A class analysis of British society at the start of the 21st century

Introduction: why do a class analysis at all?

In 1926, Mao Zedong wrote a famous 'Analysis of the classes in Chinese society', and gave his reasons for doing so as follows:

Who are our enemies? Who are our friends? This is a question of the first importance for the revolution. The basic reason why all previous revolutionary struggles in China achieved so little was their failure to unite with real friends in order to attack real enemies. A revolutionary party is the guide of the masses, and no revolution ever succeeds when the revolutionary party leads them astray. To ensure that we will definitely achieve success in our revolution and will not lead the masses astray, we must pay attention to uniting with our real friends in order to attack our real enemies. To distinguish real friends from real enemies, we must make a general analysis of the economic status of the various classes in Chinese society and of their respective attitudes towards the revolution.*

It has to be said, incidentally, that when Mao chose to make his analysis, it was because elements within the Chinese Communist Party were advocating policies that Mao considered would have led

^{* &#}x27;Analysis of the classes in Chinese society' by Mao Zedong, March 1926

to the defeat of the revolution. A right-opportunist line in the party was interested only in the proletariat allying with the bourgeoisie, disregarding the peasantry; while a left-opportunist line was interested only in mobilising the industrial proletariat, a tiny minority in Chinese society, and again ignoring the overwhelming peasant majority in the party.

The main tenor of Mao's article is to draw attention to the revolutionary potential of major sections of the petty bourgeoisie (mainly peasant farmers), whom he considered it was absolutely essential to mobilise for the revolution.

In Britain, we can be confident that the petty bourgeoisie is a minority class, and not the overwhelming majority that it was in China at the time Mao was writing. However, to maximise our effectiveness in building a revolutionary movement in the face of ceaseless efforts by our minority ruling class to divide us against each other, it is important to know who are the working class in fact.

Also important in practical work is, having identified the working class, to know where its most revolutionary strata are to be found, so that our efforts at raising class consciousness should in the first instance be mainly directed at the advanced elements among those strata.

Thirdly, it is important to identify and assess the revolutionary potential of the middle strata, since even a minority class, such as the British petty bourgeoisie, is better as a friend than as an enemy.

As Lenin pointed out:

Only an objective consideration of the sum total of the relations between absolutely all the classes in a given society, and consequently a consideration of the objective stage of development reached by that society and of the relations between it and other societies, can serve as a basis for the correct tactics of an advanced class.*

Complexity of the work

On the face of it, in a capitalistically highly developed country such as Britain, class analysis should be straightforward. When Mao was writing about China, feudalism had not yet been routed and capitalism was struggling to develop in the midst of a feudal society, while at the same time foreign imperialism was intermeddling to shore up the feudal class to promote their interests at the expense of the mass of Chinese people, including the national bourgeoisie.

Hence China had not only capitalists and workers, with petty bourgeois in between, but also feudal lords and peasants. And among the latter were some who were able to live well off their work on the land and others who had to supplement it with wage labour if they were to make ends meet, yet still spent much of their lives hungry.

Feudalism in Britain, notwithstanding the persistence of a few relics whose main function these days is to entertain tourists, is long gone. Therefore:

The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones.

Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: it has simplified the class antagonisms. Society as a whole is more and more splitting up into two great

^{* &#}x27;Karl Marx' by VI Lenin, 1914, first published in Russia's *Granat Encyclopaedia*, 1915

hostile camps, into two great classes directly facing each other: bourgeoisie and proletariat.*

As yet, however, the process of splitting up into two great hostile camps is not yet complete in Britain, and intermediate strata do linger on in fairly substantial numbers. Since, however, the process of splitting is ongoing, so that classes are no longer relatively stable entities, a class analysis of Britain at this time is far more complex than would at first sight appear.

Let the words of Lenin be our starting point:

Classes are large groups of people differing from each other by the place they occupy in a historically determined system of social production, by their relation (in most cases fixed and formulated in law) to the means of production, by their role in the social organisation of labour, and, consequently, by the dimensions of the share of social wealth of which they dispose and the mode of acquiring it. Classes are groups of people one of which can appropriate the labour of another owing to the different places they occupy in a definite system of social economy.

On the 'means of production' test, the bourgeoisie is the class that controls these (by virtue of their ownership of a critical amount of 'capital'), while the proletariat is the class that has no access to any means of production and is therefore obliged to sell its labour-power to the bourgeoisie to enable the latter to exploit it and thus enrich themselves. In between, there is a petty bourgeoisie, or 'middle' class, of people, who own sufficient means of production to enable them to work on their own account, but not enough to embark on mass production or significant levels of exploitation.

^{*} K Marx and F Engels, Manifesto of the Communist Party, Feburary 1848

^{† &#}x27;A great beginning' by VI Lenin, 28 June 1919

INTRODUCTION

For them, life is summed up by the epithet, 'neither exploited nor an exploiter be'.

Marx and Engels, writing in *The Communist Manifesto*, pointed out that, under capitalism, class boundaries do not remain static:

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, partly because their diminutive capital does not suffice for the scale on which modern industry is carried on, and is swamped in the competition with the large capitalists, partly because their specialised skill is rendered worthless by new methods of production. Thus the proletariat is recruited from all classes of the population.

In short:

The bourgeoisie cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society ... Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones.

This constant shifting of people from one class to another – over-whelmingly the downward shift of small capitalists into the petty bourgeoisie on the one hand, and, more importantly, of the petty bourgeoisie into the working class (bringing all their class prejudices with them) on the other – makes class analysis rather more complex than would at first sight appear.

The task of class analysis is further complicated by theories emanating from bourgeois propagandists, who try to deny the whole concept of class, as if by so doing they could sweep class

antagonism out of existence and thus perpetuate the rule of the bourgeoisie. As Grant rightly said:

The recognition of a fundamental division between capitalist and working classes has led to such dangerous conclusions that persistent attempts have been made to eliminate if possible the very idea of class.*

^{*} A Grant, Socialism and the Middle Classes, 1958, p11

1. The working class

Who are the working class?

The working class are all those who belong to the class which, being bereft of means of production, is forced to sell its labour-power (either to capitalists or to the bourgeois state) in order to be able to earn the money to acquire the means of consumption necessary to support life.

This scientific definition militates strongly against what most people understand by 'class'. In particular, the following points should be noted:

a. A person can be working classeven if he is not exploited by his employer

In fact, Marx specifically mentions in Capital Vol 1 that

... the extraordinary productiveness of modern industry ... allows of the unproductive employment of a larger and larger part of the working class.

It is clear from this that he did not expel anybody from the working class simply on the ground that they were in unproductive

employment.

The most elementary example of this is a domestic servant. Such a person is not exploited, since an exploited worker must be engaged in producing commodities that his employer intends to sell for a profit, thereby increasing the employer's wealth. The employer who engages a domestic servant decreases his wealth by so doing, he does not increase it.

A mystique exists around whether a worker is 'productive' or not, with a great deal of confusion arising around the meaning of the word 'productive'. In Marxian terminology, all workers who produce surplus value that is appropriated by the capitalist are 'productive'. Their labour adds to the value of, and is incorporated in, the commodity that the capitalist takes to market, be that commodity a concrete object or a service.

Marx considered that transport workers added to the value of the commodities they transported by making them available far away from where they were produced. And to the extent that production needs to be organised, those engaged in its organisation – supervisors and managers – are also productive workers.

However, he did not consider that those who were engaged in other forms of commodity distribution, such as shop assistants and advertising executives, added anything to the value of the commodities they helped to sell. Their wages amount merely to a cost of distribution.

Some non-technical definitions of 'productive' have insisted on only applying the adjective to workers directly involved in producing tangible commodities (excluding all production of services and all workers other than shop-floor workers). Others have insisted on only including industrial workers. As British capitalism specialises itself more and more on the provision of financial services and industrial production shrinks to a mere 12 percent of the economy – and that highly automated and employing ever fewer workers – there are those who consider that Britain's working class has

virtually withered away, making it impossible for Britain to effect an independent proletarian revolution.*

This theory conveniently absolves those who uphold it from doing any revolutionary work, since there would be no point. Fortunately for the future of humanity, the theory is of no scientific value whatever, and only has any merit as an excuse for elderly communists to retire from the fray.

The truth is to be gleaned from the writings of Marx, Engels and Lenin: the working class is made up of all those who, being bereft of the means of production, have no choice but to sell their labour power in order to live – regardless of the use that whoever hires them makes of that labour power. If this is accepted, then it is obvious that the British working class is ever-expanding – in accordance with the laws of capitalism – while the ranks of the bourgeoisie and petty bourgeoisie are ever-narrowing.

Other conclusions follow from this very basic Marxist understanding of what constitutes the working class.

^{*} Peter Seltman, who for the most part followed Marx's definition of productive workers, was nevertheless so influenced by the idea that only 'productive' workers were properly working class that he tied himself in knots trying to establish that doctors and teachers employed by the state were exploited – ie, that they were productive workers.

Thus, he tried to claim that they added value to the commodity labour power by providing services to the productive section of the working class (eg, as doctors or teachers), whose surplus value was then appropriated by the capitalist class as a whole.

Seltman used this argument to chastise the CPGB, from whom he had broken by reason of their revisionism. Unfortunately, on this particular point, the CPGB were right and Seltman was wrong.

If it were true that doctors and teachers increase the value of labour power, it is the labourer who sells his labour power and appropriates the proceeds of this sale. It would follow that it would be the labourer who would be the exploiter of the doctor or teacher – a conclusion that is obviously absurd.

See PEJ Seltman, Classes in Modern Imperialist Britain, 1964

b. A person can be working class even if he is not engaged in industrial production

Obviously, the domestic servant discussed above is not engaged in industrial production, yet s/he is nevertheless working class. But others in various jobs, which in many cases pay less well than industrial production, are also to be included in the working class, despite various arguments current in the movement that they should not be.

These include people doing manual work such as cleaning, as well as those doing work that is not normally classed as manual, such as shop assistants, secretaries, clerks, care workers, etc.

Moreover, there would be very little left of the working class in Britain today if only industrial workers were included in the definition, since the proportion of jobs in the manufacturing sector in the UK has fallen steadily - from 28.5 percent in 1978 to a mere 10 percent in 2009.

To suggest that the working class in Britain today constitutes no more than 10 percent of the working population completely negates Marx's prediction of society dividing into two great opposing classes, with the overwhelming majority of the population being working class. However, Marx and Engels made it perfectly clear that the class of 'paid wage labourers' was *not* confined to industrial workers.

When they wrote in the Communist Manifesto that

The bourgeoisie has stripped of its halo every occupation hitherto honoured and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage labourers . . .

they were clearly not envisaging that these people would give

up their callings and join factory production lines. No, they were predicting – as has happened – that social functions that had previously been performed by self-employed petty-bourgeois professionals would be taken over by 'paid wage labourers'.

c. A person can be working class even if he is not a manual worker

Moreover, 'the physician, the lawyer, the priest, the poet, the man of science' are turned by capitalism into paid wage labourers even though they are not manual workers.

Whether today any *particular* physician or lawyer is working class or not depends on whether or not s/he is exclusively a paid employee, earning whatever is the market wage for his type of labour-power. Some doctors are self-employed in general practice, and must therefore be classed as petty bourgeois. Some consultants are partly employed and partly engaged in private practice. Technically, they would be semi-proletarians. It can, however, practically be guaranteed that their outlook on life will be wholly philistine (ie, counter-revolutionary) – for reasons to be discussed.

Moreover, there would be very little left of the working class in Britain today if only manual workers were included in the definition! With mechanisation, the demand for manual labour is of necessity constantly reduced.

The character of labour has changed with the development of capitalism to its monopoly stage, particularly in a country like Britain, the centre of large colonial possessions. The application of machinery to more and more processes, including clerical and distributive processes, and the intensification of the use of machinery in industry and agriculture, have changed the outward form of labour in many ways. It has become increasingly difficult to distinguish between one form of labour and another by the use

of the terms 'manual' and 'non-manual'. Consequently all definitions of 'middle class' or 'working class' which are based on the use of these terms are practically meaningless.*

d. A person can be working class even if his work is highly skilled

Traditionally, the skilled working class were the backbone of the trade-union movement, which was no doubt helped by the fact that skilled workers are not so easily replaceable, in the fight for better wages and conditions.

They have frequently been as much concerned to maintain wage differentials as they have been to maintain or improve their own conditions, but nobody would argue that such workers are anything other than working class – nor would we.

However, because it is they who are most effectively unionised, there are even those in the movement who consider them to be the most important section of the working class, notwithstanding the backwardness that their relatively privileged conditions tend to entail.

e. A person can be working class even if he is employed primarily for his intellectual skills

As capitalism has developed, the need for workers with intellectual skills to be available on the labour market has increased.

British capitalism [with the loss of its trade monopoly] was forced to take belated steps to try to keep its head above water by increasing its competitive ability in the world market through the expanded use of science, engineering and technology. So that,

^{*} A Grant, Socialism and the Middle Classes, 1958, p33

since 1921, there has been a very rapid growth in the scientific and engineering professions.*

Although, traditionally, intellectual skills had formerly been the preserve of the bourgeoisie and petty bourgeoisie, this expansion of the professions coincided with the historical process of gradual proletarianisation of the professions, as noted by Marx and Engels in the *Communist Manifesto*.

Already at the time Grant was writing, half a century ago, the overwhelming majority of professionals were already hired labour:

According to the census of 1951, of all professionally qualified people, 3 percent were employers, 3 percent managers, 6.3 percent self employed, 87.7 percent were employees. The highest incidence of employment among professions were scientists and draughtsmen (99 percent), social workers (97 percent), engineers and nurses (96 percent), clergy (92 percent), teachers (88 percent), journalists (76 percent), actors and medical auxiliaries (75 percent). The lowest incidence was among lawyers (42 percent) and doctors (50 percent). About a third of lawyers and accountants were employers. A tenth of accountants were self-employed, as were about a fifth of lawyers.

The process is far more advanced today. In fact, there would be very little left of the working class in Britain today if people with developed intellectual skills were excluded:

Some 13 million people in Britain can be classified as professionals, meaning they have some form of higher-education qualification and work in a regulated sector, such as education or health care. The figure includes engineers, nurses, health visitors, school teachers and lecturers.

^{*} A Grant, ibid, p51

... 42 percent of all jobs in Britain currently fall into such categories. Between now and 2020, that figure is expected to account for 80 percent of new jobs.*

Having said that, there are many employed intellectuals who, as a sideline, regularly earn a supplementary income in private practice, by their writing or TV appearances, by consultancy, or by running a small business on the side. These would be semi-proletarians.

f. A person can be working class even if he is highly paid, provided his pay does not on average exceed the market rate for a person of his skills and experience

Since a skilled worker has a higher cost of production than an unskilled worker, his 'value' is therefore higher and so, on average, one would expect his wages to be higher. He remains, however, a wage worker, whether his skills are manual, organisational or intellectual.

g. A person can be working classeven if he is employed in a supervisory capacity

Within the workplace, there are two kinds of hierarchical superiors – those whose all-round knowledge, experience and general competence single them out as good people to employ as organisers of production on the one hand, and, on the other, those whose job arises mainly from the antagonism between worker and employer, whose function is to make sure that as much work of as good a quality as possible is wrung out of reluctant workers.

^{* &#}x27;Private schools grab more top jobs' by Isabel Oakeshott, *Sunday Times*, 27 May 2012

An industrial army of workmen, under the command of a capitalist, requires, like a real army, officers (managers) and sergeants (foremen, overlookers), who, while the work is being done, command in the name of the capitalist.*

And further:

The labour of supervision and management, arising as it does out of an antithesis, out of the supremacy of capital over labour, and being therefore common to all modes of production based on class contradictions like the capitalist mode, is directly and inseparably connected with productive functions which all combined social-labour assigns to individuals as their special tasks.[†]

The labour of supervision and management . . . has a double nature. On the one hand, all labour in which many individuals cooperate necessarily requires a commanding will to coordinate and unify the process. . . . This is a productive job . . . On the other hand . . . this supervision work necessarily arises in all modes of production based on the antithesis between the labourer, as the direct producer, and the owner of the means of production. The greater this antagonism, the greater the role played by supervision.*

The working class can kiss my arse I've got the foreman's job at last [to the tune of the Red Flag] . . .

^{*} K Marx, Capital, Volume I, 1867, p332

[†] K Marx, Capital, Volume III, 1894, p379

[‡] K Marx, ibid

But, all the same, the foreman, whether organiser or enforcer, remains a member of the working class – albeit one who is paid more than the average. The organiser is paid more because of his superior skills, the enforcer because of his willingness to sell his soul. Sometimes the two functions are combined.

h. A person can be working class even if employed in the machinery of state repression

Policemen, soldiers and prison officers are all people who sell their labour for want of any other way of making a living and must therefore be categorised as working class, even though the specific purpose of their employment is to maintain the oppression of the working class on behalf of the bourgeoisie.

i. A person can be working class even if he is unemployed, living on benefits, without any prospect of ever getting a job

A person who needs to sell his labour power in order to live remains working class even if, as it happens, he is unable to effect a sale – be it because of a disability or because there are simply no jobs to be had for a person of his skills (or lack of them).

Wacquant writes that

A significant fraction of the working class has been rendered redundant and composes an 'absolute surplus population' that will likely never find work again. This is particularly true of older industrial workers laid off due to plant shutdowns and relocation.*

^{*} Cited in Crompton, Devine, Savage and Scott: Renewing Class Analysis, 2000, p112

Although Wacquant seems to think that this a new phenomenon associated with technological advance under capitalism, in fact the reserve army of the unemployed has long been a feature of the working class – and one which depresses the wages of those who do work.

The factors that affect class-consciousness

a. The association of any form of privilege with higher class

The British bourgeoisie has always been adept at dividing the working class by distributing petty privileges like getting to use the toilet, being 'staff' rather than hourly paid, and having various petty (or not so petty) 'entitlements' that are not available to the mass. Such entitlements might include pension rights, holiday entitlement, whether an employee is required to clock on and off, promotion prospects, automatic salary increases, etc. These inducements tie to the bourgeoisie not only those workers who have them but also those who aspire to have them.

These privileges are highly effective in breaking down workingclass solidarity, and positively *breed* opportunism. It is, therefore, especially important that communists do not fall into the trap of accepting the divisions and attributing them to an *actual* class divide – much less an *antagonistic* class divide.

Obviously, to the extent that any section of the working class allows itself to be bought off, it is harmful to the proletarian cause, but those who receive these privileges must be persuaded that, in spite of them, they remain members of the working class, and that ultimately they can only defend their long-term interests by standing shoulder to shoulder with less privileged workers.

In any event, Marx, Engels and Lenin did not consider that a proletarian ceased to be a proletarian just because he was better off

than others, even when his well-being was facilitated by imperialist superexploitation of oppressed countries. This is apparent from the following well-known quotations (emphases ours):

A privileged upper stratum of the *proletariat* in the imperialist countries lives partly at the expense of the millions of members of uncivilised nations.*

The English *proletariat* is becoming more and more bourgeois, so that this most bourgeois of all countries is apparently aiming ultimately at the possession of a bourgeois aristocracy and *a bourgeois proletariat as well as a bourgeoisie.* For a nation which exploits the whole world this is of course to a certain extent justifiable.[†]

In our view, both these quotations demonstrate that the proletariat remains a proletariat, even if, as a result of its privileged situation, it acquires a lot of bourgeois prejudices and is unduly amenable to class collaboration with the bourgeoisie. It is one of the most important functions of communists to counter these prejudices and convince backward workers such as these that their real interests lie with the proletariat and not with the bourgeoisie – with socialism and not with imperialism.

In actual fact, imperialism has not only provided a petty-bourgeois standard of life to the labour aristocracy, but has allowed improved standards of living and the provision of a modest level of welfare benefits where necessary to the working class as a whole.

Seeing this rise in living standards in Britain, GDH Cole, who overlooked the whole issue of imperialist exploitation by Britain of

^{*} VI Lenin, Imperialism and the Split in Socialism, October 1916

[†] F Engels, Letter to Marx, 7 October 1858

vast tracts of the oppressed world, concluded that Marx was quite wrong in predicting that the working class would become not only more numerous but also more impoverished. According to Cole, Marx had no idea that popular education and extension of the franchise could lead, without social revolution, in the direction of positive reforms that would so far limit capitalist exploitation as to bring about a gigantic redistribution of income between rich and poor, and that this could

. . . prevent the development of a revolutionary will among the general mass of the proletariat.*

Of course, Marx on this point was writing in the pre-imperialist era, but his thesis holds perfectly true if, instead of looking at the British working class in isolation, one looks at the *world* proletariat and the effects of the imperialist world market. Along with its export of capital, British imperialism managed to export also the worst effects of the impoverishment of the working class, including the worst of unemployment, as well as the utter destitution and misery predicted by Marx. However, even the British proletariat has been unable to escape its *relative* impoverishment (relative to the growth in wealth of the bourgeoisie), which continues inexorably notwithstanding the improvements in living standards of workers over the years.

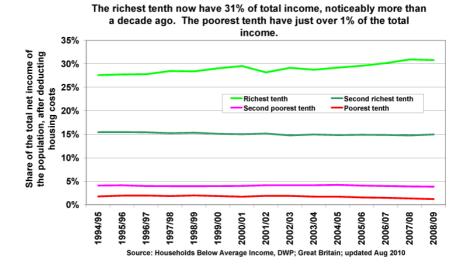
As Bill Bland rightly pointed out:

From the middle of the 19th century onwards . . . the standards of living for the main body of the workers rose almost continuously and at the same time the numbers of persons in the intermediate income groups, especially in the professions, rose much faster than the total population and was largely recruited from the class

^{*} GDH Cole, Studies in Class Structure, 1955, p88

below them. In fact, [however,] the share that the average British worker receives of the value he produces is less than it was a hundred years ago. Since 1850, industrial output per head has increased by 357 percent, real wages by only 235 percent.*

The most up-to-date figures show that this trend continues:



^{*} Figures from 'Economic Development in the United Kingdon, 1850-1950' by ECA Mission to the UK, cited in 'Classes in modern Britain' by WB Bland, *Hammer or Anvil*, April 1966

b. The association of intellectual attainment with higher class

The development of intellectual skills – ie, education and training – invariably require taking time off from the day-to-day business of production in order to study. Study has therefore historically been a privilege, and was traditionally largely confined to the 'leisured' classes – ie, mainly to those who were not required to engage in the day-to-day business of production.

Study, at least at a practical level, was also available to those sections of the petty bourgeoisie who could afford to allow their young to postpone starting work until they had acquired a reasonable level of skill. Education, therefore, was available only to people from an exploiting or a petty-bourgeois class, rather than from a common worker background.

It followed that educated persons had a very strong tendency to be infused with the class prejudices of the bourgeoisie or petty bourgeoisie – including contempt for, and fear of, the working class, and a belief in their own innate, genetic, superiority. Since these people had intellectual skills as a result of an education of which common workers were deprived, their 'innate superiority' appeared to be proved in practice.

As capitalism developed, however, and especially with the technological advances it brought in its train, the demand grew for the workforce to acquire at least some level of education, with reading being particularly important. As a result, education began to be extended to the working class.

In the 19th century, charities would make primary education available, and even a certain level of secondary education, while free tertiary education was provided for prospective school teachers so that there would be enough of them to ensure an adequate supply of worker education could be offered. The 1944 Education

Act mobilised the state into providing free education at *all* levels, ensuring that education was offered to each and every member of the working class. Should they wish to do so, and if they had the ability, working-class children could go on to university after school without incurring any charge.

As a result of all this, education ceased to be the privilege of the well-to-do. However, this did not prevent those people of working-class background who were able to accumulate qualifications as a result of their free education and thus secure a better-paid job with more congenial working conditions from believing that they had 'joined the middle class', because that is what it felt like from their point of view.

As far as remuneration for these new graduates was concerned, the worker whose education had progressed beyond the level compulsory for all – ie, to further or higher education – had had a higher production cost than those whose education had not, even if his education had been free, because he had to spend several years studying when he might have been earning a wage. Therefore, the law of value dictates that on average he would still be paid more for his labour-power than those who did not go beyond compulsory schooling.

His costs of production were, however, significantly lower than what they traditionally had been for those of petty-bourgeois origins, and, as a result, the ready availability on the labour market of hundreds of young intellectuals recruited from the working class rapidly brought down the average wage that needed to be paid for workers with intellectual skills.

Although workers employed for their intellectual skills continue to command higher wages on average than the unskilled, it is important to understand that so long as they are dependent on their wages to live, and so long as those wages do not allow for accumulation of capital, these people are working class, even if their exalted salaries might make them think otherwise.

Because they are also often employed in positions of authority, Bill Bland placed such workers in the petty bourgeoisie for that reason alone, despite their lacking any control over the means of production – but again, this is not a scientific approach.

As workers, professionals too experience constant downward pressure on their wages and upward pressure on their productivity, especially as British imperialism begins to decline. For example, it is well known that a rigorous shakeup of universities, the latter being among the foremost employers of intellectuals, took place at the turn of this century:

Nearly all academics were suffering from the expansion of higher education, with limited funds, which had weakened their association with excellence and diminished their incomes relative to other professions. Between 1982 and 2001 their earnings went up by 7 percent, allowing for inflation, while average earnings of all full-time employees in Britain went up 44 percent. A junior academic, a researcher at a former poly, was paid £11,060 in 2001 . . . while a sewage operator with Thames Water was paid £12,031. A lecturer at an established university in London was paid £20,865, while a police constable on appointment at eighteen was paid £22,635.*

Over the last decade, there has also been a steady erosion of terms and conditions for staff in the universities – with longer working weeks, shorter holidays and curtailed pension rights being imposed, a process which is still continuing.

With regard to those workers who merely do well in compulsory education but do not go on to further or higher education, Grant drew attention to the fact that, up to the middle of the 20th century at least, clerical workers and shop assistants were considered to be 'middle class' because they were slightly better educated

^{*} A Sampson, Who Runs This Place?, 1988, p203

than the average worker. Even as late as the 1960s, McCreery sought to place professional and clerical workers in the ranks of 'semi proletarians', equating them with peasants in China who were obliged to supplement their income by working part time as wage labourers. Even at the time, this was hardly a scientific approach, but nowadays it would be considered wholly inappropriate. Grant pointed out that:

Marx made a distinction between clerical and industrial labour, but not so as to exclude those doing clerical work from the proletariat. In fact, he specifically referred in a number of passages to the 'commercial wage worker' and the 'commercial labourer' . . .

'He adds to the income of the capitalist, not by creating any direct surplus value, but by helping him to reduce the costs of the realisation of surplus value . . . The generalisation of public education makes it possible to recruit this line of labourers from classes that had formerly no access to such an education and that were accustomed to a lower standard of living . . . With a few exceptions, the labour-power of this line of labourers is therefore depreciated with the progress of capitalist development. Their wages fall, while their ability increases . . .' (Capital, Vol III)*

Yet, according to Cole, Marx did not foresee the increase in the educational level of the working class – which he, of course, equates with workers becoming petty bourgeois, while the working class shrinks – to the contrary of what Marx had predicted!

^{*} A Grant, op cit, pp64-5

c. The descent into the working class of people of petty-bourgeois origin

This introduces petty-bourgeois thinking into the working-class movement, particularly to those occupations (supervisory, and/ or involving intellectual skills) to which the proletarianised petty bourgeoisie tend to be attached.

d. The recruitment of working class people into occupations that are rife with petty-bourgeois culture As Grant pointed out

It would be foolish to fail to recognise how deeply ingrained in many of the professions are the long traditions of private practice; the idea of 'setting up in practice on one's own', of owning one's own professional business, tend to cling on, making for political conservatism in these sections long after the economic basis for such ideas has been permanently shattered. Dr Bonham has estimated that, in the three elections between 1945 and 1951, the 'lower' professions voted 2 to 1 in favour of the Conservatives in 1945, while in the 'higher' professions it was about 4 to 1 in favour of the Conservatives in 1945 and 13 to one in 1951.*

^{*} Ibid, p121.

Although both the Conservative and Labour parties are bourgeois parties, the Labour party has traditionally fashioned itself to appeal to those who identified with the working class, while the Conservative party sought to appeal primarily to those who saw themselves as middle class.

Although nowadays this distinction has become blurred, at the time Grant was writing voting habits were quite a good indicator of how people thought of themselves. However, as Marx mentions in his *Preface to a Contribution to the Critique of Political Economy* (1859), 'one does not judge an individual by what he thinks about himself'.

e. The association of supervisory function / the right to command / social status with higher class

i. The subjective identification of those who do well under capitalism with the ruling class

Bill Bland considered that this placed those workers who perform supervisory functions 'objectively' into the class of the petty bourgeoisie:

Hence, those employees involved in this role of supervision and management have a dual role, as worker and as slave-driver. This divided allegiance towards the two decisive classes of capitalist society places them objectively in the class of the petty bourgeoisie, in which this divided allegiance is a basic factor determining its social behaviour.

For the same reasons, the petty bourgeoisie also includes persons in the middle and lower ranks of the coercive forces of the capitalist state (eg, members of the police and armed forces). It also includes the dependants of these persons.

On the basis of the above definitions, it is possible to calculate from the 1961 Census statistics that the petty bourgeoisie in modern Britain comprises about 7 million persons out of a total population of 52 millions – ie, about 14 percent.

In saying this, Bill Bland completely lost sight of the basic tenet of Marxism that class is determined by a person's relationship to the means of production. A person employed in a supervisory or managerial capacity is often just as bereft of means of production as the humblest shop-floor worker. What he does, however,

is receive a larger whack of means of consumption as the reward for his labour.

This does not change his class position, though it invariably does change his *perception* of his class position and shifts his subjective class loyalty, if he ever had any, to the exploiters whose handmaiden he has become. He nevertheless remains a wage labourer, with his little privileges dependent on his pleasing his master, and his fate dependent on his master's whim, just like any other wage slave.

A comparison could be made with the obsequious and treacherous black slave character Stephen in the Tarantino film *Django Unchained*, who undoubtedly enjoyed privileges, and exercised both an enforcement and supervisory function in the slave household. He was despicable in the extreme, but for all that, he remained a slave.

<u>ii. The association of certain types of accent,</u> modes of dress, manners, lifestyle, with higher class

<u>iii. The delegation of certain ruling-class powers</u> to paid wage workers (generally under the strictest supervision)

iv. The active intervention of the bourgeoisie in creating divisions among the working class

Because of all these factors, the overwhelming majority of the population belong to the working class – in that they need to sell their labour power in order to live – yet only a very small proportion would actually *claim* to be working class.

Grant found that

 \dots it has been concluded that the radical division of society into capitalist and working classes is a myth, and that a large and

increasing proportion of the population belong – because when asked they consider themselves to belong – to . . . the 'middle class'.*

Opportunism in the working-class movement

As has been mentioned above, the small privileges accorded to certain sections of the working class, including privilege born of a worker having a higher cost of production due to the greater-than-average education and training needed for his particular job and the better wages and conditions of skilled manual workers, have a tendency to breed class collaboration and opportunism, and to divide the working class against itself.

Seltman took the view that it was chiefly the proletarianised petty bourgeoisie who brought class collaboration into the working-class movement. What he failed to face up to, however, was that people with impeccable working-class antecedents and credentials – in particular the labour aristocracy – are also responsible for the spread of opportunism in the working-class movement.

Seltman evaded the terrible reality that the well-paid skilled workers who make up the backbone of the trade-union movement and the Labour party are a potent source of opportunism, as their comfortable living conditions undermine the sense that it is necessary to overthrow capitalism.

Although Seltman is in other respects a firm anti-imperialist, he has rather evaded the issue of the extent to which a portion of imperialist superprofits can be, and are, diverted to buy off the working-class movement. It is only because of imperialism that the British working class generally has been able to enjoy

^{*} A Grant, op cit, p11

a higher standard of living than prevails for the working class in non-imperialist countries. It is only because of imperialism that British capitalism is able to provide higher wages than the world average, as well as welfare benefits, and still remain competitive on the world market.

These relatively high standards of living enjoyed by the British working class, and especially those with high levels of manual and/ or intellectual skill, underpin the British proletariat's willingness to go along with its bought-off leadership in the Labour party and the trade-union bureaucracy. And it is noteworthy that, as the crisis forces down these living standards, this leadership is losing its purchase on the working class.

It is also the superprofits of imperialism that bribe a wide range of proletarian leaders with £100,000+ salaries, opportunities for lucrative self-promotion in the media and conference circles, consultancy contracts and all kinds of perks. These superprofits also finance academics of dubious integrity to sing the praises of capitalism, and open to all these treacherous elements the revolving doors into the corridors of what Scott would call the capitalist locations.*

The better conditions offered to skilled workers are often the result of hard and self-sacrificing trade-union struggle (unlike the better conditions of wage workers employed in traditionally petty-bourgeois occupations, which derive from the option such workers have of switching back to a petty-bourgeois occupation). However, just because the gains are the result of a magnificent trade-union struggle, it does not follow that the bourgeoisie will not be able to exploit them as a means of splitting the working class. On the contrary!

There are those who draw the conclusion from this that to struggle for higher wages is reactionary because it sets successful

^{*} J Scott: Who Rules Britain?, 1991

militant workers up to becoming patsies of the bourgeois class. Obviously such a conclusion is absurd. Revolutionaries must always support and encourage struggles for reform, since they are committed to seeking better living conditions for all workers.

When the working class is strong, inevitably the bourgeoisie will be forced to make concessions. When these concessions are made, it generally buys the bourgeoisie some time – and may even enable them to regain the upper hand. It is the role of revolutionaries to imbue the working class with the idea that the only way of ensuring these reforms are not withdrawn at the earliest opportunity is to get rid of the exploiting class that constantly seeks to reduce the wages and benefits available to the working class as much as is practicable in the given historical situation.

Size of the working class

It is very difficult to use the statistics produced by the bourgeoisie as they are produced for the benefit of the bourgeoisie and for purposes that interest the bourgeoisie. The bourgeoisie pays the pipers and the bourgeoisie calls the tune.

However, some of the statistics published by various authorities, such as the Office of National Statistics (ONS) can be helpful. Consider, for example, the following percentages of the workforce (see Table 1 below; all figures are percentages of the total).

Of the figures shown in this table, the working class might include:

- a. The lower managerial and professional (22 percent of the workforce).
- b. The lower supervisory and technical (8 percent of the workforce).
- c. The workers whose jobs are semi-routine (ie, require some skill; 12 percent of the workforce).

- d. The workers whose jobs are routine (ie, manual workers mostly; 9 percent of the workforce).
- e. Those who have never worked and/or are unemployed (19 percent of the workforce this number is much higher than the unemployment figure as it includes students, housewives and those who, while unemployed, do not claim any benefits).

Table 12009 Labour force survey

Higher managerial and professional		
Lower managerial and professional		
Intermediate		
Self-employed and small employers	8	
Lower supervisory and technical		
Semi-routine	12	
Routine	9	
Never worked, unemployed		

While there must be a few people in categories a, b and e who would not for various reasons count as working class, we will assume that these are so few as to be of very marginal effect on the overall picture. On this count, therefore, 70 percent of the population is working class.

With industrial jobs now down to 11 percent of all jobs, those who consider that only industrial workers count as the working class would indeed be feeling pretty hopeless now. If all people educated beyond the age of 16 were left out of account, the working class would be reduced to 40 percent, nearly half of whom were either unemployed or had never worked!

The fact is that we need to take cognisance of the fact that the

working class in Britain nowadays overwhelmingly has manual and/or intellectual skills; that people with such skills do tend to receive higher wages than those who don't have them, but that nevertheless the gap between the earnings of the skilled and unskilled has lessened considerably over the years; that the sections of the working class who are worst off, and least likely to be influenced by opportunist temptations, are unskilled workers in service industries or the unemployed.

The unskilled are in fact being increasingly marginalised as jobs available for them disappear as a consequence of mechanisation and computerisation. Laïc Wacquant has noted as a worldwide phenomenon in 'advanced' countries, that

Post-industrial modernisation translates, on the one hand, into the multiplication of highly-skilled and rewarded positions for university-trained professional and technical staff and, on the other, into the deskilling and outright elimination of millions of jobs, as well as swelling of casual employment slots for uneducated workers.*

And further:

The more the revamped capitalist economy advances, the wider and deeper the reach of the new marginality, and the more plentiful the ranks of those thrown in the throes of misery with little respite or recourse, even as official unemployment drops and income rises in the country.

In 1994, the US Census Bureau reported that the American poverty rate had risen to a ten-year high of 15.1 percent (for a staggering total of 40 million poor persons), despite two years of robust economic expansion. Five years later, the poverty rate in large cities has barely budged in spite of the longest phase of

^{*} Cited in Crompton, Devine, Savage and Scott, op cit, p110

economic growth in national history and the lowest official unemployment rate in three decades.

Meanwhile, the European Union officially tallies a record 52 million poor, 17 million unemployed, and 3 million homeless – and counting – in the face of renewed economic growth and improved global competitiveness. As major multinational firms such as Renault and Michelin in France turn in unprecedented profits and see their stock value zoom up, they also 'turn out' workers by the thousands.*

And this was written in 2000, before the outbreak of the present crisis of overproduction, which has deepened the misery of the poorest sections of the working class still further! These are the people who have nothing to lose but their chains, yet are often passed over by left-wing activists in favour of 'industrial workers' or 'productive workers', whose conditions are relatively cushioned. Indeed, they are often despised and contemptuously bracketed with the lumpen proletariat, simply for the 'crime' of living in difficult circumstances on a run-down council estate.

Such workers are, of course, hard to organise if there is no workplace at which they congregate. When they join the party they may need to overcome educational deprivation in order to learn the science of Marxism, but their reward for doing so is to recover the self-respect and dignity that bourgeois society denies them.

They are the people with the keenest interest in overthrowing capitalism. They are the people with the boldest spirit to confront the bourgeois state on the streets – as was the case during the youth uprisings that took place in various cities throughout Britain in August 2011. While the communist movement does tend to attract better-off sections of the working class more easily, it is the decent marginalised working class who give it backbone.

^{*} *Ibid*, p111

2. The petty bourgeoisie

The petty bourgeoisie includes small shopkeepers, small farmers, taxi drivers, various tradesmen, window cleaners, jobbing gardeners and other such small businesspeople. It also includes the minority of professionals such as doctors, lawyers, accountants, etc, who are owners or joint owners of private practices.

Table 2 below gives some indication of the size of the petty bourgeoisie, but must be interpreted with caution since, as Grant pointed out,

To lump all employers together today is to ignore the acute antagonisms that have been developing between the smaller employers and the monopolistic concerns. Owners of small and even medium-sized factories and proprietors of a wide variety of small businesses find themselves continually in conflict with big business and with government policies that favour the larger concerns.*

Therefore, in considering who constitutes the petty bourgeoisie, it has, perhaps rather arbitrarily, been decided to include only those who have between zero and nine employees.

This table shows that, in 2010, there were 3,364,020 self-

^{*} A Grant, Socialism and the Middle Classes, 1958, p102

employed people who had no employees. They amounted to 16 percent of all working people. A further 968,545 enterprises employed 3.6 million people between them – an average of 3.7 workers each, which would normally include the owner.

Table 2

	Enter- prises	Employ- ment (millions)	% of all enter- prises	% of all employ-ment
All Enterprises	4,542,765	23.3	100.0	100
SMEs (0-249)	4,536,445	13.8	99.8	59
All employers	1,178,745	19.7	26.0	85
No employees	3,364,020	3.7	74.0	16
1-9	968,545	3.6	21.0	15
10-49	173,405	3.5	4.0	15
50-249	30,475	3.0	0.6	13
250 or more	6,320	9.6	0.2	41

Source: David Smith et al

This would mean that the number of self-employed workers who had either no employees or who had no more than nine, would number 3,364,020 + 968,545 = 4,332,565, together amounting to 18.6 percent of all working people. This would appear to be the approximate size of the petty bourgeoisie.

It should be noted that 18.6 percent of all working people is not a percentage of the population as a whole. Those who are not working are left out of account, including the unemployed. Table 3 leaves out of account those who are not of working age, but does include the unemployed, housewives, students, etc, and all other UK residents aged between 16-64, and hence is working on a total

THE PETTY BOURGEOISIE

'population' of 40.2 million, as compared to the mere 23.3 million of Table 2, making them 10.78 percent of the workforce.

Table 3Statistics derived from the UK annual population survey

Apr 2011-Mar 2012				
No of self-employed	Total working popn	% self-employed		
3,774,100	40,180,600	9.4		

Note that the self employment rate for men (at 13.2 percent) is much higher than for women (5.6 percent).

The earnings of the self-employed without employees tend to be very low – below the average wage (see Table 4).

Table 4

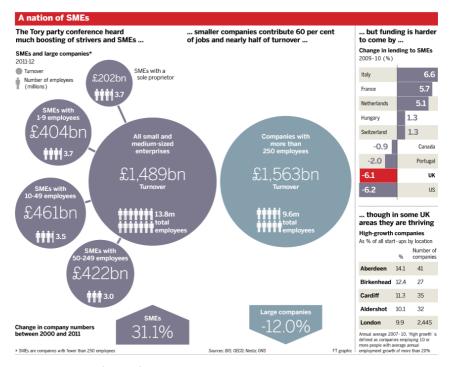
		0	1-9	10-49	50-249
	Overall	employees	employees	employees	employees
Average	£32k	£15k	£37k	£202k	£913k
profit					

The *Financial Times* of 11 October 2012 produced the graphic overleaf, which is most revealing.

It can nevertheless be difficult to assess whether those who are technically 'self-employed' really are self-employed or whether they are in fact entirely under the control of some enterprise that keeps them notionally 'independent' for tax purposes or for the purpose of reducing the employer's exposure to risk.

Many 'contractors' working on building sites, for instance, are technically self-employed but are really for all intents and pur-

poses working class.



Source: Financial Times*

Other people who may in reality be petty bourgeois may notionally have employment contracts – although in reality their pay is significantly above market rates as a result of the personal influence they or their friends have over the decisions of the company that 'employs' them.

As a result, official statistics can only be a very approximate guide.

^{* &#}x27;Premier has big hopes for small businesses' by Andrew Bounds and Kent Allen

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According to the *Financial Times*, the number of small businesses is rising. It claimed that in 1961 there were 800,000 small businesses in Britain, but that by the 1980s the number had risen to 2 million. The latest figure is 4.5 million. However, because of the fact that so many of these 'small businesses' are actually disguised employment – especially in the building trade – it is hard to know what to make of these statistics.

Others are really disguised unemployment:

A third of businesses fail to last two years, and half do not reach four. Some 62.4 percent of Britain's businesses are sole proprietors.*

The statistics do not say how many of the rest are merely family teams, but

Small and medium-sized enterprises account for 99.9 percent of enterprises, 58.8 percent of private sector employment (13.8 million people) . . . Only 30,000 are medium-sized and 6,300 are large – a figure that has fallen from 7,200 since 2000.*

Life for the petty bourgeois under capitalism tends to be far from being a bed of roses. According to Grant,

The small shopkeeper is dependent on the big suppliers of branded goods who decide his rate of profit and limit his livelihood to that of a mere agent or distributing point for their products . . .

. . . the real villains – the big monopoly concerns – have quietly, but very effectively, instituted a control system over the small shopkeepers, farmers and traders, robbing them of any real inde-

^{* &#}x27;Businesses grow against the wave' by Andrew Bounds, *Financial Times*, 9 October 2012

pendence at all.*

Over 20,000 businesses a year die before their first year is out! Extraordinary as it may seem, a 2011 report on sources of job creation and destruction in Britain concluded that

Just over one in four of all jobs in the private sector were either destroyed or created over an average 12-month period.[†]

This is a remarkable level of turbulence in the British economy. Nevertheless, one can speculate that many one-person businesses die out only because their 'owner' has found a job at last.

All this would seem to indicate that those of the petty bourgeoisie who are in that category by virtue of trying to run businesses on their own account, but who either have no employees or have fewer than 10, are financially no better off on average than the working class, while suffering greater insecurity.

That being so, these lowest sections of the petty bourgeoisie are potentially good allies of the working class. Others are probably not worth pursuing.

^{*} A Grant, op cit, p54

[†] M Anyadike-Danes, K Bonner and M Hart, *Job Creation and Destruction in the UK: 1998-2010*, Department for Business Innovation and Skills, October 2011

3. The bourgeoisie

Who are the bourgeoisie?

While the bourgeoisie tends to be estimated at approximately 1 percent of the population, those who can be really said to be the ruling class amount to only 0.1 percent.

Other members of the class may well be raking in large amounts of money – either from direct exploitation of the working class, or from rents and/or interest extracted from the direct exploiters – but not be large enough to count when it comes to directing matters of state.

It goes without saying that the owners of the 0.2 percent of enterprises of over 250 employees that employ 41 percent of the working population have a great deal more clout than the owners of the 4.6 percent of enterprises with 10-249 employees that employ 28 percent. There is quite a difference in being a billionaire as compared to a mere multi-millionaire.

As Scott has explained:

To talk simply of the top 1 percent . . . is misleading. The top 1 percent of the population may be those who are 'privileged' – the especially affluent – but this is a much wider group than the capitalist class. The top 1 percent includes not only the capitalist

business class, but also many members of the professions and management who are more appropriately seen as members of the service class. The capitalist class is a considerably smaller group than the top 1 percent . . . The core of the capitalist business class comprises about 0.1 percent of the adult population, about 43,500 people, and it has been estimated that these people held 7 percent of total wealth in 1966.*

Since then they have come on by leaps and pounds. Robert Peston tells us that between 1979-90 the real income of the poorest 20 percent (quintile) of the population rose 0.5 percent a year, whereas that of the top quintile rose 20 percent a year during that period. In 2007, David Goodhart and Harvey Cole estimated the average annual income of those in the top quintile at £1.1 million each. †

The 1,000 richest people in Britain alone have wealth estimated at £360bn, which is, incidentally, three times what they possessed when the Labour party last took office in 1997.

It has been estimated that in 1990 there were 200 families with more than £50m each. Their aggregate wealth amounts to just under 10 percent of the total GDP.

. . . despite the prominence of entrepreneurial capital, the top 200 is dominated by the old, inherited wealth. One hundred and four of the top 200 wealthy families owe the bulk of their present wealth to inheritance.*

We disagree with Scott's terminology here. While we accept that

^{*} J Scott, Who Rules Britain?, 1991, p83

[†] Prospect Magazine, August 2007

[‡] J Scott, op cit, pp83-4

only 0.1 percent constitute the ruling elite, we do consider that anybody who is in a position to accumulate large amounts of surplus value must be counted as a capitalist – eg, the employers of 10-249 workers – rather than being simply dismissed as being petty bourgeois. Nevertheless, it is certainly valid to note the distinction between the ruling elite and the capitalist class as a whole.

Scott goes on to describe how modern capitalism functions in Britain:

Capitalist economic locations are defined by property which functions as capital . . . property which gives control over the lives of other people. This kind of property – shares, land, and other commercial assets – is typically an appreciating asset . . .

Giant business enterprises, large landed estates, and massive share portfolios are the foundations of the capitalist class.*

The entrepreneurial capitalist exercises direct and immediate control over all aspects of business operations, and the ideal type corresponds to the image of the entrepreneur in classical economics and classical Marxism. The rentier capitalist is one who has personal investments in a number of units of capital through direct-ownership stakes, members of partnerships and trusts, or shareholdings . . . The executive capitalist is involved exclusively as office holder in a joint-stock company . . . The executive capitalist is propertyless and dependent purely on the remuneration of office . . . The finance capitalist is also . . . propertyless, but occupies directorships in numerous units of capital . . . †

^{*} Ibid, p65

[†] *Ibid*, p67

Where controlling shareholdings are held by financial institutions and corporate interests, rather than by particular individuals and families, property and control over property have become 'depersonalised'. In such a situation . . . the powers of corporate rule are exercised by boards of directors whose members have, at most, only small shareholdings in the enterprises which they direct.

Although their personal shareholdings may be, and often are, extremely valuable in monetary terms, they amount to insignificant fractions of the total capital of the businesses and provide no basis for personal control of an entrepreneurial kind. Rather, the boards of directors function *collectively* as capitalists, their powers of corporate rule being dependent upon the impersonal structure of corporate and institutional shareholding.

The executive capitalist is the director of a single unit of capital, while the finance capitalist is a 'multiple director' sitting on the boards of a number of companies. The executive capitalist is typically a full-time official of an enterprise, occupying a post at the heart of its system of rule . . . Executive capitalists stand at the heads of the corporate bureaucracies which are filled by those in service locations [professionals working closely with the bourgeoisie], and the typical executive capitalist is one who has risen from a service location relatively late in his or her career.

For this reason, the executive capitalist location is a relatively insecure basis for membership of the capitalist class. A person who occupies a capitalist location for their whole of their life has a considerably greater chance of enjoying the advantages of a privileged lifestyle and of passing them on to their children. The late entrant . . . may earn a large enough income to enjoy this lifestyle for a period, but only the most highly paid and most financially astute will be able to continue to enjoy them in retirement . . .

Occupants of [finance capitalist] locations have insignificant per-

sonal stakes in the enterprises of which they are directors, but they have accumulated large numbers of directorships and represent the interests of the controlling institutions on the boards of the controlled companies. The typical finance capitalist holds non-executive directorships and depends not on high earnings from a particular enterprise but on the accumulation of fees from numerous directorships.*

. . . particular individuals may occupy a number of locations simultaneously. Rentier capitalists, for example, were well-placed for recruitment to the boards of companies that came under institutional control during the 1930s, and as the shareholding institutions sought to cement their growing links with industrial companies, the rentiers were important recruits to these boards as well.

Thus many finance capitalists were – and are – also rentier capitalists with extensive personal interests in the success of the capitalist system as a whole. Similarly, entrepreneurial capitalists, as their interests in their own companies decline, become attractive recruits to the ranks of the finance capitalists, and may also diversify their holdings to adopt a rentier stance towards the system of property.

Many top-salaried executives who lack a propertied background are able to achieve entry to the ranks of the finance capitalists. Executive entrants, however, are in an insecure position unless they are able to convert their high incomes into property holdings and enter the ranks of the rentiers.[†]

^{*} Ibid, p69

[†] *Ibid*, pp69-70

The boundaries between rentiers and entrepreneurs, executives and finance capitalists are blurred by the overlap and mobility that exists among the occupants of these locations. For this reason, neither the typology of the locations nor the distinction between land ownership and other forms of property ownership should be seen as defining class *segments*.*

Historical development of the capitalist class

This British capitalist class, which, incidentally is as much Scottish and Welsh as it is English, has developed as a result of a merger between former feudal lords and the bourgeoisie, which took place after the bourgeoisie broke the back of feudal rule in the revolution of 1688.

Confusion still lingers because of the fact that at one time the aristocracy[†] – ie, the class of the feudal lords – was the *ruling* class (or upper class), while the bourgeoisie was the *middle* class. Even Marx was known to refer to the bourgeoisie as a middle class, although, in Britain at least, it was in his day already rapidly ceasing to be so. The 'upper' class today is the bourgeoisie (the capitalist class), which has, incidentally, incorporated within its ranks all that remains of the feudal aristocracy.

As Engels correctly pointed out:

. . . the ultimate aim of this most bourgeois of all nations [Britain] would appear to be the possession, *alongside* the

^{*} Ibid, p72

[†] The word 'aristocracy' is derived from the Greek, meaning 'ruled by the best'!

bourgeoisie, of a bourgeois aristocracy . . .*

It is an aim that has most definitely been achieved. In Grant's words:

A proportion of the old dominant class of landed aristocracy were astute enough or lucky enough to become acclimatised to the new conditions and acquired manufacturing and business interests which allowed them to maintain their old position as part of the dominant class. It was as though the old ruling class were being absorbed into the new regime.[†]

The progression of capitalism to monopoly and imperialism completed this merging together into one class of the landlords and the industrial capitalists. The ownership of land and of industrial undertakings interwove to such an extent that it became no longer possible to refer to landlords and capitalists as two separate classes, with differing class interests; they became one single capitalist class.*

This process is to be explained, as Scott has pointed out, by

^{*} Letter to Marx by F Engels, 7 October 1858.

And also a bourgeois proletariat – ie, the labour aristocracy – which we have dealt with above. However, while the British aristocracy have become literally bourgeois exploiters, the labour aristocracy has largely retained its proletarian (if privileged) economic status, while becoming subjectively class collaborationist.

Mind you, some top union officials may well help themselves to salaries well above the market rate for their skills as well as making contacts that get them into the lucrative world of the non-executive directorship, the consultancy contract and the lecture circuit, in which case they do become petty bourgeois in economic terms as well.

[†] A Grant, Socialism and the Middle Classes, 1958, p47

[‡] *Ibid*, p121

realising that

A power bloc or its dominant group may seek to maintain its dominance by enlarging the power bloc through the co-optation of the leading elements of a rival group. In this way, it is hoped that the opposition of the incorporated group will be defused.*

It was not a difficult fusion to effect seeing as

The landed aristocracy of the eighteenth and nineteenth centuries was a capitalist class, albeit one rooted in agrarian rather than industrial capitalism . . . The English old society . . . was undoubtedly the most commercialised and capitalistic in Europe. Its landed class was a capitalist class with strong links to the merchant classes of the towns and cities. But the merchants, for their part, were not the purely urban 'bourgeoisie' that was to be such an important feature of many other European societies. English merchants were closely affiliated with the capitalist landowners, and there was a high degree of cultural uniformity in their outlooks.†

Land and finance in England were the basis of a unified power bloc, which was able to use its strong position in parliament to counter the power of the monarchy. The landed element in this power bloc was the dominant force in a power elite which monopolised the levers of political power.*

In Britain, the long-standing interpenetration of land and finan-

^{*} J Scott, op cit, p48

[†] A Grant, op cit, p42

[‡] *Ibid*, p43

cial interests provided the basis for the formation of its particular power bloc . . .

It has been estimated that there were about 400 'magnate' land-owners in the eighteenth century, together holding between 20 and 25 percent of the total land. And there were anything up to 4,000 'county gentry' landowners, together holding between 50 and 60 percent of the land . . .*

The landowners' long involvement in sheep farming and wool production linked them closely to the cloth trade, and, hence, to the mercantile interests of the towns. During the eighteenth century, many of them became involved in mineral development and so acquired a wider range of business interests. Landowners invested in public funds and held money in bank deposits, many were involved in the financing of overseas trading ventures . . .

Despite this strong commercial orientation, however, the landed class remained distinct from the urban monied class of merchants and financiers, and their capitalist outlook was contained within the normative framework of elitism and patriarchy which defined their relationship to the local communities and shaped their conception of the wider national society.

Besides,

The greater involvement of industrial and commercial enterprises in the management of urban and industrial land has been matched by the formation of farming companies whose forms of ownership are the same as those in other sectors of the economy.

^{*} Ibid, p47

[†] A Grant, op cit, p48

Specialist firms in food production have bought farms and transformed themselves into vast 'agribusnesses', whose shares have been acquired by insurance and investment companies . . . As a result, the interests and involvements of the executive and finance capitalists have spread from industry into farming and land.

It should be noted that the shift in power from the aristocracy to the bourgeoisie, although it has at times involved bloody showdowns, has also been characterised by bribery and collaboration.

This included inter-marriages between the higher echelons of the bourgeoisie and the most cash-strapped nobility, and the practice (which is only now beginning to fade) of putting hereditary peers on the boards of major monopoly companies where they could collect very generous fees merely for 'allowing the use of their names'.

Nowadays, with the reform of the House of Lords causing hereditary peers in that institution to be replaced by life peers appointed by the government in power – mainly from among leading members of the bourgeoisie – the bourgeoisie is able to award itself its own titles, freeing it from the need to marry hereditary aristocrats or to invite them onto their boards. As a result, one can expect further decline of the aristocracy as such, and their disappearance altogether as a significant social force in a relatively short period of time.*

^{*} This does not prevent them being very dominant in the field of land ownership, as capitalist landlords and in agribusiness. Kevin Cahill informs us that a mere 700 families own land the size of 4.5 English counties worth £23m per family on average.

It cannot be assumed that all those families, or even the majority, are of aristocratic descent. However, hereditary peers do feature prominently among Britains's largest land owners, with the Duke of Buccleigh owning 270,000 acres (422 square miles), the Blair Trust 150,000 acres, the Duke of Westminster 140,000 acres (much of it especially valuable land in central London), the Duke of Northumberland 110,000 acres and the Earl of Seafield 101,000 acres (a mere 158 square miles).

The disappearing bourgeoisie

Because the capitalist class is such a tiny proportion of the population, as indicated above, it is extremely vulnerable, and one of the way it seeks to maintain its predominance is by making itself invisible. This is done by encouraging academic studies that 'prove' that the bourgeoisie no longer exists.

With the development of monopoly and with finance capital merging with industrial capital and taking control, it can now appear as though it is impersonal corporations now who rule the world. Individual capitals are not large enough for effective monopolisation, and it is through corporations that they are merged for this purpose:

Aaronovitch argues that the capitalist class has not disappeared; it has survived and prospered over the course of the 20th century. The development of the joint-stock company and the growth of the banking and credit system have not destroyed the link between ownership and control, they have merely changed its character.

. . the growing involvement of banks, insurance companies, and other financial 'institutions' as lenders and as shareholders has created a tight fusion of banking and industrial capital, and has led to the creation of great conglomerates and combines which could not have been produced through personal family capital alone.

Nevertheless, these huge concentrations of capital are still subject to private ownership and control. Not all their shareholders are

Finding it hard to make ends meet, some land-owning aristocrats like the 19th Earl of Derby (30,000 acres) and Lord Camoys (Stonor) have had day jobs as merchant bankers.

See K Cahill, Who Owns Britain?, 2001

small-scale passive investors. On the contrary, the largest share-holders 'constitute collectively a decisive owning class'. Some are 'absentee shareholders', while others are active directors, but they are all part of a propertied, capitalist class dominated by the 'finance capitalists', who direct many companies through an extensive system of interlocking directorships.

Aaronovitch instances the Cowdray, Rothschild, Samuel, and Oppenheimer families, together with the heads of large and impersonally owned groups and banks – Drayton, Bicester, Kindersley, Keswick and so on . . . *

Scott further informs us that,

In 1957, two thirds of the capital in large British enterprises was owned by families and individuals, and financial institutions held one fifth. By 1981, these proportions had been almost reversed: families and individuals held 28 percent and institutions held 58 percent.

In percentage terms, entrepreneurial and rentier holdings declined as significant elements in the capital of many of the largest enterprises, and the various forms of family control began to give way to control through a constellation of interests. Rentier families now invest alongside the big institutions and through the institutions themselves. The merchant banks and investment branches of the large clearing banks, for example, manage the investment portfolios of many wealthy families, and the involvement of these families on their boards is one way of ensuring that they are managed in accordance with their interests.

^{*} S Aaronovitch, Monopoly, 1955, cited in J Scott, op cit, p14

[†] J Scott, ibid, p87

These are the circumstances in which it has been seriously argued that the bourgeoisie as a class has disappeared from the scene altogether, as it is now the monopolist corporations that control the economy. A foremost purveyor of this strange notion was James Burnham in his book *The Managerial Revolution*,* in which he claimed that it is hired managers who are becoming the real masters of society.

However, facts show that the bourgeoisie still as a class continues to control the monopolist corporations, although the arrangements for doing so are informal. Cole, however, has opposed the ideas put forward by Burnham:

Marx put stress on the possibility that . . . concentration of control over production might proceed side by side with a *diffusion* of ownership allowing a large number of small shareholders who would receive . . . a large proportion of the profits of production but . . . would have . . . no voice in the control of production.

As far as ownership of shares is concerned, this has certainly come about. However, the huge salaries paid to those in control of the company ensure that profits go to those who control rather than those who nominally own the companies (eq. pension funds).

Large 'salaries' are indeed a major means of providing to the capitalist class the lion's share of the surplus value produced by the working class. If all profit were distributed among shareholders as dividend, then a good deal of it would enure to the benefit of the millions of small investors who have interests in pension funds and insurance companies, as well as other large institutional investors.

However, a much larger proportion of the profit can be diverted

^{* 1942}

[†] Preface to GDH Cole, Studies in Class Structure, 1955, pii

in the direction of the ruling class by distributing it as 'salary' to the well-connected individuals who 'manage' corporations (including the institutional investors and former nationalised industries). This is why the 'salaries' of top corporate executives and non-executive directors are way above the market rate, and why they keep rising, even when the companies in question make losses under their stewardship. And it is why massive golden handshakes are given out on retirement or resignation, when the 'services' of the directors in question are no longer needed.

According to Sampson, CEOs have steadily increased their 'salaries' relative to most other professions. In 2002, for example, the average pay of the CEO in the top 100 companies went up another 9 percent (despite falling share values) to £1.7 million (excluding pension benefits).*

Scott has made it clear that, for the most part, the people who get to be in the happy position of writing their own salary cheques were born into the capitalist class:

There are many families in the league of the very rich who appear to be new entrepreneurs with self-made, first-generation fortunes. Research . . . however, has shown that most of these people were 'self-made' in only a very limited sense. The self-made entrepreneurs who rose to these heights did not start empty-handed, but generally had some 'seed corn' of inherited wealth . . . The channel of mobility into the capitalist class, therefore, was from the entrepreneurial middle class to entrepreneurial capitalist locations, and their children may be expected to form the rentiers of the future.†

Although people are appointed to corporate boards and do not

^{*} A Sampson, Who Runs This place?, 1988, p310

[†] J Scott, op cit, pp84-5

directly pass on their positions to their heirs, the rich are in a position to ensure that their children will in their turn secure exploitative posts throughout their adult lives. As Scott has explained:

The rentiers with system-wide interests in the modern capitalist economy are those whose interests are most closely tied to the sphere of impersonal capital: their own financial holdings are invested in and managed by the financial institutions, and they constitute a large pool of families from whom the finance capitalists who sit on the boards of the institutions are recruited. Alongside the entrepreneurial capitalists, 'passive' rentiers, and executive capitalists is the 'inner circle' of finance capitalists with directorships in two or more very large enterprises in the system of impersonal capital.*

Rentier capitalists depend upon the system of impersonal possession, but the reproduction of the system of impersonal possession does not necessarily result in the reproduction of the rentiers themselves. The rentier capitalists who monopolise executive and finance capitalist locations depend upon other mechanisms for the reproduction of their rentier locations and class privileges . . . the mechanism being revealed as the old boy network . . . Recruitment to the capitalist locations reflects the advantages accorded by the possession of a particular kind of social background. This background of property and privilege allows the link between capital and class reproduction to be sustained. Rentiers are able to monopolise access to these locations through the informal networks of social connections that bind the wealth together.

^{*} Ibid, pp89-90

[†] pp91-2

And further:

The public schools and Oxbridge colleges are the foundation of these [old boy] networks, which interconnect the various upper circles. Membership of the principal London clubs reinforces these connections by providing a venue for informal meetings among the old boys, who may meet in other business and political contexts, and by providing opportunities for pursuing careers and interests . . . For those who lack multiple directorships or are not yet involved at the centre of the major business organisations, participation in the club world doubles the probability of serving on a public board . . . It is in and through the informal social networks which connect these upper circles that class reproduction is ensured.*

Connections between the ruling class and the state apparatus

In response to those who would claim that, although there may well be a wealthy capitalist class, Britain is a democracy run by its freely elected representatives, not by the capitalist class, Scott tells us that:

A ruling class exists when there is both political domination and political rule by a capitalist class. This requires that there be a power bloc dominated by the capitalist class, a power elite recruited from its power bloc, and in which the capitalist class is disproportionately represented, and that there are mechanisms which ensure that the state operates in the interests of the capitalist

^{*} Ibid, p117

class and the reproduction of capital. In this sense . . . Britain does . . . have a ruling class. *

The same informal social networks provide the mechanisms that link the ruling elite to the state apparatus and ensure that those who are in government know what is required of them. Quite apart from the fact that a majority of MPs are themselves from wealthy families,[†] the social connections between those who run the state machinery and the kings of finance and other big rentiers are brokered through the same top public schools, universities (chiefly Oxbridge) and gentlemen's clubs.

Throughout the whole century or more since 1868, the proportion of cabinet ministers coming from a background of land, business and the professions has varied from 100 percent at the beginning of the period to something over three quarters at its end . . . the public schools and Oxbridge, also, continued to play their part in socialising the sons of the power elite and in enhancing their movement into positions similar to those held by their fathers. The importance of public schooling in securing access to the state elite in recent years is apparent from the fact that virtually all cabinet members between 1951 and 1964 had been to public schools. By 1983, the public-school contingent had fallen slightly, to just below three-quarters . . . Over three quarters of cabinet ministers in 1983 were from Oxford or Cambridge universities – exactly the same proportion as 30 years earlier . . .*

^{*} Ibid, p124

[†] J Scott tells us, for example, that 'In the period 1830-66, between two thirds and three quarters of all MPs were from landed families; between one third and one quarter were manufacturers, merchants, or bankers.' There is no reason to think that all that much has changed since that time. (*Ibid*, p62)

[‡] *Ibid*, p132

The truth of this is substantiated by the following statistics reproduced from Scott's book.

Table 5 *Civil and foreign service, military and judicial recruitment 1939-70*

	% from public school or Oxbridge in the years:					
		1939	1950	1960	1970	
Top civil service	Fee-paying school	90.5	59.9	65.0	61.7	
	Oxbridge	77.4	56.3	69.5	69.3	
Ambassadors	Fee-paying school	75.5	72.6	82.6	82.5	
	Oxbridge	49.0	66.1	84.1	80.0	
Top army	Fee-paying school	63.6	71.9	83.2	86.1	
	Oxbridge	02.5	8.80	12.4	24.3	
Top navy	Fee-paying school	19.8	14.6	20.9	37.5	
	Oxbridge					
Top airforce	Fee-paying school	69.7	59.1	59.5	65.0	
	Oxbridge	18.2	13.6	19.1	17.5	
Top judiciary	Fee-paying school	84.4	86.8	82.5	83.5	
	Oxbridge	77.8	73.6	74.6	84.6	

People 'employed' in these top jobs in the machinery of state must be regarded as themselves bourgeois. Beneath them are parliamentary private secretaries who, though also civil servants in receipt of a wage, have salaries equivalent to those carrying out a petty-bourgeois intellectual profession. But these high-ranking civil servants, like government ministers, will have far greater 'revolving door' opportunities than the ordinary petty-bourgeois professional for later employment at bourgeois levels of finance and industry, which place them in the bourgeois category.

However, so long as they are employed in the civil service, their salaries are relatively modest, and they are expected to turn up

for work every day. The higher echelons of the civil service are overwhelmingly recruited from Oxbridge, having attended public school alongside the offspring of the bourgeoisie and aristocracy.

Nevertheless, all levels of the civil service have been feeling the effects of privatisation, which has subjected to downward pressure the standards of living of its personnel.

Thatcher insisted on bringing businessmen into Whitehall to resist costs, and she set up an efficiency unit in the Cabinet Office . . . the reformers certainly made progress in cutting back the workforce: over twenty years the number of civil servants dropped from 746,000 to 480,000. Even senior civil servants are being passed over in favour of soliciting advice from (paid) think-tanks.*

Whereas the petty bourgeois and proletarian elements of the civil service have to grin and bear it, the upper echelons of the civil service are simply moving out of employment. According to Andrew Adonis,

The old public-sector elite has not stayed and fought [against privatisation]. It has fled to the moneypots with barely a glance backwards.[†]

Instead of the civil service, then, it is to the merchant banks that the gilded youth are flocking. Nevertheless, it is still the case that

A very small proportion of the higher civil service must . . . be considered as part of the capitalist class itself, as, though in theory they are servants of the public, in practice they act for the class which has in its hands the reins of industrial, financial and political

^{*} A Sampson, op cit, p11

[†] Quoted in ibid, p278

power – the capitalist class. The very top section of civil servants are so integrated with the capitalist class as to have an important place within it.*

Internationalisation of the ruling class

With imperialism and the export of capital, both from Britain to other countries and from other countries into Britain, it would seem that the ruling elite has these days become very international.

Most of Britain's biggest companies are now multinational corporations with interests around the world, largely beyond the reach of any single government . . . Their boards' decisions affect millions . . . They are constantly influencing the government's policies . . . yet much less is known about their directors . . . than about politicians.†

No patriotism can be expected from such 'British' companies. Shell and BP refused to give Britain priority during the 1974 oil crisis or help Blair in 2000 when truckers blacked refineries. The government appears more of a dependency of BP than vice versa. Nevertheless, according to Sampson, Blair went to war against Iraq even though Shell and BP were opposed to it. This would appear to indicate that Blair was taking his orders from the US bourgeoisie rather than the British bourgeoisie.

Not only do many of the entrepreneurial capitalists have substantial interests overseas – this especially the case for Goldsmith,

^{*} A Grant, op cit, p58

[†] Sampson p297

Weston, Swire and Vestey - but a number of overseas entrepreneurial capitalists have chosen to settle in Britain: the Rausings from Sweden, Getty and Feeny from the US, Hinduja from India, and Livanos from Greece.*

^{*} *Ibid*, p84

Conclusion

The above, then, are the preliminary findings of our class analysis of British society at the beginning of the 21st century.

Before this study can be finalised, it is desirable that certain additional work should be done, with which the assistance of anybody able and willing to assist would be much appreciated:

- 1. General comments are invited on the content of the above and the accuracy of its conclusions.
- 2. Further live examples are needed to illustrate what is happening at the moment.
- 3. More statistical evidence is needed to firm up the conclusions. We have had sometimes to use statistics quoted in books half a century old through lack of skill in tracing down comparable upto-date figures. We have not wilfully concealed any subsequent statistics because of their contradicting our thesis; we just haven't been able to access them.

There was never the same urgency in compiling this class analysis as faced Mao when he wrote his 'Analysis of the classes in Chinese society', or as faced Lenin when he wrote 'The development of capitalism in Russia'. Britain's enfeebled working-class movement is not currently threatened by being torn apart on account of making errors on this question.

Nevertheless, we do need to understand our society thoroughly

in order to struggle effectively to change it; and we need to be able to see through the many lies that our ruling class (and the opportunists in our own movement) spread in relation to class.

It is hoped that this work will help to clarify the context in which our members are operating in Britain today, and therefore help us to better pusue the class struggle in ways that will assist the revolutionary struggle to overthrow capitalism.

In particular, it is hoped that the content of this work will help our members to distinguish *contradictions among the people* from *contradictions with the enemy*. If it can help us to develop effective ways of resolving the former while maintaining the most implacable struggle against the latter, it will have done its job.

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