td>.06</td>
<td>.38</td>
<td></td>
</tr>
<tr>
<td>AW</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>.17</td>
<td>.14</td>
<td>.38</td>
<td></td>
</tr>
<tr>
<td>EMP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.91</td>
<td>.11</td>
</tr>
<tr>
<td>VA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.20</td>
</tr>
<tr>
<td>P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Code:**
- **ER** = effective rate of assistance
- **CONC** = concentration
- **FC** = foreign control
- **TQ** = tertiary qualifications
- **AW** = average wage
- **EMP** = employment
- **VA** = value-added
- **P** = profitability

**Note:** Although the total number of ASIC classes dealt with here are 40, for each correlation co-efficient, N drops by up to 5 (in the case of profitability and foreign control) due to the absence of data for specific industry groups.

**Source:** IAC, AR, 1973-4, p60-9, p76-84, p90-100; AR, 1974-5, p50-73; ABS, "Foreign Control in Manufacturing Industry", Study of Large Enterprise Groups, 1972-3, Ref.No.12.35

From Table 8.4 it can be seen that the effective rate of protection is highly correlated only with concentration and foreign control at levels of .48 and .38 respectively. This suggests that the TBIAC's own chosen variables of significance (employment, profitability, value-added) do not have an effect on the effective rate of protection and the TBIAC economists are not an autonomous force in the arena of tariff policy. Similarly, neither average wage nor tertiary qualifications of the labour-force in each ASIC classification is correlated with the effective rate of protection to any great extent. It will be remembered that
average wage and tertiary qualifications were used to operationalize the new petit-bourgeoisie. The low correlation co-efficient between tertiary qualifications, average wage and effective rate of protection suggests that the presence of the new petit-bourgeoisie in various industries does not effect increased assistance to those industries.

Foreign control and concentration are highly correlated with the effective rate of protection. However these variables are also related to each other. When the partial correlation co-efficients are determined it can be seen that the relationship between effective rate and foreign control is a result of the relationship between foreign control and concentration. The partial correlation co-efficient between foreign control and the effective rate of protection controlling for concentration is .20 compared with the zero-order co-efficient of .38. The partial correlation co-efficient between concentration and effective rate controlling for foreign control is .37 compared with the zero-order co-efficient of .48. Although the partial correlation co-efficients are in both cases lower, the co-efficient for foreign control falls by a greater amount - .18 compared with .09. The partial correlation co-efficient between concentration and effective rate still remains quite substantial at .37. These results suggest that in the sixties big industries (monopoly capital), whether domestically or foreign controlled, were the beneficiaries
of Australia's assistance policy.

Up until the late sixties it could be hypothesized that Australia's assistance policy was still reasonably protectionist. Between 1969-70 and 1973 the general tariff level dropped by 9% (1). In 1973, also, the across-the-board tariff cut masterminded by IAC Chairman Rattigan and Whitlam reduced all tariff levels by 25%. This as well as the data on industry reports discussed below shows that tariff levels were gradually reduced from the late sixties.

Generally then, after 1973, assistance levels decreased. However in terms of the economic interests of the three possible hegemonic fractions of capital, a general trend may have occurred while their specific economic interests were still being met. Thus, for instance, domestic monopoly capital may still have been favoured by high assistance levels even though assistance rates in general fell. Alternatively, those sections of the foreign-based internal bourgeoisie still requesting high levels of assistance may have been generally favoured while the general trend was for a reduction. Finally, assistance levels may have fallen irrespective of the fraction of capital represented by industries. The comprador bourgeoisie would be the beneficiaries of this. Each of

(1) IAC, "Assistance to Manufacturing Industries in Australia 1968-9 to 1973-4", 1976, p60
these possibilities is analysed below.

For comparison between two time periods, one would ideally require two sets of comparable data. Ideally one would compare the results of Table 8.4 above with a similar set of data for a later time period – e.g. 1977. Unfortunately, such a set of data is not available, and may in any case be inappropriate.

Let me explain in what way the data may be inappropriate. The data used to derive Table 8.4 represent a kind of sedimentary deposit of tariff policy in Australia. These data show which industries benefited from tariff rates in 1969-70, whenever those tariff rates were set. The tariff rates set in the fifties, and not subsequently reviewed, would be represented in these data. The IAC cannot, of course, review every tariff rate every year. On the whole the IAC feels that the major tariff rates should be reviewed at least every ten years and this provision is written into the IAC Act. The sedimentary deposit of tariff rates, then, may not change very much between 1969-70 and 1977 due to the overwhelming influence of past tariff rates on the total structure. However, despite this lack of overall change, there may be a quite substantial change in the trend of assistance levels over the period. The data presented below investigate this change. As will be seen, these data are better suited to analysing the economic interests of international capital.
The set of data used for this second analysis reports on changes in levels of assistance between 1973 and 1977. It is different from the previous set of data on a number of counts. The previous set of data dealt with the average level of effective rate of protection expressed as a percentage tariff rate for each ASIC class, or industry class division. The data analysed here deal with the nominal rate of protection for the 48 industry reports signed by the IAC between 1973 and 1977 which dealt with tariff levels. 1973 was chosen as the starting point because it marked the beginning of a formal governmental policy to reduce assistance rates. Unfortunately the nominal rate rather than the effective rate of protection has to be used to represent the measure of assistance due to the unavailability of effective rate data for these industries. Instead of data on industry classes, the data presented below are by the products or industries reported on. For each report signed by the IAC and reviewed by the government in this period, a number of figures are available. The reason for using these variables was described in Section 6.4 above. The following diagram displays these variables.

Figure 8.1. Assistance Rates for Industry Reports

<table>
<thead>
<tr>
<th>recommended</th>
<th>government</th>
<th>previous</th>
<th>requested</th>
<th>rate</th>
<th>decision</th>
<th>rate</th>
<th>rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistance</td>
<td>LO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>HI</td>
</tr>
<tr>
<td>T2</td>
<td>T2*</td>
<td>T1</td>
<td>Fk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
T1 represents the tariff rate accorded the industry or product prior to the submission of the IAC report. T2 represents the rate recommended by the IAC in its report. This measure will not be used here but is pertinent to the analysis undertaken in the next section on the effects of the IAC in the assistance arena. Fk represents the force exercised by capital or the average requested rate of assistance made by the manufacturers in the industry. T2* represents the governmental decision concerning the tariff rate that should apply to that industry. The distance between T1 and T2* (assistance loss) reveals the industry's loss in assistance as a result of the report and the government's decision and will be called "assistance loss". The distance between Fk and T2* (request shortfall) represents the shortfall between the industry's requests and the government's decision. It will be assumed here that request shortfall is a measure of industry power: when the distance is small, industries have power in the assistance arena; when the distance is large they do not have economic power.

Of course a number of criticisms may be levelled at such an assumption. In Section 6.4 it was suggested that the power of a class is represented by the distance between its objective interests and the actual resulting situation. Similarly its loss in power between two periods is measured by the different resulting situations from the first to the second period. Finally its underlying power situation is
also revealed by the actual place on the power line where a result between the opposing classes is achieved. Thus the fact that capital makes a profit at all reveals that the working class are relatively powerless - that they have their surplus appropriated. There are, then, three slightly different measures of power that may be deduced from the above diagram. The request shortfall shows the difference between objective interests and the resulting situation if, and only if, the industry's requests may be likened to its "objective interests". One can also deduce the loss in power - "assistance loss" - and the resulting new place or spot on the power line - the government decision. All these measures will be considered and compared in this analysis.

However, before proceeding, a word of caution should be said about equating objective interests and industry requests. Poulantzas' own warning (discussed in Chapter Four) that the class bearers may not know their own interests means that the fractions of capital may not know what their economic interests are. Let us assume for the moment that they do, otherwise empirical enquiry cannot proceed. Even knowing their interests, the parties may overstate their claim. This is accepted as good tactical bargaining practice (e.g. Douglas, 1957; Dubin, 1957, 1960; Schelling, 1960; Walton and McKersie, 1966; any Arbitration dispute in Australia). This does not create a problem unless some industries are likely to overstate their claims more than others do. Without any evidence to the contrary
it will be assumed that industries are equally competent in bargaining, and that their claims reflect their true interests plus an unknown but equal amount in each case.

From this it should be possible to conclude that the request shortfall registers the industry's power or rather lack of it. This is not necessarily the case for two reasons. Firstly a powerless industry may not request large amounts of assistance knowing the futility of this. Its request shortfall would be low as a result of its powerlessness not power. For this reason the new level of assistance must also be used to analyse an industry's power. If both the level of assistance and the request shortfall are low, this may be due to the presence of a powerless group. Not all industries benefit equally from the same numerical amount of assistance. A more profitable industry needs less assistance to gain the same benefits from assistance levels. For this reason, the data presented in the tables below categorize industries according to their profitability.

Finally this set of data is, for a further reason, not comparable with the previous set because only indices rather than actual measures of profitability, concentration and foreign control are available. The foreign control, for example, of an industry can only be assessed as high, moderate or low. These assessments are based on either the classification made in the industry report itself or
otherwise on the basis of the following criteria. A high foreign controlled industry is 75% or more overseas controlled, an Australian controlled industry is 75% or more Australian controlled, the remainder are moderately foreign controlled. An industry with a large number of small manufacturers was classified as low in concentration, an industry dominated by one to five companies (depending on the number of companies in the industry) was classified as high in concentration. The remainder of industries which consisted of a smallish number of companies (less than 10) with no information on the preponderance of any of them over the rest were not classified. An industry earning less than 10% profits as a ratio of operating profits to funds employed was classified as low in profitability, 10 to 15% as moderate and greater than 17% as highly profitable (1).

The first scenario suggests that although assistance levels in general fall in the seventies as discussed above, monopoly capital maintains a privileged position - its assistance is not reduced. The correlation co-efficient between concentration and the nominal rate of protection for this set of data from industry reports is only .02 (almost nothing). The correlation co-efficient between the nominal rate of protection and concentration for all industries in 1969-70 is .56 which is quite substantial. Table 8.5 below

(1) The manufacturing industry average in 1970-1 to 1974-5 was 12.1% - IAC, "Annual Report", 1975-6, p64.
explores this relationship using the further variables of power discussed above.

Table 8.5. Concentration and Measures of Power, 1973-77

<table>
<thead>
<tr>
<th>profit conc</th>
<th>N</th>
<th>new level</th>
<th>assistance loss</th>
<th>request shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>hi hi</td>
<td>6</td>
<td>17.8</td>
<td>12.7</td>
<td>13.4</td>
</tr>
<tr>
<td>hi mod</td>
<td>0</td>
<td>26.3</td>
<td>8.7</td>
<td>17.0</td>
</tr>
<tr>
<td>hi lo</td>
<td>3</td>
<td>31.5</td>
<td>2.4</td>
<td>7.1</td>
</tr>
<tr>
<td>mod hi</td>
<td>8</td>
<td>34.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>mod mod</td>
<td>0</td>
<td>30.0</td>
<td>3.0</td>
<td>9.5</td>
</tr>
<tr>
<td>lo hi</td>
<td>4</td>
<td>19.0</td>
<td>1.0</td>
<td>39.0</td>
</tr>
<tr>
<td>lo mod</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>lo lo</td>
<td>18</td>
<td>27</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>lo hi</td>
<td>7</td>
<td>24</td>
<td>4</td>
<td>18</td>
</tr>
</tbody>
</table>

Notes: N does not sum to 48 due to lack of profitability and concentration data for all industries. Categories represent groups of industries classified by the profitability (profit) and concentration (conc) indices.

From Table 8.5 it may be seen that the highly concentrated, highly profitable industries of which there were 6, lost an average of 12.7% in their tariff rate as a result of the IAC's reports. This represented an average 13.4% less than they requested at the hearing. Thus the old tariff rate on goods produced by the industry was 30.5% (not shown in table), the new 17.8% and their requests were to increase the tariff rate to 31.2% (not shown in table).
From this table it can be seen that all the concentrated industries had a slightly higher new level of assistance than the unconcentrated industries – 27 as compared with 24. This was the result of a greater loss of assistance – 7 compared with 4. However this was also marked by a much lower request shortfall. It is really only this last column that is significantly different between the two groups.

Turning now to the data presented in this table which control for profitability, each couplet of data will be discussed separately. The two sets of data referring to profitable industries show that the highly concentrated industries received a new level of assistance of 17.8 which was lower than that of the unconcentrated industries (26.3). Their assistance loss was greater – 12.7 compared with 8.7 – but their request shortfall was smaller (due to their smaller requests rather than the granting of higher assistance levels). A similar result pertains to the second set of data, for the moderately profitable industries. Here the concentrated industries lost 2.4 compared with nothing for the one unconcentrated industry. Their new tariff rate was lower at 31.5 (compared with 34) and their request shortfall was 7.1, compared with nothing. In the case of these two sets of data the unconcentrated industries may be said to be more powerful than the concentrated industries.
However, the final couplet of rows presents a slightly different picture. In this case the unconcentrated industries have a lower final rate of assistance - 19 compared with 30, a greater shortfall in tariff requests - 39 compared with 9.5, although their loss in assistance as a result of the report was only 1, compared with 3 for the concentrated group (hardly a great amount). In this group, at least, it may be suggested that the concentrated industries are the more powerful.

From this table, then, it may seem that no clear picture emerges. Concentrated industries, representing monopoly capital, are certainly not unequivocally receiving benefits from the changes in tariff rates introduced between 1973 and 1977. In fact the group to suffer the greatest losses as a result of new tariff rates is the highly profitable highly concentrated group. From this it may be concluded that concentrated industries, or monopoly capital, are no longer clear beneficiaries of Australia's assistance policy, or at least of the changes in the structure of assistance since 1973.

A similar analysis will be undertaken based on the data categorized by the degree of foreign control. In this alternative scenario, it is suggested that although monopoly capital does not benefit from assistance policy after 1973, the foreign-based internal bourgeoisie does. If this is so foreign controlled industries will be receiving higher
assistance rates than those domestically owned.

Table 8.6. Foreign Control and Measures of Power, 1973-77

<table>
<thead>
<tr>
<th>Profit f.c.</th>
<th>N</th>
<th>New level</th>
<th>Assistance loss</th>
<th>Request shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>hi</td>
<td>hi 6</td>
<td>17.8</td>
<td>12.7</td>
<td>13.4</td>
</tr>
<tr>
<td>hi</td>
<td>mod 1</td>
<td>20.0</td>
<td>10.0</td>
<td>25.0</td>
</tr>
<tr>
<td>hi</td>
<td>lo 2</td>
<td>29.5</td>
<td>8.0</td>
<td>13.0</td>
</tr>
<tr>
<td>mod</td>
<td>hi 2</td>
<td>34.5</td>
<td>8.0</td>
<td>3.0</td>
</tr>
<tr>
<td>mod</td>
<td>mod 1</td>
<td>33.0</td>
<td>0</td>
<td>22.0</td>
</tr>
<tr>
<td>mod</td>
<td>lo 5</td>
<td>27.2</td>
<td>3.8</td>
<td>9.2</td>
</tr>
</tbody>
</table>

Notes: Does not sum to 48 due to lack of profitability and foreign control data for all industries. Categories represent groups of industries classified according to the profitability (profit) and foreign control (f.c.) indices.

Looking first at the industries categorised only according to foreign control, it may again be suggested that no clear picture emerges. The new level is much the same for all groups and the assistance loss almost identical. However the highly foreign controlled industries do have the lowest request shortfall. These figures actually disguise an interesting result that can be seen when the data are further categorised according to profitability.

As with Table 8.5, in Table 8.6 the sets of data relating to the different profitability levels will be discussed separately. For the highly profitable industries
it can be seen that the low foreign controlled industries appear to be the most powerful. This group have the highest new tariff rate of 29.5, compared with 20 for the moderate foreign control and 17.8 for the high foreign control groups. They have the lowest loss in tariff rate - 8 compared with 10 and 12.7 - and the lowest request shortfall - 13 compared with 25 and 13.4. However on this last variable there is little to distinguish the low and high foreign controlled groups and it may be suggested that the lower final tariff rate for the foreign controlled group is the result of lower requests, or a desire for no increase in assistance, rather than a desire for an increase that was not met.

For the second and third groups it is quite clear that the foreign controlled groups are the most powerful. In the category of the moderately profitable industries, the highly foreign controlled ones have the highest new level of protection - 34.5 compared with 33 and 27.2. Their loss of assistance, as the highest, suggests a greater erosion of their previously higher tariff rates than is the case for the other groups. However, their erosion is in line with their requests - they have a request shortfall of only 3, compared with 22 and 9.2 for the other two groups. In the final category, a very interesting picture emerges. The foreign controlled industries have the lowest request shortfall - 10.3 compared with 30.8. Their new assistance level is a little lower (at 23.4 compared with 25.6) but
this is a result of an increase in the tariff rate afforded these industries: an increase of 5.3 which is quite substantial given the overall trend for a reduction or at least a "no change" situation.

Two things should be noted about this table. Firstly the new assistance levels for the foreign controlled industries are in general lower than those for the Australian controlled industries. However at the same time the request shortfall of the foreign controlled industries is the same (for the highly profitable group) or considerably lower than that for the Australian controlled industries.

These results may be interpreted in two ways. It may be suggested that foreign controlled industries were in fact powerless and so requested lower rates of assistance than Australian controlled industries. This interpretation, however, seems unlikely. The evidence gathered in Chapter Seven reveals the increasing domination of international capital in world relations and shows Australia's participation in the imperialist chain. It is unlikely that such a group would be powerless. Secondly, and more importantly, the only group of industries in the period 1973 to 1977 to actually have its assistance levels increased was the unprofitable foreign controlled group. In a period when almost all industry reports were resulting in either a decrease or at least a maintenance of assistance levels this
group had results which went against the general trend. This suggests that foreign controlled industries in most cases sought lower assistance levels because of their contradictory location in Australia. When they did not seek lower levels, when they were unprofitable, their assistance was increased. It will be remembered that in Section 8.1 above the ambiguous position of the foreign-based internal bourgeoisie was discussed. Depending on whether its representatives are seeking expansion in Australia or relocation in the Pacific rim they will desire increased tariff protection or a shortening of Australia's tariff walls.

Before exploring this situation further, it should be pointed out that the comprador bourgeoisie, the representatives of international capital located outside Australia, were in fact the main beneficiaries of assistance policy over the period 1973 to 1977. In 1973 the average levels of assistance for all 48 industries reported on during the period was 29.7. In 1977, it was 24.3, an average loss of 3.2 overall. For every reduction in tariff rates, capital located in overseas countries stands to benefit by the increased access to the Australian market.

In conclusion, what can be said about the role of tariff policy in Australia in relation to the interests of the hegemonic fraction? The first set of data which allowed the construction of the correlation matrix shown in Table
8.4 suggest very strongly that in 1969-70 monopoly capital located in Australia—whether of domestic or international origin—was the prime beneficiary of Australia's assistance policy. Between 1969-70 and 1973 tariff rates in general fell by 9% and in 1973 by 25% due to the across-the-board tariff cuts, as discussed above. Again between 1973 and 1977, for the reports signed over that period, tariff rates on the goods covered by the reports fell by 3.2. From 1969-70, then, the comprador bourgeoisie, or the fraction of capital representing the interests of international capital located overseas, were at least one beneficiary of Australia's assistance policy.

The data presented in Tables 8.5 and 8.6 suggest, but not conclusively, that the foreign-based internal bourgeoisie were beneficiaries of the changes in Australia's tariff structure between 1973 and 1977. As noted above, the correlation co-efficient between the nominal rate of protection and concentration was .56 in 1969-70 but only .02 for the reports signed between 1973 and 1977. This result is supported by the data in Table 8.5. From Table 8.5 it was seen that of the 18 industries representing domestic monopoly capital, only 4 (those in the low profitability and high concentration groups) could be said to be more powerful than their unconcentrated counterparts. This is based on the assumption that these industries have their interests met to the extent that tariff rates are high. Both the moderately and highly profitable concentrated industry
groups had lower tariff rates than their unconcentrated counterparts.

Table 8.6 reveals a similar pattern for the foreign controlled industries except for the category of low profitability industries. This is not surprising since there is quite a strong relationship between foreign control and concentration. However, in this table can be seen the two results on which is based the conclusion that the foreign-based internal bourgeoisie are still having their interests met by changes in Australia’s assistance policy between 1973 and 1977. In every category of profitability the foreign controlled industries have a lower assistance request shortfall than their Australian controlled counterparts, even though this is reflected in a greater loss of tariff rate protection and a lower new level of assistance for the first and third groups. From this it was concluded that the foreign-based internal bourgeoisie in Australia are in a contradictory position in relation to assistance policy in Australia - they are not requesting the same increased levels of assistance as domestic monopoly capital but are still requesting some increases. This point is pursued below.

Secondly, Table 8.6 also demonstrates that the only group to actually have its assistance levels increased when the trend was for a decrease overall was a foreign controlled group. This tends to show that international
capital located in Australia is still a major recipient of benefits from Australia's assistance policy - achieving an increase in assistance levels when necessary due to temporary low profits.

The decline in tariff rates from the sixties testifies to the gradual rise in influence of the foreign-based internal/comprador bourgeoisie. The foreign-based internal bourgeoisie in Australia seek lower measures of assistance between 1973 and 1977 thus registering this contradictory attitude to assistance levels. Thus the foreign controlled industries overall requested an average level of assistance of 33.6% in the reports analysed, compared with 50% for the moderately overseas controlled industries and 45.8% for the Australian controlled industries. The comprador bourgeoisie, insofar as they are represented by importers' groups etc (who always seek substantial reductions in tariff rates at IAC industry enquiries) also had their interests met because assistance levels were reduced over this period (all the measures for "assistance loss" in Tables 8.5 and 8.6 bar one demonstrate a reduction or no change situation in assistance). Additionally in two industry reports, "Other Electronics Equipment" and "Earthmoving Machinery and Equipment", the locally-based but foreign controlled firms requested substantially lower rates of assistance than the other industry representatives. This indicates again the contradictory position of the foreign-based internal bourgeoisie in relation to assistance policy.
Thus it could be suggested that the power of the comprador bourgeoisie in relation to the other fractions of capital is evidenced by the extent of the reduction in tariff rates between 1973 and 1977. From this it can be seen that only one group appears to be more powerful than the comprador bourgeoisie: the fraction of the foreign-based internal bourgeoisie presently sustaining losses in the Australian formation (Table 8.5: assistance loss for the foreign controlled but low profitability section of international capital is negative). The foreign-based internal bourgeoisie still have power in the area of assistance policy. Some branches of multinational companies located in Australia still seek and receive considerable non-tariff assistance, despite the IAC's continual recommendations against this - e.g. the motor vehicle industry (1).

(1) The motor vehicle industry is an example of a representative of international capital which has resisted the freer trade policy of the IAC. In 1902 this industry was Australian owned but by the thirties was almost completely foreign controlled (Ford and GMH). In 1944 the government made a deal with Ford, GMH and Chrysler: if they would build cars in Australia the government would protect them with high tariffs (Maxcy, 1963). To this day the government protects the motor vehicle industry against the IAC's advice. The "Motor Vehicle Report" of 1974 estimated that the local content plan (a form of protection whereby
In summary, the contradictory nature of international capital's relation to assistance policy is revealed in the IAC's activities between 1973 and 1977. It is more than likely that these contradictory outcomes are due to an unstable equilibrium between the comprador and the foreign-based internal bourgeoisie and continual shifts in the foreign-based internal bourgeoisie's relations of production as they increasingly move their companies to overseas locations and seek a reduction in the barriers to trade.

Because there is no set of data comparable with that used to construct Table 8.2, (i.e. a set of data on the overall assistance levels to all industries), for 1977, it

cars of less than a specified locally made content were subject to duty) was equivalent to $785m in tariff protection. Again in 1975 the IAC recommended abolishing this plan for a trigger-tariff mechanism based on the percentage of imports accounting for new vehicle registrations. Again the IAC's recommendations were refused. As an example of ideological manipulation which disguises collusion, in mid-1974 the three major motor vehicle producers threatened to retrench about 8,000 employees if the government did not give them immediate short-term assistance. If given assistance, GMH promised to defer retrenchments for three months and the other two producers for one month.
cannot be concluded that international capital is now hegemonic in Australia. However, it may be concluded that the changes in assistance policy between 1973 and 1977 tend to favour the interests of international rather than domestic capital.

In the next and final section the IAC's specific role in relation to assistance policy and the hegemonic fraction of capital will be discussed.

8.4. The Ideology Mongers of the IAC

The analysis presented in Chapter Two shows that commentators attribute the change in assistance policy between the sixties and the seventies to the increased power of the IAC and its economists. The Marxist analysis pursued in Chapters Five and Six suggested that the new petit-bourgeoisie, of whom IAC economists are a member group, do not have independent power but may only present a force in the formation to the extent that they form an alliance with either the working class or the bourgeoisie. It was also shown here that because the state operates in the economic interests of the hegemonic fraction, changes in state policy (e.g. assistance policy) should be a result of changes in the hegemonic fraction of capital.
In Section 7.1, then, a second hypothesis was posited. This suggested that the "presence" of the TBIAC economists in the assistance arena was a result of their alliance with the hegemonic fraction of capital. Three sub-hypotheses were developed to test this hypothesis. Section 8.1 has established the centrality of assistance policy for the economic interests of manufacturing capital and thus the importance for meeting those interests of controlling assistance policy in Australia. Chapter Two above showed that the growing prominence of the TBIAC and its economists was formalized on 1 January 1974 with the formation of the IAC. This is the point at which they gained formal independence from the Department of Trade. Prior to that time, although they favoured lowering of assistance rates, control was still with the Department of Trade and those institutions supporting a protectionist policy. Sections 7.4 and 7.5 above trace the change in dominance from domestically located capital (either domestic monopoly or the foreign-based internal bourgeoisie) to dominance by international capital. In this section it will be suggested that the policy pursued by IAC economists legitimated the economic interests of the hegemonic fraction and so an alliance was formed between these two class segments.

The ideology of IAC economists, if brutally condensed, recommends highly concentrated capital intensive and efficient industries - these tend to be the multinationals. Table 8.7 below summarises the IAC's reasons for
recommending various assistance measures in 55 reports submitted between 1973 and 1977. The need to rationalise (reduce the number of plants in the industry etc) was mentioned eight times, the need to increase the economies of scale three times. Four industries were denied protection because they could not compete with overseas suppliers and three others for reasons related to the insufficient size of the local market. In all, the paradigm espoused by the IAC economists tends to favour the multinationals located within and outside Australia.
Table 8.7. Reasons Given for Assistance Recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Increase/Maintain Assistance</th>
<th>Reduce Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Contradictory reasons -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overestimated demand</td>
<td></td>
<td>Overproduction of grapes</td>
</tr>
<tr>
<td>Benefit of doubt</td>
<td></td>
<td>Prospects improvement not apparent (2)</td>
</tr>
<tr>
<td>Overseas market depressed</td>
<td></td>
<td>Local market too small (3)</td>
</tr>
<tr>
<td>Artificially low prices</td>
<td></td>
<td>Bias investment decisions</td>
</tr>
<tr>
<td>Maintain market share</td>
<td></td>
<td>Good market share*</td>
</tr>
<tr>
<td>Efficient and innovative* (3)</td>
<td></td>
<td>Small market share*</td>
</tr>
<tr>
<td>Too profitable*</td>
<td></td>
<td>R and D too high</td>
</tr>
<tr>
<td>Worthy of support</td>
<td></td>
<td>Don't need assistance (2)</td>
</tr>
<tr>
<td>Competition with other goods</td>
<td></td>
<td>Did not establish case</td>
</tr>
<tr>
<td>Allow internal adjustments (2)</td>
<td></td>
<td>Cannot compete with imports (4)</td>
</tr>
<tr>
<td>(2) &quot;No change&quot; decisions:</td>
<td></td>
<td>Reduce Assistance:</td>
</tr>
<tr>
<td>Excess capacity</td>
<td></td>
<td>Excess capacity</td>
</tr>
<tr>
<td>Inefficient</td>
<td></td>
<td>Uneconomic (4)</td>
</tr>
<tr>
<td>(3) Other Reasons:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not enough import competition</td>
<td></td>
<td>Supplied by imports</td>
</tr>
<tr>
<td>Restore bounty for farmers</td>
<td></td>
<td>Marketing arrangements on point of collapse</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local production has advantages (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economies of scale lacking (3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Excess expenditure advertising etc (2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Copper at world prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers need reliable source</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Costs suggest not necessary</td>
</tr>
</tbody>
</table>

Total Comments: 61

Notes: Numbers in brackets show number of times mentioned if more than once.

* Contradictory reasons for same recommendation

First two sections show pairs of similar reasons for opposite recommendation. In second section, left hand column is "no change".
Another interesting feature of this table is the number of almost contradictory reasons that are given to justify the same recommendation (see starred items in Table 8.7) or conversely similar reasons to justify contradictory recommendations (first two sections in Table 8.7). For instance, "Cigarette Paper" was denied assistance because its R+D expenses were too high while "Measuring, Checking and Precision Instruments" were commended for their inventiveness. "Brandy" was denied assistance because its difficulties were attributed to an overproduction of grapes while "Domestic Appliances" were in difficulties due to an overestimation of demand but were recommended assistance to see them through the difficulties created by themselves. The superphosphate bounty was reintroduced because of the "hard hit farmer", but the hard hit dairy farmer was given no material assistance in the "Dairy Marketing Arrangements" report. Two industries ("Woven Man-made Fibre Fabrics" and "Textile Apparel Machinery") were denied assistance because their prospects for improvement were not apparent while "Propylene Oxide Derivatives" was given the "benefit of the doubt".

Little wonder, that ACMA had the following to say about the IAC's industry reports:

failure to provide a full discussion of all facets of important issues involved in an enquiry and their distinct tendency to use so much of the evidence and data as supports the course of action which the Commission is committed to take to remain consistent with its announced approach to national assistance (Jackson, 1975, p171).
As Althusser (RC) puts it, ideology is used to justify the right answers and not to pose the correct questions; it is sufficiently loose in its formulation to allow justification of the desired outcome.

Further evidence of the relationship between the economists and the fractions of capital may be gathered by analysing the recommended rates of assistance, i.e. the rates of assistance that the IAC recommends in its assistance reports. The recommendation shortfall registers the shortfall between the industry's requests and the IAC's recommendations, while government change reveals the additional effects that the industry has in the governmental arena, after the IAC's recommendation. Table 8.8 below shows that foreign controlled industries have little effect in the governmental arena (i.e. government change is only 1.4) but in terms of their recommendation shortfall it is lowest for this group. Thus the foreign controlled industries have a recommendation shortfall of 13.6 compared with 14.5 and 23.1 for the moderate and Australian controlled groups. This is not due to higher recommendations by the IAC but lower requests by the industry. The IAC's recommendations are in fact lowest for the foreign controlled group. In other words the fraction of capital most attuned to the IAC's assistance policy is foreign controlled capital. The IAC makes its lowest recommendations for this group and this group puts in the lowest requests for assistance.
Table 8.8. IAC Effects on Assistance Levels

<table>
<thead>
<tr>
<th>foreign control</th>
<th>N</th>
<th>government recommendation change</th>
<th>shortfall</th>
<th>recommended level</th>
</tr>
</thead>
<tbody>
<tr>
<td>hi</td>
<td>10</td>
<td>1.4</td>
<td>13.6</td>
<td>18.1</td>
</tr>
<tr>
<td>mod</td>
<td>6</td>
<td>4.4</td>
<td>14.5</td>
<td>22.0</td>
</tr>
<tr>
<td>lo</td>
<td>8</td>
<td>1.1</td>
<td>23.1</td>
<td>24.4</td>
</tr>
</tbody>
</table>

The evidence gathered in this chapter suggests that the role of a state apparatus may be explained as a result of the power of class segments in the social formation rather than by the party in power, or the press or public opinion. Poulantzas (CCC, p49-50) insists that:

uneven development is not a residue or an impurity due to the concrete combination of modes of production reproduced in the abstract; it is the constitutive form of the reproduction of the CMP in its relations with other modes of production and social formations.

There is no "error factor". All aspects of a social formation can be explained in the conjuncture via the relations among social formations and modes of production located within the formation.

In summary, the empirical evidence gathered in this thesis contends that three events occurred during the late sixties to early seventies:

(1) The TBIAC came to be dominated internally by economists as opposed to other organization members and its self-conception changed from a protectionist to a policy-making body. The evidence for this is gathered in Chapter Two, where it was shown that both the percentage of
Commissioners who were academics increased substantially in 1973 and the recruitment policy increasingly favoured the intake of economics graduates. This occurred at the same time as the organization's self-image changed from being a neutral but unprofessional body to a still neutral but professional body endorsing the paradigm of neo-classical economics in the making of Australian assistance policy.

(2) The hegemonic fraction of capital changed from domestic monopoly to international monopoly capital. The evidence for this is gathered in Section 7.4. This hypothesis is supported by McFarlane (1972,p63), Evans (1972) and Connell (n.d.,(c)).

(3) Tariff policy in Australia supported the interests of locally-based monopoly capital up until the late sixties. Between 1973 and 1977, however, the economic interests of the comprador and foreign-based internal bourgeoisie (international capital) tend to be met by the changes in assistance policy over this period.

Given that the fractions of capital are not organized to achieve power (see Chapter Six above), the way in which the state meets their interests must be explained. Tariff policy meets the interests of the hegemonic fraction of capital because the class segments located in the state form an unwitting alliance with the hegemonic fraction. As suggested in Chapter Six the ideologues of the bourgeoisie have the function of legitimating the relations of
production. The Tariff Board legitimated high levels of protection for domestic monopoly capital. The IAC legitimates low levels of protection which aids foreign capital. The evidence which threads together these historical processes has been presented in this chapter.

A further conclusion on the changing role of the state apparatuses may be suggested on the basis of the data presented in this chapter and Chapter Two. Because the economists of the Tariff Board come to favour a freer trade policy before the hegemonic fraction of capital changes, the power centre during this period remains in the Department of Trade (which favours a protectionist policy) backed by Parliament. However, as the hegemonic fraction of capital changes, the power centre shifts from the Department of Trade to the TBIAC which carries an ideology more appropriate to the new hegemonic fraction. The Department of Trade continues to be held by domestic capital but loses influence in the arena of power:

The sharpest conflicts, however, have been between the Treasury and the Department of Trade: the former demanding free trade and low tariff protection in order to bring a whiff of competition into the economy and a more rational allocation of resources within Australian capitalism, the latter demanding a level of protection for Australian industry which would generate employment and increase the degree of monopoly (McParlane, 1968, p73).

It is a difficult process to trace these changes due to both the density of phenomena in the social formation and the fact that the fractions of capital do not form coherent
class organizations and stable explicit alliances. As Poulantzas himself continually notes, alliances occur between fractions of capital as often as within them (1). It is the particular role of the state in the CMP to sift out of these contradictory alliances a policy and programme which supports the hegemonic fraction and maintains cohesion in the social formation. Thus it cannot be suggested that international capital has formed an explicit alliance with the IAC economists. North (1975) found that the majority of managers of foreign owned companies in Australia had little or no dialogue with public servants whom they perceived as hostile to and ignorant of the needs of big business. The majority of managers also felt that trade associations were of little value. A reading of the TBIAC Annual and industry Reports suggests that the members of the TBIAC are also unaware of this alliance.

(1) Thus requests by industries tend to cluster within 10% of one another whether the firms are small or large businesses in the industry. This is an example of an alliance between fractions of capital. The motor vehicle industry's continual requests for high protection is an example of a split within international capital concerning attitudes to assistance. However, according to Evans (1972, p175), a Ford representative has publicly stated the willingness of his company to relocate in the Pacific rim area. More concrete moves along these lines are now taking place as GMH plans relocation of some of its car parts manufacturing in Asia while retaining the remainder in Australia under protected conditions.
From the contention of organization theorists that the power of TBIAC economists can be explained by the increasing professionalisation of this institution, the debate arrives at the conclusion that the TBIAC economists do not have power but presence. They also have autonomy from the hegemonic fraction, due to alliances with the dominated classes in the formation. Thus in the 1973 to 1977 data the highest relationship with the nominal rate of protection was for employment at .30. Such a result may suggest the IAC's intervention in these reports (remembering its expressed concern with employment discussed in Section 8.2) as an ally of the working class. Of course it should be remembered that such alliances support only the economic interests of the working class and not their political interests while at the same time benefiting those industries employing these workers. However, on the whole, the TBIAC economists must operate in the economic interests of the hegemonic fraction. On the whole tariff rates in the Australian formation have been reduced since the sixties. To discuss the presence of a segment of the new petit-bourgeoisie located in the state, its alliances with the other classes in the social formation must be interrogated. This chapter does that and reveals how the apparent power of a visible group (the economists) can be explained by the invisible changes in the hegemonic fraction of capital. Both the data and the theory fit together to suggest, insofar as the data allow, this particular explanation of the changes listed above.
The alliance between the TBIAC economists and the international fraction of capital is a specific example of a more general alliance between the new petit-bourgeoisie and the bourgeoisie as a whole as discussed in Chapter Six. The new petit-bourgeoisie act in various ways for capital and in return are granted economic and status rewards which the working class do not share. The mode of operation of this alliance has not been interrogated by Poulantzas. It is not carried by individual agents but nor does it appear to be carried by class organizations. This chapter has interrogated the outcome of such an alliance rather than the mechanisms of its operation. The final chapter explores the operation of those mechanisms.
Chapter Nine

Conclusions and Beginnings

Different oeuvres, dispersed books, that whole mass of texts that belong to a single discursive formation – and so many authors who know or do not know one another, criticize one another, invalidate one another, pillage one another, meet without knowing it and obstinately intersect their unique discourses in a web of which they are not the masters, of which they cannot see the whole, and of whose breadth they have a very inadequate idea (Foucault, 1972, p126).
9.1. Power in Theory: Conclusions

Far from being a simple, homogenous and easily identifiable notion, power is a complex and much abused phenomenon in sociological literature. This thesis has explicated some of those abuses. To sum the major abuse now, poor identification of the concept of power, and especially as it applies to occupations or classes, arises from a confusion concerning power as doing (action or surface events) and power as being (the deep or structural determinants of surface events). It has been shown that the behaviourist school and the organizational literature on occupational power addresses surface phenomena. The materialist dialectic, and particularly Poulantzas' conception of class power, has also been demonstrated to be inadequate, in this case because of a difficulty in apprehending surface phenomena. The conclusions reached in this thesis on these attempts at locating occupational/class power are reviewed briefly here.

The behaviourist school has been criticised on two basic counts: the one methodological, the other conceptual. Even on its own grounds, it is impotent because it has failed to "measure" power, and it is only in the measure of the thing that it exists. This is a similar problem to that faced by welfare economics in attempting to measure the utility of goods. Utilities are the values people ascribe to goods, these values affect their actions not directly but
according to what they feel to be pragmatic, feasible or even possible in relation to achieving their utilities. Power, similarly defined as the ability to get someone to do something that they would not otherwise do, requires a measure of what someone would otherwise do: what they would otherwise think to do if the powerful person had not intervened. The empiricist problematic explicitly accepts the difficulties of measuring actions, it perceives the near impossibility of registering intentions or desires.

Even were these methodological issues to be overcome, there remains the inappropriateness of the behaviourist gaze. The visible tip of the iceberg is shaped by the invisible bulk. It is the contention of this thesis that the most important objects of sociological theory are not visible, discrete and possibly random phenomena of individual action but invisible, patterned and structured phenomena. Some of sociology's subject matter (e.g. Poulantzas' (PPSC,p106) identification of might due to interpersonal feelings of attraction) is no doubt located at the level of human action, as surface "happenings". It is argued in this thesis that power is not a "happening" but a patterned social phenomenon based on deep structural causes. If this were not so one could not attribute power to groups - organization members, occupational members, classes.
It was shown that organization theory adopts an uneasy mixture of the behaviourist or neo-classical economics and structural functionalist gazes. Power is defined as the ability to contribute towards organizational goal performance. On close inspection two points emerge from this supposition. Firstly all action must be motivated towards organizational goals. If this is so conflict in organizations (e.g. in the form of strikes etc) should not occur. Patently conflict does occur. To overcome this problem it is assumed that organizations have a number of sub-goals and sub-units compete among themselves to meet these various goals – they bargain with each other, or barter as in a market. However in losing hold of a unique definition of goals, organization theory loses also a definition of power and the analysis becomes tautological. Members have power to the extent that they can contribute towards organizational goals which depends on their power. Secondly, it is not explained why contributing towards organizational goal achievement should confer power on members. There is no intrinsic reason why achieving the organization's or the system's goals should be a power-giving activity. This highlights the inadequacy of explaining the phenomenon of power with variables located inside organizations.

In other words the sociologist must discover the level of analysis at which the phenomena under study are apprehended, both in theory and the concrete world. Having
discarded the visible tip of individual action and accepting that power is traceable from structures, it must be decided what is meant by structures. This word is a signifier (Lacan, 1970) or metaphor (Laclau, 1975) in sociology: it has both an important symbolic content and often imprecise conceptual meaning. Organization theorists argue that the analysis of power is structurally determined. Power depends on things like a person's position in the hierarchy or his functional contribution towards organizational goal achievement. One may ask, as I did in Chapter Three, why power is attributed to those higher up the organization or those who abet goal achievement. In this way one can distinguish surface structures (the pattern of roles in an organization) from deep structures (the role of the organization in society, the classes located in the organization and the determinants of those classes). The deep structures explain the surface structures. However, what explains the deep structures? To plug an infinite regress into first causes a determinant phenomenon, a cause of the other structural variables, must be postulated.

When Durkheim (1938, 1965) coined the term "conscience collective" and began the battle to carve out for sociology a terrain of phenomena independent of individual wills, he did not become a materialist. To Durkheim social facts were the product of the dead hand of history; their authors were men of previous generations. Durkheim only dimly saw these social facts as operating in patterned ways: the only
condition for their formulation and endurance was their functional value for society's survival. The actions of individuals were sometimes transmogrified into laws, customs and beliefs that constrained the behaviour and the beliefs of the current generation.

Weber (1947, 1949, 1976) too was not unaware of the effects of "structures" on the individual will. However his attempts to come grips with the notion of structures remained badly posed, because, as Hirst (1976) points out, to lay bare the reality of structures would deny the freedom of the individual spirit. Weber attempted to locate sociology in the actions of individuals; he attempted to explain these actions by verstehen or an interpretative understanding. However, at the same time, Weber was aware that the bases for actions were patterned by tradition or rationality. As Therborn (1976b, p308) encapsulates Weber's problem, Weber became preoccupied not with the structures of capitalism but with the spirit of capitalism. Weber's bent if anything was Hegelian, his belief was in the triumph of beliefs and this hope was carried by the individual freedom of the charismatic leader. Although Weber gave sociology the useful and much-touted ideal-type of bureaucracy, he did not explain why bureaucracy became such a force. Neither does he locate the power of bureaucrats in the (unseen) capitalist's control of the means of production (see Section 3.1 for a more extensive critique).
This brief review of classical sociology's conception of structures illustrates that the founding fathers had a notion of constraint on individual action, but did not articulate those constraints clearly. They were in advance of, although historically prior to, the Administrative Science Quarterly writers of today who, bewitched by the magic of computer print-outs, have allowed the aspects of this technology to determine a theoretical model of multi-causality of phenomena. This is a reminder that the means of production determine the ideas that men have!

To lay bare the nature of structures, the sociologist must be able to ascribe a cause to their creation and change. Marx (GI, CI, etc), unlike Weber and Durkheim, was able to do this. The materialist dialectic conception of structures has been reviewed in this thesis. Here suffice it to outline the basic tenets of that theory. It is the forces of production (the tools, the technology, the distribution of work tasks) which in the first instance determine the relations of production. These relations of production (the distribution of the means of production, the distribution of men into classes) then act back on the forces of production to subjugate them to the will of the ruling class, the class in control of the means of production. Capital as a relation of property becomes more significant than capital as a quantum of machinery or money; capital as a relation between men becomes more significant than the force or will of the individual capitalist. The
cause of structures is located in the material base.

Poulantzas' construction of class power, built on the concepts of the materialist dialectic, is also inadequate at various points. The problems of Poulantzas' theoretical formulation derive, I feel, from a key inadequacy, which may loosely be termed methodological. The two key theoretical problems concern the extent of the reproduction of structures and the degree of the relative autonomy of the superstructure from the base. The fact that these notions can be grasped conceptually and yet have limited applicability to concrete formations is due to the materialist dialectic's uneasy dialogue with the real.

The problem is complicated by the fact that the relationship between theory and the real occurs at three levels and at two points in the process of theoretical labour. There is the traditional relationship between theory and research which tends to be discounted by the French Marxists. Secondly there is a relationship between theory and political praxis which concerns the role of theory as an intervention in the real and finally there is a relationship between the real object as it exists and the concept of that object or the thought-about-the-real.

Althusser (RC), who still has some claims as the guru of modern Marxism, has focussed on this final relationship, claiming that it is ignored by the empiricist paradigm. Althusser has demonstrated that the world is not lucid, that
social actors do not grasp the underlying structures which determine the world's operation. Traditional research, insofar as it focusses on an unproblematic gathering of facts, reflects only actors' beliefs about the world and can explain little more than can these actors. The object of theory is a level of reality that exists beyond the visible relations between men, and the functioning of which constitutes the underlying logic of the system, the subjacent order by which the apparent order is to be explained (Godelier, 1972, pxix).

Thus the concept of surplus value does more than systematize the notions of profit, rent etc. It also explains how profit and rent arise, it provides a concept with which to apprehend the real objects which are not identical with the concepts which name them. Althusser in fact goes further than this. Profit, rent etc are also concepts which describe relations of production and which are distinct from the real objects of the concrete world—the amounts of profit made by individual companies. So distinct, claims Althusser (RC, p190), that there is almost no relationship between them. The frontier between theory and the real:

is impassible in principle because it cannot be a frontier, because there is no common homogenous space (spirit or real) between the abstract of the concept of a thing and the empirical concrete of this thing which could justify the use of the concept of a frontier.

Such a contention borders on idealism, and is not adopted by this author.
Having made these crucial distinctions between objects and concepts, Althusser is then faced with two problems. He has denied the role of research as "proof" of theory, the approach of classical sociology. What then will stand as proof? Secondly he has not articulated the exact nature of the relationship between concepts and objects. What is it?

To take the first question first, Althusser denies the function of "proof" or "guarantees" in science as ideological (1). Theory, rather than being a process of

(1) Althusser's construction of the difference between ideology and the science of the materialist dialectic is now famous. Famously inadequate also! As Balibar (1978,p216) makes the point, Althusser must anticipate its form by invoking epistemological breaks typical of mathematics, physics and chemistry, following a famous comparison which Engels invoked between Lavoisier and Marx.

When summarised, his main contention concerning the differences between these discourses is the use (or abuse) to which they are put. Ideology is the world view of the bourgeoisie and functions to legitimate the relations of production as they stand. The materialist dialectic functions to reveal to the working class their true consciousness (see also Therborn (1976b,p356) and Anderson (1971) for a discussion of the relationship between the progress of Marxist theory and the working class struggle). There is no a priori reason why the "ideology" of the working class should be any more valid than that of the bourgeoisie. Althusser (RC,p68 and p69) himself admits that the difference between ideology and science has not really been elaborated:

How do other discourses produce different effects...from the knowledge effect which is produced by scientific discourse?

If I stop here, before a threshold we still have to cross, allow me to recall that it is the peculiarity of scientific discourse to be written.
postulating hypotheses and gathering proofs which accumulates a weight of the "known" with its progress, is a process of "exploration" and "discovery" (Althusser, RC, p152). Theories cannot be proven but merely, as Laclau (1976, p95) suggests, superceded. Neither research, nor even political praxis will prove a theory to be right:

It has been possible to apply Marx's theory with success because it is 'true'; it is not true because it has been applied with success (Althusser, RC, p59).

This almost messianic denial of guarantees and command to have faith is balanced only by a commendation that we be good craftsmen and apply our tools (of the materialist dialectic) well. This will ensure the "right" answers. Theory construction must be logical, unambiguous and internally consistent. Poulantzas (RML, p66) points out that Althusser's position "conjured away the 'theory-practice relation' by situating the relation entirely within theory itself". Poulantzas does not himself explain how "the adequacy of the theory to the facts and of theory to practice" is to be assessed.

Because the relationship between theory and the real objects is not clearly articulated, the fact that it intrudes at two points in the process of theoretical labour is often also neglected. Theory construction is conceived of as a process by which Generalities I (notions, ideology etc) become transformed into Generalities III (knowledge)
through the purifying process of applying Generalities II (the Marxist method of the production of knowledge) (Althusser, FM, p162-75). The real world intervenes at two points. Firstly its input into Generalities I has not been fully interrogated by Marxists. Generalities I are reflections upon the real world, and thus determined by the happenings in the world. Which Generalities I are to be used in theory construction and why has not been clearly elucidated. For instance Poulantzas (PPSC, p19) suggests that the "seriousness" of the texts is the criterion for their application. Seriousness appears to mean degree of theoretical content. However Poulantzas does not explicate how the theoretical content of such texts may be assessed.

Secondly the application of Generalities III to concrete phenomena is not explicated. To avoid an idealist circle, a sterile theory hermeneutically sealed from reality, both these processes, both the production and the reproduction of knowledge, must be elaborated. This symptomatic silence in the materialist dialectic is all the more interesting because it has been accused of others. Althusser (RC) has accused Hegelian idealism of sterile divorce from reality and Poulantzas (RML) has accused empiricism of endless re-interpretation of facts to fit a changeless conceptual schema. Althusser (RC) denied that we can prove within a paradigm that we know. In so doing he attempted to construct the materialist dialectic as a science beyond the reach of history. If he had succeeded,
the materialist dialectic would have become a science of the
form of mathematics or formal logic - internally consistent
but of no a priori relevance in explaining reality.

Because the processes of apprehending the real are
obscure within the materialist dialectic, its conceptual
problems arise symptomatically, as a reflection of this
obscurity. The first of these conceptual problems may be
stated thus: although men do make their own history they do
not make it under conditions of their own choosing. This is
the problem of the interface between individuals and society
(Durkheim's formulation), between structures and enabling
actions (Giddens' (1976) formulation), between the
production of structures and the reproduction of structures
(the materialist dialectic formulation). The episteme of
sociology does not accept metaphysical accounts of events:
the extent to which individuals can, the ways in which they
do, the reasons why they cannot, make their own history are
explicable in terms of the interaction between structures
and human practices. A lack of focus on the reproduction of
structures arises because it is in the real that structures
are reproduced or not (Therborn, 1976a) and the real is
almost beyond the materialist dialectic's grasp.

Secondly the materialist dialectic has not come to
terms with the degree of the relative autonomy of the
"superstructure" (political and ideological) from the base.
This issue has been
This issue has been tackled by Hirst (1977) and O'Malley (unpublished paper) as well as Laclau (1975) although it has not been resolved. As theory stands in this juncture, there is an area of indeterminacy between the interaction of the base and the superstructure. Crude determinism has been superseded by an awareness that this is a theoretical problem. Thus when Poulantzas (PPSC) constructs the role of the state, he relates it to the functioning of the political in the CMP which is determined by the relations of production characteristic of the CMP. The economic base determines the broad role and functions of the state but Poulantzas does not demonstrate to what extent the economic determines the forms of state or forms of regime.

Thus the theory describes the structures that determine the human practices, the way in which the economic determines the ideological and the political, the fact that theory must appropriate facts, fit them into the instertices determined by theory. It fails to describe how class practices reproduce structures, how the political and ideological gain their unique shape or relative autonomy in each social formation, how the movement of concrete history comes to transform theory.

It is at the level of the social formation, the concrete, that these problems arise. It is at this level that the structures are reproduced or smashed, that the role of the state and the ideological receives form and function;
that the march of gritty or glorious reality leads to the supercession of theoretical problems.

9.2. The New Petit-Bourgeoisie in the Concrete Formation

Conclusions and New Directions

In undertaking the research, rather than merely untangling Poulantzas' difficult language, I became aware of some of the inadequacies of Poulantzas' theoretical formulations. Additionally it became more obvious which concepts were entirely theoretical and which referred to objects in the concrete formation. These last, as Johnson (1977b) has noted, are the concepts Poulantzas formulates with the least degree of clarity. This is not accidental, but occurs because such concepts do not achieve a fullness of exposition until applied to analysis of concrete formations. For instance, to take Hirst's (1977) criticism of Poulantzas' construction of class organizations as "representative" of different classes. Hirst demonstrates that showing which class an organization represents in the concrete formation is not an easy task. This is because class organizations do not necessarily represent the interests of the class to which their members belong. There is in fact no theoretical determination of which class they do represent.

The concept has theoretical coherence but if it cannot be applied to class organizations in the conjuncture what contribution to the explanation of class power can it really
To explicate the relationship between theory and research and concepts and their empirical objects, the remainder of this section focusses on the identification of the presence of the new petit-bourgeoisie as undertaken in this thesis. From Poulantzas' theoretical construction of classes and power it was demonstrated that the new petit-bourgeoisie do not have power in the strict sense of the term. It was shown that the new petit-bourgeoisie are in relations of "alliance" rather than domination and subordination with either the working class or more often the bourgeoisie.

Having discovered in theory that the presence of the new petit-bourgeoisie, or their ability to meet their own class specific short term interests, depends on their formation of alliances with either the working class or the bourgeoisie, the determinants of these alliances must be assessed. As discussed in Chapter Five, various sections of the new petit-bourgeoisie have an objective polarisation towards either the working class or the bourgeoisie. This polarisation is based on conditions of objective class determination - the degree of mental labour applied by the class grouping, the extent of functions of capital performed, the degree of indirect domination of the working class, and obversely, the extent to which the labour of this class reduces the costs of realisation of surplus value.
The objective polarisation criteria string out the segments of the new petit-bourgeoisie like beads along the thread of class determination between the working class and the bourgeoisie.

Objective polarisation refers to a theoretical or structural determination of class position. The new petit-bourgeoisie, like the other classes, may take up a class position which does not correspond with their objective class determination. The positions taken up by various groups of the new petit-bourgeoisie are a result of class struggle. Class struggle is a result of class organization and it is a condition of the reproduction of structures, i.e. it is located in the concrete formation and its results may only be deciphered there.

It was suggested in Chapter Five that the main bases of the new petit-bourgeoisie's presence or the main resources that will enable a rewarding alliance with the bourgeoisie is the unique control of knowledge or skills which are valuable to the bourgeoisie, i.e. necessary for the reproduction of the forces or relations of production of capitalism. Thus the income and prestige results shown in Table 5.2 suggest that the more "educated" new petit-bourgeois groupings receive higher income and status. The construction of professionals as disinterested servers of the community (e.g. Merton (1957,p309-316) on scientists and Parsons (1952,p434) on doctors) has now been replaced by
the belief that professionals, like other groups, seek autonomy and rewards (Gouldner, 1978, p.159; Johnson, 1977a, p.99). However in seeking these rewards they often form alliances with the dominant class which explains why they accept the dominant values of society (internalize commitments) because they too, unlike the working class, receive rewards under the present relations of production.

However, the alliance between say the professionals and the bourgeoisie is not a stable and calm one. At the same time that the new petit-bourgeoisie elicit rewards from the dominant class, the dominant class itself seeks to reduce the extent of those rewards — e.g. by deskilling jobs, reinforcing ideologies of support rather than antagonism to the dominant class and so on. These processes are not conscious goals pursued by the bourgeoisie but derive from the logic of the development of the relations of production which seeks to subordinate all forms of labour to the needs of capitalist development.

In relation to the new petit-bourgeoisie located in the state it was shown that these groupings did not have a class organization because the state operates in the interests of the dominant classes. Poulantzas constructs a notion of "presence" or "autonomy" to discuss the role of the new petit-bourgeoisie located in the state. What does this notion mean? The state, Poulantzas contends, operates in the economic interests of the hegemonic fraction and the
political interests of the dominant classes. How then may the state or its apparatuses have relative autonomy from the dominant classes? Poulantzas offers three reasons why. Firstly the state has relative autonomy because of its function to maintain cohesion in the social formation. Secondly, as this really means, it has a function to go against the economic interests of the various fractions of capital due to the power or class organization of the working class or other fractions of capital. Thirdly, the operation of the state is more than just a summation of class forces - the state itself has an input into the activities of the political due to its "institutional specificity".

Thus

the state is neither a thing-instrument that may be taken away, nor a fortress that may be penetrated by means of a wooden horse, nor yet a safe that may be cracked by burglary: it is the heart of the exercise of political power (Poulantzas, TDS, p81)

What Poulantzas is stating here is that the structures of the state are such that neither infiltration nor seizure will change the nature of the state from being capitalist and embodying capitalist relations. In other words the structure of the state or its institutional specificity is significant for analysing the role of the state. Can this institutional specificity be something devoid of class forces, an empty structure of hierarchy and positions? To accept this would be to deny the role of the class struggle
in the explanation of events or the construction of the state as the condensation of a balance of forces.

It seems to me that Poulantzas has forgotten or ignored the role of the class groupings located in the state in affirming the role of the state and its execution of this role. Therborn (1978, p120) suggests that the state may bear the imprint of the petit-bourgeois groupings located in it:

Although the petty bourgeoisie has never been able to create a sovereign state of its own, it has often constituted an important social force, and has at times even succeeded in making a definite imprint upon the state apparatus.

Therborn (1978, p54) reinterprets Weber's construction of rational-legal authority to show that this describes skills carried by the new petit-bourgeoisie, and applied, as Poulantzas (CCC, p230) notes within a bureaucratic structure that conforms to the ideology of the new petit-bourgeoisie.

In conclusion, the relative autonomy of the state can only be explained if this autonomy is ascribed to the presence of those classes located in the state. However the actual effects of this relative autonomy, the extent to which the operations of the state lead to the reproduction of structures (operate in the interests of the dominant class) or their dissolution (operate in the interests of the dominated classes), is not described by theory. To explain these phenomena, which in the end have an input into theory, into the reproduction of knowledge, the sociologist must examine the concrete formation.
Cutler et al (1977, p220) consider this formulation of the relative autonomy of the state from determination by the economic structures to be inadequate and suggest that a notion such as this allows classical Marxism to bring together rationalist and empiricist conceptualisations so that while empirically given variations may be recognised, and accorded some significance, the essential features of the social formation are nevertheless thought to be determined by the dominant relations of production.

In other words, the theory does not completely describe the actual conditions existing in each concrete formation. Rather than this being an inherent inadequacy of theory, this thesis suggests that sociologists must differentiate what the theory does and should explain from those variations in theory which are actually due to or can be explained by differences in concrete formations geographically or over time. Such variations, however, must be explained in terms of concrete class groupings located in the formation and the effects of their struggle rather than accorded to other phenomena in the social formation. The research on a state institution discussed in Chapters Seven and Eight attempted to do this.

What the research suggests is that the means of the state's relative autonomy is due to the class groupings located in the state. It was shown that the new petit-bourgeoisie, although they do not have power, have interests. They attempt to meet these interests. They may
only do this by forming alliances with the various fractions of capital. Those groupings which form an alliance with the hegemonic fraction of capital should have the most presence or autonomy. The alliance is possible because both the interests of the new petit-bourgeoisie (to defend and extend their carriage and application of ideological practices) and of the hegemonic fraction (to achieve their economic interests) may be met at once. This then was the hypothesis concerning the role of the state apparatuses. This hypothesis was not derived purely from theory nor purely from data.

To test this hypothesis, the history of a state institution was analysed. A biography of the TBIAC revealed that between the early sixties and the early seventies this institution moved from endorsing a protectionist to a free trade policy, from being "held" by non-professionals to being held by economists and from being under the control of the Department of Trade to being an autonomous body. It was suggested that these changes could be linked to a change in the hegemonic fraction of capital. It was shown that for the Australian formation, the economically dominant fraction of capital up until the late sixties was domestic monopoly capital located in Australia. Some time after that international monopoly capital achieved increased prominence. The interests of domestic monopoly capital were for high tariffs, those of international capital somewhat more difficult to assess. Poulantzas' distinction between
the internal and the comprador bourgeoisie was introduced to differentiate international capital located in Australia from that fraction aiming at an internationalisation of the relations of production. The evidence suggested that the comprador bourgeoisie gained prominence in the Pacific region and the world from the mid sixties. The comprador bourgeoisie increasingly favoured lower tariff walls as the internationalisation of capital quickened. This internationalisation is evidenced by reproduction of the relations of production irrespective of national boundaries but due to the dynamic of the falling rate of profit and the centralisation of capital.

The changing role of the TBIAC could now be explained by changes in the hegemonic fraction of capital. The increased prominence of IAC economists was explained by their unwitting alliance with the hegemonic fraction. The IAC economists legitimated the new relations of production and the state policies required to enable these. This is the service they performed for the comprador bourgeoisie. In return their institution gained prominence within the matrix of state apparatuses and their practices or materialisation of the dominant ideology were considered as more significant than the practices of members of other state apparatuses. The actual degree and extent of the presence of these economists could only be assessed by analysis of the conjuncture. In other words, the constructs of theory predicted the likely alliances of various groupings of the
new petit-bourgeoisie due to their structural determination. The findings of research demonstrate the extent and operation of that presence.

Similar studies of other SAs in the Australian formation could be undertaken. Such studies would investigate the relation between the dominant and dominated classes and the class groupings located in the SA. For instance one could study the role of the Arbitration Commission in the Australian formation. One could operationalise power in this context as the division of the national product between wages (representing the economic power of the working class) and profits (representing the economic power of the bourgeoisie). The materialist dialectic throws light on the conditions of the struggle for power by demonstrating that the existence of profit at all shows that the working class are in subordination to the bourgeoisie. The role of the new petit-bourgeois grouping of lawyers in the Arbitration Commission as a supporting class of capital should also be studied to explicate the means by which the power of capital and labour is realised.

A study of the judiciary as part of the RSA could also be undertaken. Here the researcher could focus on the particular mental-manual labour division within the new petit-bourgeoisie itself, i.e. the division which creates lawyers and police. Both groups function to dominate the working class in the political interest of the dominant
class; as legitimators and bearers of the protection of property. The extent to which lawyers, as members of the new petit-bourgeoisie, have autonomy could be investigated by studying the role of civil liberties movements in relation to the judiciary. Civil liberties movements may be the result of the action of class organizations located outside the judiciary, they may or may not serve the interests of capital. The degree of the autonomy of the political from the economic would be revealed by such a study.

Both these projected studies, as well as the one undertaken in this thesis on the TBIAC, reveals the specific role of the new petit-bourgeoisie as the ideology-mongers of the dominant classes. This role could probably be traced as far back as the "Factory Acts" and other "liberal" reforms of the Industrial Revolution in England. Liberalism has been traditionally conceived of as a new petit-bourgeois ideology but its more recent role in capitalism, e.g. the civil liberties and environmental movements, has not been assessed.

If this analysis of the relationship between theory and research seems somewhat obscure and "pragmatic", commending the researcher to "fly by the seat of her pants", I believe that this is a common problem in sociology today.
Sociologists on the whole now accept that the facts do not speak for themselves but still do not know whom they speak for or how they can be made to yield up their utterances. We have cast off the "cloak of neutrality" (Friedrichs, 1970, p80) to reveal a skeleton in the closet. This lack of identification of the theory-research process can be seen in works as far apart as Poulantzas' (CCC, CD, FD) discussions of the present forms of capitalist state and Willis' (1975) attempt to analyse the process of the reproduction of the bearers for capitalist production. Giddens (seminar held at ANU, Sociology SGS, 1978) can only recommend that the sociologist clear up queries with ad hoc clauses, seeking enough information to "be satisfied". Obviously, research should be a more rigorous practice than this but the tools or methods for its so becoming have not yet been elucidated.


ANDERSON, Perry, "The Antinomies of Antonio Gramsci", New Left Review, No 100, 1976a, p5-78

ANDERSON, Perry, Considerations in Western Marxism, NLB, London, 1976b


ARYGRIIS, Chris, Personality and Organization, Harper and Brothers, New York, 1957


BACHRACH, Peter, and BARATZ, Morton S., "Decisions and


BALDAMUS W., Efficiency and Effort, Tavistock, London, 1961


BALIBAR, Etienne, "From Bachelard to Althusser: The Concept of 'Epistemological Break'", Economy and Society, Vol 7, 1978, p207-37

BARNARD, Chester I., "A Definition of Authority", in R.K. Merton et al (eds), Reader in Bureaucracy, Free Press, Glencoe, 1952


BENDIX, Reinhard, Work and Authority in Industry, John Wiley and Sons, New York, 1956


BERNARD, Jessie, "Parties and Issues in Conflict", Journal of Conflict Resolution, Vol 1, 1957a, p111-21


BLAUNER, Robert, Alienation and Freedom, University of Chicago Press, Chicago, 1964


BRASH, Donald T., American Investment in Australian Industry, Australian National University Press, Canberra, 1966


BROOM, Leonard et al, "An Occupational Classification of the


BURLING, Temple et al, The Give and Take in Hospitals, Putmann's Sons, New York, 1956


CAPLAN, Jane, "Theories of Fascism: Nicos Poulantzas as Historian", in History Workshop, Issue 3, 1977, p83-100

CAPLOW, Theodore, The Sociology of Work, University of Minnesota Press, Minneapolis, 1954


CAPLOW, Theodore, Two Against One, Prentice-Hall, Englewood Cliffs, 1968
CARCHEDI, G., "On the Economic Identification of the New Middle Class", Economy and Society, Vol 4, 1975a, p1-85


CARLIN, Jerome E., Lawyers' Ethics, Russell Sage Foundation, New York, 1966

CATLEY, Robert and MCFARLANE, Bruce, From Tweedledum to Tweedledee: The New Labour Government in Australia, Australia and New Zealand Book Company, Sydney, 1974

CHANDLER, Margaret K., Management's Rights and Union Interests, McGraw-Hill, New York, 1964


COHEN, Abner, Two-Dimensional Man, University of California Press, Berkeley and Los Angeles, 1974

CONGALTON, Athol A., Occupational Status in Australia, University of New South Wales, Sydney, 1963


CONGALTON, A.A., Status and Prestige in Australia, Chesire, Melbourne, 1969


DODSON, Dan W., "The Creative Role of Conflict in Intergroup Relations", Merrill-Palmer Quarterly, Vol 4, 1958, p189-95


DUTTON, John M., and WALTON, Richard E., "Interdepartmental Conflict and Cooperation: Two Contrasting Studies", Human


ETZIONI, Amitai, A Comparative Analysis of Complex Organizations, Free Press, Glencoe, 1961


EVANS, David, "Australia and Developing Countries" in John Playford and Douglas Kirsner (eds), Australian Capitalism: Towards A Socialist Critique, Penguin, Ringwood, Victoria, 1972

FINE, Ben and HARRIS, Lawrence, "Controversial Issues in Marxist Economic Theory", Socialist Register, 1976, p141-98


FRIEDRICHs, Robert W., A Sociology of Sociology, Free Press, New York, 1970


GODELIER, Maurice, Rationality and Irrationality in Economics, trans Brian Pearce, NLB, London, 1972, 1st published 1966


GORZ, Andre, "Technical Intelligence and the Capitalist Division of Labor", Telos, Vol 12, 1972, p27-41


GOULDNER, Alvin W., "Reciprocity and Autonomy in Functional Theory", in Llewellyn Gross (ed), Symposium on Sociological Theory, Row Peterson and Co, Evanston, Illinois, 1959

GOULDNER, Alvin W., "The Norm of Reciprocity: A Preliminary Statement", American Sociological Review, Vol 25, 1960,

GRANT, Andrew, "Capitalism, Socialism and the Middle Classes", Marxism Today, Vol 2, 1958, P73-8


HICKSON, D.J., "A Convergence in Organization Theory",


HIRSCHMAN, Albert O., Exit, Voice and Loyalty, Harvard University Press, Massachusetts, 1970

HIRST, Paul Q., Social Evolution and Social Categories, Holmes and Meier, New York, 1976


JOHNSON, Terence J., "What is to Be Known? The Structural Determination of Social Class", Economy and Society, Vol 6, 1975b, p194-233


KARMEL, P.H. and BRUNT, Maureen, The Structure of the Australian Economy, Chesire, Melbourne, 1962

KATZ, Daniel, "Approaches to Managing Conflict", in Robert L. Kahn and Elsie Boulding (eds), Power and Conflict in Organizations, Tavistock, London, 1964, 1st published 1959


LAWRENCE, Paul R. and LORSCH, Jay W., Organizations and Environment: Managing Differentiation and Integration, Harvard University Press, Boston, 1967b

LENIN, V.I., "The State and Revolution", in V.I. Lenin, Selected Works, Progress Publishers, Moscow, 1971


MCFARLANE, Bruce, Economic Policy in Australia, Cheshire, Melbourne, 1968

MCFARLANE, Bruce, "Australia's Role in World Capitalism", in John Playford and Douglas Kirsner (eds), Australian Capitalism: Towards A Socialist Critique, Penguin, Ringwood, Victoria, 1972


MARCH, James G. and SIMON, Herbert A., Organizations, John Wiley and Sons, New York, 1958


MARX, Karl, Theories of Surplus Value, trans G.A. Bonner and Emile Burns, Lawrence and Wishart, London, 1951

MARX, Karl, The Poverty of Philosophy, Foreign Language Publishing House, Moscow, 1956


MARX, Karl, Capital Volume III, Progress Publishers, Moscow, 1959


MARX, Karl, Grundrisse, trans Martin Nicolous, Penguin, Harmondsworth, 1973


MAXCY, George, "The Motor Industry", in Alex Hunter (ed), The Economics of Australian Industry, Melbourne University Press, Melbourne, 1963

MEISSNER, Martin, Technology and the Worker, Chandler Publishing, San Francisco, 1969


MERTON, Robert K., Social Theory and Social Structure, Free Press, New York, 1957, 1st published 1949


OFFE, Claus, Industry and Inequality, Edward Arnold, London, 1976


O'MALLEY, Pat, "Theoretical Idealisation and the Interpretation and Development of Marx's Theory of Law", unpublished paper, Monash University, no date


PARSONS, Talcott, The Structure of Social Action, Free Press, Glencoe, 1949, 1st published 1937


POULANTZAS, Nicos, "The Problem of the Capitalist State", in


POULANTZAS, Nicos, "Towards a Democratic Socialism", *New Left Review*, No 109, 1978a, p75-87


REX, John, "Class Without Conflict", *New Left Review*, No 2, 1960, p66-7


SCOTT, Richard W., "Professionals in Bureaucracies - Areas of Conflict", in Howard M. Vollmer and Donald L. Mills (eds), Professionalization, Prentice-Hall, Englewood Cliffs, 1966


SMITH, Clagett G., "A Comparative Analysis of Some Conditions and Consequences of Intra-Organizational


STAGNER, Ross, "The Analysis of Conflict", in Ross Stagner (ed), The Dimensions of Human Conflict, Wayne State University Press, Detroit, 1967


STELLING, Joan and BUChER, Rue, "Autonomy and Monitoring on Hospital Wards", Sociological Quarterly, Vol 13, 1972, p431-46


THERBORN, Goran, "What Does the Ruling Class Do When It Rules?", The Insurgent Sociologist, Vol 6, 1976b, p3-16

THOMPSON, James D. and BATES, Frederick L., "Technology, Organization and Administration", in James D. Thompson et al (eds), Comparative Studies in Administration, University of Pittsburgh Press, Pittsburgh, 1959


TURNER, Arthur N. and LAWRENCE, Paul R., Industrial Jobs and the Worker, Harvard University Press, Boston, 1965


VERNON, J. et al, Committee of Economic Enquiry, Australian Government, Canberra, 1965

VOLLMER, Howard, "Professional Adaptation to Organizations", in Howard M. Vollmer and Donald L. Mills (eds),
Professionalization, Prentice-Hall, Englewood Cliffs, 1966


WARWICK, Donald P., "Bureaucratization in the US Department of State", Sociological Enquiry, Vol 44, 1974, p75-91


WOODWARD, Joan, "Technology, Management Control and Organizational Behaviour", in Joan Woodward (ed), Industrial Organization: Behaviour and Control, Oxford University


### INDEX

<table>
<thead>
<tr>
<th>Term</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>23, 94-96, 116, 221, 228,</td>
</tr>
<tr>
<td></td>
<td>238-239, 283, 297</td>
</tr>
<tr>
<td>Allen</td>
<td>14, 16, 51-55, 63-64,</td>
</tr>
<tr>
<td></td>
<td>78, 80, 131, 140, 145-146,</td>
</tr>
<tr>
<td></td>
<td>185</td>
</tr>
<tr>
<td>Alliance</td>
<td>2, 4, 107, 109, 113, 119,</td>
</tr>
<tr>
<td></td>
<td>138, 142-146, 148, 152, 154,</td>
</tr>
<tr>
<td></td>
<td>173-177, 179, 181, 186, 189,</td>
</tr>
<tr>
<td></td>
<td>195-196, 235, 253, 277-278,</td>
</tr>
<tr>
<td></td>
<td>284, 286-287, 288, 304-306,</td>
</tr>
<tr>
<td></td>
<td>310-311</td>
</tr>
<tr>
<td>Althusser</td>
<td>91-94, 103, 108, 147, 162-165,</td>
</tr>
<tr>
<td></td>
<td>282, 296-299, 300</td>
</tr>
<tr>
<td>Anderson</td>
<td>165, 298</td>
</tr>
<tr>
<td>Apparatuses</td>
<td>152, 174</td>
</tr>
<tr>
<td>Australia</td>
<td>3, 26, 28, 29-36, 40-41, 46,</td>
</tr>
<tr>
<td></td>
<td>48, 50-51, 73, 130, 132, 137,</td>
</tr>
<tr>
<td></td>
<td>168, 177, 180, 188-189, 193</td>
</tr>
<tr>
<td></td>
<td>203-207, 209-210, 212, 214-220,</td>
</tr>
<tr>
<td></td>
<td>218, 222, 226-232, 235-250, 254,</td>
</tr>
<tr>
<td></td>
<td>257-8, 262-263, 267, 270-276,</td>
</tr>
<tr>
<td></td>
<td>277-279, 282, 284-287, 310-312,</td>
</tr>
<tr>
<td>Authority</td>
<td>8, 14, 18, 52, 54, 56-57, 62</td>
</tr>
<tr>
<td></td>
<td>81, 104, 119, 123, 139-141, 170</td>
</tr>
<tr>
<td></td>
<td>308</td>
</tr>
<tr>
<td>Autonomy</td>
<td>59, 86</td>
</tr>
<tr>
<td>Balibar</td>
<td>88, 90, 298</td>
</tr>
<tr>
<td>Bargaining</td>
<td>18, 71-72, 77-78, 84, 141,</td>
</tr>
<tr>
<td></td>
<td>252, 262</td>
</tr>
<tr>
<td>Base</td>
<td>14, 32, 43, 46, 56, 160, 163,</td>
</tr>
<tr>
<td></td>
<td>217, 298, 301-302</td>
</tr>
<tr>
<td>Bearers</td>
<td>95, 103, 126, 141, 146, 156,</td>
</tr>
<tr>
<td></td>
<td>163, 168, 172, 174, 262, 313-314</td>
</tr>
<tr>
<td>Behaviourist</td>
<td>7, 9, 19, 77, 89, 290-292</td>
</tr>
<tr>
<td>Boulding</td>
<td>11</td>
</tr>
<tr>
<td>Term</td>
<td>Pages</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Bourgeoisie</td>
<td>97, 108, 111, 120-125, 136, 172, 197, 236-238, 241, 244, 254, 258, 267, 271-276, 284, 298, 311</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>30, 54-57, 64, 67, 171-172, 176 294</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>57, 61-63, 64, 68, 170, 308</td>
</tr>
<tr>
<td>Bureaucratization</td>
<td>170</td>
</tr>
<tr>
<td>Capital</td>
<td>107</td>
</tr>
<tr>
<td>Class Position</td>
<td>107, 109, 111, 113-117, 126-127, 142-146, 149, 176, 178-179, 305</td>
</tr>
<tr>
<td>Classical Organization Theory</td>
<td>1, 6, 9-12, 48, 52, 54-55, 59, 61, 68-69, 75, 82, 84-86, 107, 140-141, 167-168, 182, 184, 199-200, 225, 284, 292, 294, 298, 309</td>
</tr>
<tr>
<td>Clegg</td>
<td>6, 9, 20, 64, 72, 78, 81, 89</td>
</tr>
<tr>
<td>Commitment</td>
<td>62-63, 65-66, 69, 76, 80, 148, 306</td>
</tr>
<tr>
<td>Commodity</td>
<td>92, 122, 125, 191, 216, 242,</td>
</tr>
<tr>
<td>Concentration</td>
<td>220</td>
</tr>
<tr>
<td>Conflict</td>
<td>10-11, 13-15, 35, 68-69, 74, 82, 85, 105-106, 119, 236, 292</td>
</tr>
<tr>
<td>Term</td>
<td>Pages</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Contradiction</td>
<td>194, 283, 303, 311</td>
</tr>
<tr>
<td>Control</td>
<td>9, 17, 20, 90, 93, 103, 121, 155, 163-164, 194</td>
</tr>
<tr>
<td>Coser</td>
<td>67, 86</td>
</tr>
<tr>
<td>Dahl</td>
<td>7, 9, 77, 105</td>
</tr>
<tr>
<td>Dahrendorf</td>
<td>14</td>
</tr>
<tr>
<td>Dialectical Materialism</td>
<td>18</td>
</tr>
<tr>
<td>Domination</td>
<td>105, 108</td>
</tr>
<tr>
<td>Durkheim</td>
<td>17, 76, 293, 295, 307</td>
</tr>
<tr>
<td>Effective Rate Of Protection</td>
<td>33-34, 48, 255-257, 259</td>
</tr>
<tr>
<td>Empiricism</td>
<td>16, 21, 88, 185, 300</td>
</tr>
<tr>
<td>Empiricist</td>
<td>11, 109, 115, 161, 199, 291, 296, 309</td>
</tr>
<tr>
<td>Ethnomethodological</td>
<td>17, 65, 199</td>
</tr>
<tr>
<td>Etzioni</td>
<td>63, 68, 83</td>
</tr>
<tr>
<td>Exchange-Theory</td>
<td>10</td>
</tr>
<tr>
<td>Term</td>
<td>Pages</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Exploitation</td>
<td>95, 97-98, 158, 167, 180, 191-192, 205, 208, 224, 231</td>
</tr>
<tr>
<td>FMP</td>
<td>91, 116, 129, 133-136, 142, 149, 153, 157</td>
</tr>
<tr>
<td>Functions</td>
<td>152</td>
</tr>
<tr>
<td>Giddens</td>
<td>7, 17-19, 69, 301, 314</td>
</tr>
<tr>
<td>Gramsci</td>
<td>159, 163, 165, 167</td>
</tr>
<tr>
<td>Hegemony</td>
<td>81, 143, 159, 163, 166-167, 174, 196-198, 201, 207, 231, 240</td>
</tr>
<tr>
<td>Hermeneutic</td>
<td>7, 17, 199</td>
</tr>
<tr>
<td>Hickson</td>
<td>52, 69-71, 76-77</td>
</tr>
<tr>
<td>Hindess</td>
<td>91, 94-95, 159, 169, 199-200</td>
</tr>
<tr>
<td>Hinings</td>
<td>52, 69-71, 76-77</td>
</tr>
<tr>
<td>Hirst</td>
<td>20, 57, 81, 90-91, 93-94, 99, 106, 112-114, 145, 152, 159, 169, 174-175, 294, 301, 303</td>
</tr>
<tr>
<td>Homology/Homologous</td>
<td>152</td>
</tr>
<tr>
<td>Ideological</td>
<td>123, 152, 164, 168</td>
</tr>
<tr>
<td>Term</td>
<td>Pages</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Ideology-Monger</td>
<td>181, 313</td>
</tr>
<tr>
<td>Imperialism</td>
<td>191, 194, 196, 222, 226, 231</td>
</tr>
<tr>
<td>Industries Assistance Commission</td>
<td>(see Tariff Board)</td>
</tr>
<tr>
<td>Integration</td>
<td>80</td>
</tr>
<tr>
<td>Interest</td>
<td>105</td>
</tr>
<tr>
<td>ISA</td>
<td>164-166, 167, 170</td>
</tr>
<tr>
<td>Johnson</td>
<td>67, 110-112, 124, 127, 130, 142, 153, 303, 305</td>
</tr>
<tr>
<td>Knowledge</td>
<td>7, 10, 18, 20, 54, 56, 60, 62, 64, 66-67, 70, 89, 100-102, 121-122, 124, 127, 139, 142, 199-200, 298-300, 305, 308</td>
</tr>
<tr>
<td>Labour</td>
<td>69, 107, 168</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>18</td>
</tr>
<tr>
<td>Legitimation</td>
<td>57, 155</td>
</tr>
<tr>
<td>Lenin</td>
<td>113, 160</td>
</tr>
<tr>
<td>Lukes</td>
<td>9, 13, 16, 81</td>
</tr>
<tr>
<td>Management</td>
<td>28, 50, 52, 59-61, 68-69, 71-72, 74, 77-79, 81-82, 84, 86, 99-101, 140-141, 180, 205</td>
</tr>
<tr>
<td>Marx</td>
<td>1, 18-19, 80, 90-92, 95, 97-98, 100, 125-126, 141, 151, 154, 167, 233, 295, 298-299</td>
</tr>
<tr>
<td>Marxist</td>
<td>2-3, 7-8, 14, 21, 24, 54, 56, 80, 82, 87, 104, 106, 140-141, 161-162, 185, 199-200, 277, 296, 298, 300</td>
</tr>
<tr>
<td>Materialist Dialectic</td>
<td>1, 88-89, 162, 207, 296, 298-301</td>
</tr>
<tr>
<td>Term</td>
<td>Page Numbers</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td>Mental-Manual</td>
<td>69</td>
</tr>
<tr>
<td>Merton</td>
<td>12, 16, 57, 305</td>
</tr>
<tr>
<td>Michels</td>
<td>55</td>
</tr>
<tr>
<td>Neo-Classical Economics</td>
<td>51, 77</td>
</tr>
<tr>
<td>Occupation</td>
<td>7, 50, 65, 67, 85, 89, 139</td>
</tr>
<tr>
<td>Open or Declared Action</td>
<td>108</td>
</tr>
<tr>
<td>Overdetermination</td>
<td>93</td>
</tr>
<tr>
<td>Paradigm</td>
<td>7, 9-13, 20-21, 51, 78, 81, 84, 168, 182, 200, 279, 284, 296, 300</td>
</tr>
<tr>
<td>Parliament</td>
<td>27, 30, 35, 38, 52, 285</td>
</tr>
<tr>
<td>Parsons</td>
<td>7, 12-13, 15, 19, 76, 79, 85, 305</td>
</tr>
<tr>
<td>Periodization</td>
<td>192</td>
</tr>
<tr>
<td>Perrow</td>
<td>58-61</td>
</tr>
<tr>
<td>Pertinent Effects</td>
<td>109-110</td>
</tr>
<tr>
<td>Places of Domination,</td>
<td>105, 107</td>
</tr>
<tr>
<td>Subordination</td>
<td></td>
</tr>
<tr>
<td>Polarisation</td>
<td>120-123, 126-127, 130, 137, 143-144, 304-305</td>
</tr>
</tbody>
</table>


Power, Occupational 23, 66-67, 89, 290


Prestige 63, 65-66, 130-133, 135-138, 305

Privilege 125, 176, 245, 264

Profession 7, 67, 68, 128

Professional 7, 38-39, 45, 52, 60-69, 71, 74, 78, 86, 113, 128-129, 136-140, 142, 148, 184, 284, 305-306, 310

Professional-Bureaucratic Typology 58, 61-63

Professionalisation 287

Professionalism 66-68, 124

Protection 31-34, 36, 44, 47-48, 50-51, 157, 181, 184, 254-256, 259, 264, 269, 271-273, 276, 279, 285-287, 313

Protectionist 29-30, 39, 44-45, 47, 51, 74, 181,
<table>
<thead>
<tr>
<th>Term</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Appropriation</td>
<td>92, 152</td>
</tr>
<tr>
<td>Region in Formation</td>
<td>89-90, 93-94, 152, 154, 159, 196, 223, 236</td>
</tr>
<tr>
<td>Repressive State Apparatus</td>
<td>128, 164</td>
</tr>
<tr>
<td>RSA</td>
<td>164-5, 170, 312</td>
</tr>
<tr>
<td>SA</td>
<td>24, 123, 129, 148, 164, 169-172, 175-177, 312</td>
</tr>
<tr>
<td>Science</td>
<td>17, 51, 61, 64, 100-102, 108, 134, 154, 161, 163, 233, 293, 295, 298, 300-301</td>
</tr>
<tr>
<td>Scientists</td>
<td>62, 86, 122, 128, 305</td>
</tr>
<tr>
<td>Simmel</td>
<td>13</td>
</tr>
<tr>
<td>Small-Holding Peasant</td>
<td>108</td>
</tr>
<tr>
<td>Social Force</td>
<td>87, 107, 161, 171-172, 175, 194, 308</td>
</tr>
<tr>
<td>Socialism</td>
<td>56</td>
</tr>
<tr>
<td>Specialist</td>
<td>61-62, 64, 79</td>
</tr>
<tr>
<td>Stages of Capitalism, Imperialism</td>
<td>107, 190-191, 193-194, 196-197, 20, 204</td>
</tr>
<tr>
<td>State</td>
<td>152, 156</td>
</tr>
<tr>
<td>Strata</td>
<td>97, 171</td>
</tr>
<tr>
<td>Strategy</td>
<td>69, 107, 110-111, 114, 118, 144, 175, 179</td>
</tr>
<tr>
<td>Structural Functionalist</td>
<td>7, 9, 12-14, 19-20, 65, 76, 78, 80-81, 86, 89, 96, 107</td>
</tr>
</tbody>
</table>
Structures 12, 17-22, 52, 57, 59, 69-72, 76-78, 89, 91-95, 101, 104, 106-107, 109, 113, 117, 121, 141, 145, 147, 149, 159-161, 179, 293-297, 301-302, 308-309

Sub-Unit 52, 69-72, 76, 78

Subordination 93, 96-97, 100, 102, 104, 107, 116-117, 123-124, 128-129, 141-144, 164, 170, 173, 186, 190, 245, 304, 312

Superstructure 14, 96, 296, 301-302


Tavistock 58


Technology 54, 58-59, 62, 64, 83-84, 90, 139-140, 141, 164, 192, 195, 246, 295

Therborn 20, 57, 160, 294, 298, 301, 308

Trade Union 73, 109, 117, 179

Traditional Petit-Bourgeoisie 121, 128, 137-138, 161, 173

Voluntarist 106

Weber 14, 17-19, 54-57, 96, 294-295, 308

Woodward 58, 68