

**The Shadow of Exploitation in Weber's Class Analysis**

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August, 2000

Paper presented at the International Symposium on  
*"Economy and Society: Max Weber in 2000"*  
September 21- 24, 2000

If theoretical frameworks are identified by their silences as loudly as by their proclamations, then one of the defining characteristics of class analysis in Weberian tradition is the absence of a systematic concept of exploitation. Nothing better captures the central contrast between the Marxist and Weberian traditions of class analysis than the difference between a class concept centered on the problem of *life chances* in Weber and a concept rooted in the problem of *exploitation* in Marx. This is not to say that Weber completely ignores some of the substantive issues connected to the problem of exploitation. As we will see, for example, Weber, like Marx, sees an intimate connection between the nature of property relations in capitalism and the problem employers face in eliciting high levels of effort from workers. But he does not theorize this issue in terms of a general concept of exploitation nor does he see the problem of extracting labor effort as a pivotal feature of class relations and a central determinant of class conflict. Instead he treats the problem of eliciting work performance within capitalism as an instance of technical inefficiencies reflecting a tension between formal rationality and substantive rationality within capitalist economic relations.

The basic objective of this paper is to explore the ramifications of this silence on exploitation in Weber's discussions of class in *Economy and Society*. We will set the stage for this investigation in part I by briefly examining a number of striking similarities between Weber's and Marx's concept of class.<sup>1</sup> While Marxist and Weberian

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1. Comparisons between Weber's class analysis and Marx's pose a particular exegetical challenge, for although the two most elaborated theoretical traditions of class analysis in sociology are inspired by the works of Marx and Weber, the explicit writings of both of these theorists on the concept of class itself are fragmentary and incomplete. While Marx uses the concept of class throughout much of his work, the one chapter of *Capital* in which Marx begins to define

traditions of sociology are often pitted against each other as sharply opposed rivals, within the narrower arena of class analysis there is considerable overlap, particularly in their concept of class in capitalist society. Part II will then characterize the pivotal difference in their class concepts through the contrast between “life chances” and “exploitation”. Part III looks more closely at exploitation itself, paying particular attention to the way Weber deals with the problem of “extracting” labor effort under conditions which Marxists would describe as “exploitation”. Finally, in Part IV, we will examine the ramifications for the broader contours of a sociological analysis of class of Weber’s marginalization of the issue of exploitation.

### **I. Weber and Marx on Class: convergences**

In spite of the fact that the problem of class occupies such a different place within the overall theoretical agendas of Marx and Weber – for Marx class is a foundational concept for his theoretical structure, for Weber it is relatively peripheral concept that only figures in limited parts of his work – the concepts of class in the work of Weber and

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systematically the conceptual parameters of the concept of class ends after three short paragraphs with the editorial note added by Engels, “here the manuscript breaks off”. Similarly, the chapter in Weber’s *Economy and Society* in which he proposes to define the concept of class, Part One, Chapter IV, “Status Groups and Classes” is also unfinished. In a footnote (p.210, fn 45) to the first place in the text in which Weber refers to this chapter, the editors of the English edition of the text comment: “This chapter is .... a mere fragment which Weber intended to develop on a scale comparable with the others. Hence most of the material to which this note refers was probably never written down.” The two principle traditions of class analysis, therefore, are rooted in bodies of work in which the concept of class was never given comprehensive analytical attention. A comparison of these two class concepts therefore cannot simply lay out the core explicit arguments about class in the texts of these classical theorists. Rather, what is needed is a reconstruction of the concept of class on the basis of the underlying logic of each theoretical framework.

Marx have a great deal in common.<sup>2</sup> It will help to give precision to the specific problem of the location of exploitation within class analysis to first review these strong similarities.

*1. Relational rather than gradational class concepts*

Both Marx and Weber adopt relational concepts of class. Neither define classes simply as nominal levels on some gradational hierarchy. For both, classes are derived from an account of systematic interactions of social actors situated in relation to each other. Classes for both Weber and Marx are thus not primarily identified by quantitative names like upper, upper middle, middle, lower middle, and lower, but by qualitative names like capitalists and workers, debtors and creditors.

*2. The centrality of property relations*

Both Marx and Weber see property ownership as the most fundamental source of class division in capitalism. For Marx,

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2. Because of the peripheral status of class within the overall Weberian oeuvre, it is perhaps surprising that so much of the literature on class sees Weber as a central source. Aage Sorenson suggests that Weber's prominence in class analysis comes from the accident that his work on class was translated into English: "The importance of the Weberian class concept in the literature on class analysis is a bit curious. In *Economy and Society* Weber deals with class in two places but both are very short fragments. While Marx can be said to never have given a single explicit development of the class concept, he certainly has class as the central concern of analysis in all of his writings. For Weber, there is neither a discussion nor an extensive analysis. Class simply seems not to have been an important concept for Weber.....Since only Marx and Weber [among the German writers on class] have been translated into English, Weber has become the main justification for developing class concepts that are alternative to Marx's, despite the fragmentary nature of Weber's writings about this and the lack of importance of class concepts in his writings." (Sorensen, 2000: 1527, n3).

famously, classes are defined by the “relation to the means of production,” where “relation” here means ownership and control over resources used in production. Similarly, Weber (p927)<sup>3</sup> writes, “‘Property’ and ‘lack of property’ are, therefore, the basic categories of all class situations.” What is more, Weber, like Marx, sees propertylessness as an essentially coercive condition: “[those who are propertyless] have nothing to offer but their labor or the resulting products and....are compelled to get rid of these products in order to subsist at all.” (p927).<sup>4</sup> He even acknowledges, like Marx, that for the working class the apparently freely chosen, voluntary interactions of the market are simply a formal reality, masking an essentially coercive structure of social relations (which he refers to, using characteristically arcane language, as “heteronomously determined action”):

“[Action that is motivated by self-interest can still be] substantively heteronomously determined...[in] a market economy, though in a formally voluntary way. This is true whenever the unequal distribution of wealth, and particularly of capital goods, forces the non-owning group to comply with the authority of others in order to obtain any return at all for the utilities they can offer on the market....In a purely capitalist organization of production this is the fate of the entire working class.” (110)

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3. All page references, unless otherwise indicated, are to Max Weber, *Economy and Society: an outline of interpretive sociology*, edited by Guenther Roth and Claus Wittich (Berkeley: University of California Press: 1978).

4. See also an earlier statement where Weber, in discussing economic motivations writes: “...the motivation of economic activity under the conditions of a market economy....for those without substantial property [include] the fact that they run the risk of going entirely without provisions...” (110)

While this statement may lack the rhetorical force of Marx's account of the essential unfreedom of the worker, the point is fundamentally the same: being separated from the means of production forces workers to subordinate themselves to capitalists.

*3. Classes-as-places vs classes-as-collective-actors*

Central to both the conception of class in Weber and Marx is a distinction between classes as *objectively defined places* and as *collectively organized social actors*. The language they use to describe this contrast, of course, is different. Weber uses the expression "class situation" (302, 927) to designate the objectively defined places within social relations, whereas Marx uses the expression "class-in-itself", and contemporary Marxists have used the expressions "class location" or "class position" or "class structure" depending upon the context. Weber uses the expression "class conscious organization" (305) to designate class as a collectively organized social actor, while Marx uses the expression "class-for-itself", and contemporary Marxists use a variety of terms, such as "class formation" or "class organization". But regardless of terminology, the basic idea is similar: structurally defined classes may have a tendency to generate collectively organized forms of struggle, but the two must be conceptually distinguished.

*4. Classes and material interests*

Both Weber and Marx see objectively definable material interests as a central mechanism through which class locations influence social action. By objectively definable material interests I mean that an outside observer can, in principle, specify which courses of action that are available to an individual by virtue of their location in a social

structure would improve that person's material conditions of life. The claim by both Marx and Weber is that a) a person's class location, defined by their relation to property, systematically affects material interests in this sense, and b) material interests so defined do influence actual behavior. These claims are relatively uncontroversial for Marx, even though much debate has been waged in recent years over whether or not "class interests" in Marxism are "objective". Weber, on the other hand, is often characterized as a theorist who emphasizes the subjective meanings of actors and who rejects the idea of a determinate relation between objectively specified conditions and subjective states of actors. Nevertheless, in his discussion of class, material interests rooted in individuals' class situation are seen as a determinant – albeit a probabilistic determinant -- of their behavior. "According to our terminology," Weber writes,

the factor that creates 'class' is unambiguously economic interest, and indeed, only those interests involved in the existence of the market. Nevertheless the concept of class-interest is an ambiguous one: even as an empirical concept it is ambiguous as soon as one understands by it something other than the *factual direction of interests following with a certain probability from the class situation for a certain average of those people subjected to the class situation.*" (928-9, italics added)

In this statement Weber affirms that "for a certain average of those people subjected to the class situation" there is a "certain probability" that the "factual direction of interests" will coincide with class interests. Weber thus allows for deviations between individual behavior and the material interests associated with class situations, but also argues that there will be at least a tendency, on average, for behavior to be in line with those interests.

One might object to this interpretation of the passage on the grounds that the expression “a certain probability” leaves open the possibility that this probability is extremely low and thus the relationship between objectively defined class interests and the “factual direction of interests” could be very weak. Two earlier passages in *Economy and Society* suggest that Weber in fact believed that purely self-interested economic advantage had a very high probability of giving “factual direction” to motivations.

The first passage comes in a discussion of economic motivations within the formation of organizations. Weber writes:

Economic considerations have one very general kind of sociological importance for the formation of organizations if, as is almost always true, the directing authority and the administrative staff are remunerated. If this is the case, *an overwhelmingly strong set of economic interests* become bound up with the continuation of the organization, even though its primary ideological basis may in the meantime have ceased to exist. (201-2, italics added)

Even more starkly, in a discussion of economic activity in socialism, Weber believes that motivations will be very similar to a market society and expresses considerable skepticism in the view that ideological commitments will matter very much in a socialist society. In the long run, he argues, most people will be motivated self-interested material advantage just as in a market economy:

What is decisive is that in socialism, too, the individual will under these conditions [conditions in which individuals have some capacity to make economically-relevant decisions] ask first whether to him, personally, the rations allotted and the

work assigned, as compared with other possibilities, appear to conform with his own interests. ... [It] would be the interests of the individual, possibly organized in terms of the similar interests of many individuals as opposed to those of others, which would underlie all action. The *structure* of interests and the relevant situation would be different [from a market economy], and there would be other means of pursuing interests, but this fundamental factor would remain just as relevant as before. It is of course true that economic action which is oriented on purely ideological grounds to the interests of others does exist. But it is even more certain that the *mass of men do not act in this way and that it is an induction from experience that they cannot do so and never will.*" (203 , italics added in last sentence)

This is a powerful affirmation of the factual predominance of subjective orientations derived from objectively definable material interests: while it is theoretically possible that ideological motivations could be important, the mass of people do not act on purely ideological grounds and, furthermore, "they cannot do so and never will". For both Weber and Marx, therefore, the material interests structured by class locations have a strong tendency to shape the actual behavior of people within those locations.

##### *5. The conditions for collective class action*

If there is one aspect of class analysis where one might expect a sharp difference between Marx and Weber, it is in their understanding of the problem of class struggle. While both may believe that class situations shape *individual* class behaviors via material interests, Marx believed that capitalism inherently generated *collectively* organized class struggles eventually culminating in revolutionary

challenges to capitalism whereas Weber certainly made no such radical prediction. Yet, even here, there is more similarity in their views than one might initially expect.

In assessing arguments of this sort it is important to distinguish (a) the theoretical analysis of the *conditions under which particular predictions hold*, in this case that class struggles are likely to emerge and intensify, from (b) *the empirical expectations about the likelihood of those conditions actually occurring*. In these terms, Weber shares much with Marx in terms of (a), but disagrees sharply over (b).

In a section of the chapter on “Class, Status and Party” labeled “social action flowing from class interest”, Weber lays out some of the conditions which he feels are conducive to collectively organized class struggles:

The degree to which “social action” and possibly associations emerge from the mass behavior of members of a class is linked to general cultural conditions, especially to those of an intellectual sort. It is also linked to the extent of the contrasts that have already evolved, and is especially linked to the transparency of the connections between the causes and the consequences of the class situation. For however different life chances may be, this fact in itself according to all experience, by no means gives birth to ‘class action’ (social action by members of a class). For that, the real conditions and the results of the class situation must be distinctly recognizable. For only then the contrast of life chances can be felt not as an absolutely given fact to be accepted, but as a resultant from either (1) the given distribution of property, or (2) the structure of the concrete economic order. It is only then that

people may react against the class structure not only through acts of intermittent and irrational protest, but in the form of rational association.....The most important historical example of the second category (2) is the class situation of the modern proletariat." (929-930)

This complex paragraph involves several very Marxian-like theses:

(i). The emergence of class associations depends upon intellectual conditions; it is not simply the result of unmediated spontaneous consciousness of people in disadvantaged class situations This is congruent with Marx's view of the role of ideological mystification in preventing class organization and the importance of class consciousness intellectual leadership in raising working class consciousness, a theme much stressed in different ways by later Marxists such as Gramsci and Lenin.

(ii). Where class structures are experienced as natural and inevitable, as "absolutely given facts", class mobilization is impeded. Weber points here to the central issue that Marx also identifies as the most important intellectual obstacle to class consciousness: the belief in the naturalness and permanency of the existing conditions and thus the impossibility of any fundamental change.

(iii). The transparency of class relations facilitates class mobilization. Marx also believed that class mobilization would be more difficult where there were lots of intermediary classes -- petty bourgeois, peasants, professionals -- then where class structures were highly polarized and the causal connection between the class structure and the conditions of life of people were transparent. This is an important part of Marx's prediction that the capitalism's destruction of all precapitalist economic relations and the immiseration of the

proletariat would lead to intensified class conflict.

(iv) Because of the relative transparency of their class situation, the modern proletariat comes to understand that “the contrast of life chances... [is the result of] the structure of the concrete economic order.” Modern capitalism therefore does create the required kind of transparency for class associations of workers to be likely.

Weber and Marx thus share many elements in the theoretical specification of the conditions for class associations to emerge, and Weber shares with Marx at least the limited expectation that these conditions will be minimally satisfied in the case of the modern proletariat in capitalist economies so that class associations and class struggles are likely. Where they differ – and this is a difference that matters – is in the *empirical prediction* that the inner dynamics of capitalism are such that these conditions will be *progressively strengthened over time* leading to a systematic tendency for long term intensification of class struggles within capitalism. *If* Marx's empirical predictions about these conditions had been correct, then Weber would have shared with Marx the prediction that class conflicts would intensify. Where they differ, therefore, is in their predictions about the long-term trajectory of capitalism more than in their views about the conditions under which capitalism would engender a class conscious organized working class.

#### 6. *Class and Status*

Finally, Marx and Weber even have some similar things to say theoretically in one of the areas on which sociologists generally see them as most divergent: in their treatment of the relationship between class and status. As in the case of the problem of collective action, this is an instance where the debate between Marx's and Weber's

arguments turns out to be more about empirical predictions than about theoretical conditionals.

A central issue in Weberian sociology is the enduring importance of status groups as a source of identity and privilege. As such, status groups are seen as competing with class as bases of solidarity and collective action. Marx shared with Weber the view that (a) status groups impede the operation of capitalist markets, and, further, that (b) they constitute an alternative basis of identity to class formation. And Weber shared with Marx the view that (c) capitalist markets tended to erode the strength of status groups and their effects on the system of stratification. Weber (1938) writes:

When the bases of the acquisition and distribution of goods are relatively stable, stratification by status is favored. Every technological repercussion and economic transformation threatens stratification by status and pushes the class situation into the foreground. Epochs and countries in which the naked class situation is of predominant significance are regularly the periods of technical and economic transformations.

Using different rhetoric, Marx and Engels in the *Communist Manifesto* made parallel arguments:

Constant revolutionizing of production, uninterrupted disturbances of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away. (Marx and Engels 1968 [1848], 38)

The reference to “all fixed, fast-frozen relations, with their train of

ancient and venerable prejudices and opinions” taps the same kinds of categories that Weber theorized as “status groups”, and Marx and Engels, like Weber, see these relations threatened by “constant revolutionizing of production, uninterrupted disturbances of all social conditions”, or what Weber termed “periods of technical and economic transformations”. So, both Marx and Weber see capitalism undermining status groups and fostering a predominance of what Weber called “naked class situation.” Where they differ is in an empirical prediction about how strong and enduring these effects are within contemporary capitalism, and thus whether in the long run the process captured in point (c) would overwhelm (a) and (b). Marx, but not Weber, certainly believed that capitalist development would, over time, permanently destroy, and not simply reduce, the salience of such status group divisions.

## **II. Weber and Marx on class: central differences<sup>5</sup>**

If the above analysis is cogent, then both Weber and Marx can be seen as deploying varieties of property-centered relational concepts of class in which, among other things, objectively definable material interests play a central role in explaining class action, class structure and class struggle are distinguished, collective class action is facilitated by class polarization, and the dynamic processes of capitalism create conditions favorable to class playing a pervasive role in systems of stratification. Where they differ most sharply is in their understanding of precisely what causal mechanisms linked to such property-relational classes figure most strongly in explaining the effects of class. For Weber, the pivotal issue is the ways in which classes determine the *life chances* of people within markets, for Marx,

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5. Parts of this section are taken from Wright 1997, chapter 1, and Burawoy and Wright, 2001.

the central issue is the ways in which class determines both life chances and *exploitation*.

The basic idea of the determination of life chances by class is laid out in Weber's frequently cited passage:

We may speak of a "class" when (1) a number of people have in common a specific causal component of their life chances, insofar as (2) this component is represented exclusively by economic interests in the possession of goods and opportunities for income, and (3) is represented under the conditions of the commodity or labor markets. This is "class situation".

It is the most elemental economic fact that the way in which the disposition over material property is distributed among a plurality of people, meeting competitively in the market for the purpose of exchange, in itself creates specific life chances....

.....But always this is the generic connotation of the concept of class: that the kind of chance in the *market* is the decisive moment which presents a common conditions for the individual's fate. Class situation is, in this sense, ultimately market situation. (p927-8)

"Opportunity" in this context is a description of the feasible set individuals face, the trade-offs they encounter in deciding what to do to improve their material conditions. The Weberian claim is that in a market society – a society in which people acquire the wherewithal to live by exchanging things with others – such opportunities are caused by the quality and quantity of what people have to exchange. When markets are fully and pervasively present, opportunities are not mainly caused by economically-irrelevant ascriptive attributes or by

individuals' control of violence, but by the resources a person can bring to the market for exchange. Owning means of production gives a person different alternatives from owning credentials, and both of these are different from simply owning unskilled labor power. Furthermore, in a market economy, access to market-derived income affects the broader array of life experiences and opportunities for oneself and one's children. The study of the life-chances of children based on parent's market capacity – the problem of class mobility – is thus an integral part of the Weberian agenda of class analysis. Within a Weberian perspective, therefore, the salient issue in the linkage of people to different kinds of economic resources deployed in markets is the way this confers on them different kinds of economic opportunities and disadvantages and thereby shapes their material interests.

Marxists agree with Weber that the ownership of different resources used in market exchanges certainly affects life chances. But within a Marxist class analysis, the effect of exchange on life chances is only half the story. Of equal significance is the ways in which property relations shape the process of exploitation. Both "exploitation" and "life chances" identify inequalities in material well-being that are generated by inequalities in access to resources of various sorts. Thus both of these concepts point to conflicts of interest over the distribution of the assets themselves. What exploitation adds to this is a claim that conflicts of interest between classes are generated not simply by conflicts over the distribution and value of resources people bring to exchanges in the market, but also by the nature of the interactions and interdependencies generated by the use of those resources in productive activity.

Marx's own elaboration of the concept of exploitation is familiar and need not be reviewed at length here. Exploitation, for

Marx, identified the process by which labor effort performed by one group of economic actors is extracted and appropriated by another group. That appropriated labor is referred to as “surplus labor”, meaning laboring activity above and beyond what is required to reproduce the laborers themselves. In capitalism, for Marx, this appropriation occurs because employers are able to force workers to work longer hours and perform more labor than is embodied in the products which they consume with their wages. Expressed in the classical language of the labor theory of value, the labor value of what they produce is greater than the labor value of what they consume. The difference – surplus value – is appropriated by the capitalist. This appropriation is exploitation.

Many, perhaps most, contemporary Marxists no longer use the labor theory of value because of its theoretical inadequacies. Many critics of Marxism believe that the abandonment of the labor theory of value also demolishes the concept of class exploitation within capitalism. As I have argued elsewhere (Wright, 1985: 64-86; 1997: 9-19; 2000), a robust sociological concept of exploitation is possible without reference to labor values. Without going into great detail here, this reconstructed concept of exploitation designates a form of conflictual interdependence of the material interests of people which satisfies three criteria:

(1) *The inverse interdependent welfare principle*: the material welfare of exploiters causally depends upon harms to the material welfare of the exploited.

(2) *The exclusion principle*: this inverse interdependence of welfare of exploiters and exploited depends upon the exclusion of the exploited from access to certain productive resources.

(3) *The appropriation principle*: Exclusion generates material advantage to exploiters because it enables them to appropriate the labor effort of the exploited.

Exploitation is thus a diagnosis of the process through which the inequalities in incomes are generated by inequalities in rights and powers over productive resources: the inequalities occur, in part at least, through the ways in which exploiters, by virtue of their exclusionary rights and powers over resources, are able to appropriate surplus generated by the effort of the exploited.<sup>6</sup> If the first two of these principles are present, but not the third, nonexploitative economic oppression may exist, but not exploitation. The crucial difference is that in nonexploitative economic oppression, the privileged social category does not itself *need* the excluded category. While their welfare does depend upon the exclusion, there is no on-going interdependence of their activities. In the case of exploitation, the exploiters actively need the exploited: exploiters depend upon the effort of the exploited within production for their own welfare.<sup>7</sup>

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6. The expression “appropriate surplus generated by the effort of the exploited” does not imply that the *value* of that surplus on the market is quantitatively measurable by the *amount of socially necessary labor embodied labor* it takes to produce it. All that is required is that the surplus product does embody labor effort of workers and that the property relations are such that this surplus-product-of-labor is appropriated by capitalists. See G.A. Cohen (1988: 209-238) for a further elaboration of this point.

7. The fate of indigenous people in North America and South Africa reflects this contrast between non-exploitative economic oppression and exploitation. In both cases indigenous people were excluded from access to the pivotal resource of their economies – land. And in both cases, by virtue of this exclusion the material welfare of European settlers was advanced at the expense of the indigenous people. The crucial difference between the two settings was that in North America, Native Americans were generally not exploited, whereas in Southern

This deep interdependence makes exploitation a particularly explosive form of social relation for two reasons: First, exploitation constitutes a social relation which simultaneously pits the interests of one group against another and which requires their ongoing interactions; and second, it confers upon the disadvantaged group a real form of power with which to challenge the interests of exploiters. This is an important point. Exploitation depends upon the appropriation of labor effort. Because human beings are conscious agents, not robots, they always retain significant levels of real control over their expenditure of effort. The extraction of effort within exploitative relations is thus always to a greater or lesser extent problematic and precarious, requiring active institutional devices for its reproduction. Such devices can become quite costly to exploiters in the form of the costs supervision, surveillance, sanctions, etc. The ability to impose such costs constitutes a form of power among the exploited.

The central difference between Marx's and Weber's concept of class, then, is that the Marxist account emphasizes the importance of antagonist conflict over the performance and appropriation of labor effort that takes place after market exchanges are contracted, whereas the Weberian account revolves exclusively around market transaction itself. This contrast is illustrated in Figure 1. Weber's class analysis revolves around a single causal nexus that works through market exchanges. Marxist class analysis includes the Weberian causal processes, but adds to them a causal structure within production itself as well as an account of the interactions of production and exchange.

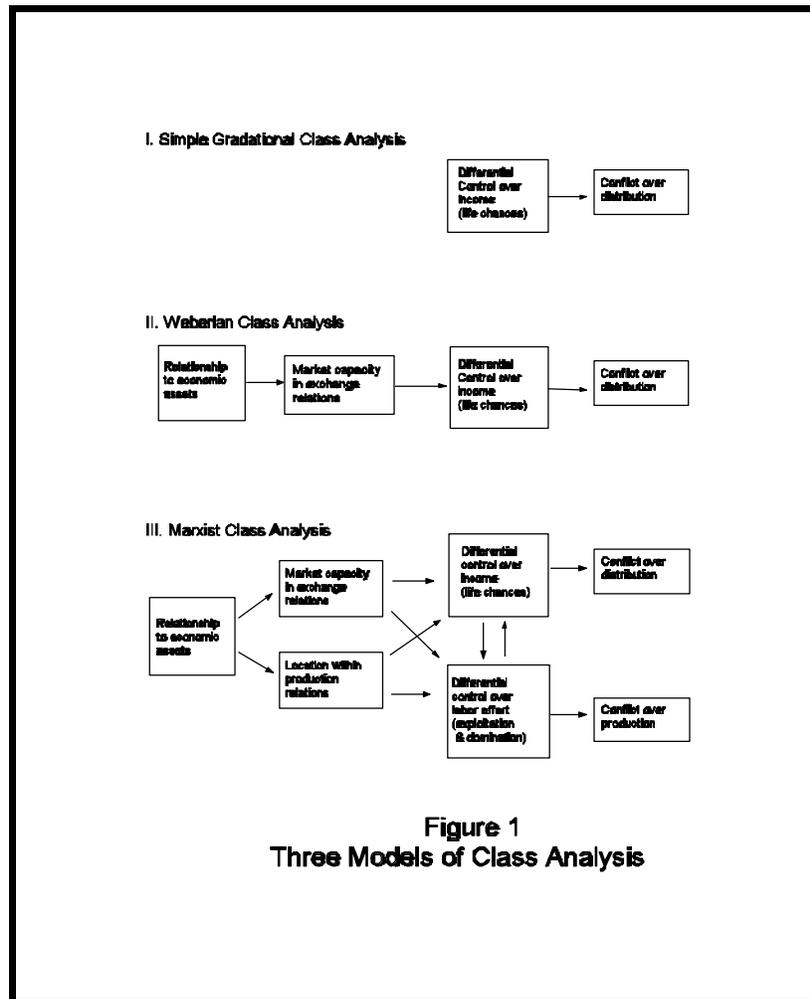
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Africa indigenous people were. The result was that genocide was an effective, if morally abhorrent, strategy for dealing with Native American resistance: the white settlers did not need the Native America and thus they could simply be eliminated. Such a strategy is not possible where indigenous people are exploited.

The Marxist concept of class directs our attention both theoretically and empirically towards these interactions.

One of the striking implications of this contrast between Weberian and Marxist concepts of class is that Weber rejects the idea that slaves are a class, whereas for Marxists slavery constitutes one form of precapitalist class relations. Weber (928) writes:

“Those men whose fate is not determined by the chance of using goods or services for themselves on the market, e.g. slaves, are not, however, a class in the technical sense of the term. They are, rather, a status group.”



For Weber, slaves are a specific instance of a general theoretical category -- *status groups* -- that also includes ethnic groups, occupational groups and other categories “that are stratified according to the principles of their *consumption* of goods as represented by special styles of life” (937). These groups differ by the meanings and

criteria that are deployed to accord differential ranking to different “styles of life”, and “slavery” is just one way of organizing such status rankings. In contrast, Marxists would see slavery as, primarily, a special instance of a different general theoretical category – class – that includes capitalists and workers in capitalism, lords and serfs in feudalism, slaves and slaveowners in slavery. While it is certainly the case that these categories differ in life-styles and the kinds of cultural criteria used to impart symbolic rankings, the crucial issue is the ways they differ in the mechanisms of exploitation – the ways in which labor effort is appropriated from one category by another. It is this which justifies treating these as varieties of the abstract category “class relations”.

### **III. The Shadow of Exploitation in Weber**

While Weber's definition of the concept of class says nothing explicitly about exploitation, it is nevertheless the case that in various places in *Economy and Society* Weber touches on the substantive problems which, within Marxist coordinates would be characterized as involving exploitation. It will help to give precision to the implications of Weber's market-centered class concept to see how he deals with these problems.

First a comment on the use of the word “exploitation” by Weber. The word does appear in a few places in *Economy and Society*. For example, in a discussion of “Repercussions of Public Financing on Private Economic Activity,” Weber (200) refers to the ways in which “liturgical obligations....directly inhibit the traders' exploitation of goods as commodities”. Exploitation, in this sense, is used in a generic sense of “taking advantages of for purposes of generating income,” as in the expressions such as “exploiting natural resources” or “exploiting an opportunity”, rather than in the more restrictive sense of “appropriating the labor effort of others within an

antagonistic relation.” Thus, even in the one place where the word seems to be used in a rather Marxian-sounding way, the real meaning for Weber is simply “taking advantage of an opportunity”. In an early discussion in the book on “Social Aspects of the Division of Labor” Weber refers to situations in which “exploitation for profit of the products of labor is appropriated by an owner”(129). This sounds like a Marxist-type discussion of exploitation as appropriation of labor effort. The meaning of “exploitation” in this passage, however, is made clear by its use in the immediately following passage in which Weber refers to situations in which “exploitation for profit of the products of labor is also appropriated by the workers”. The term “exploitation” here, and elsewhere, simply means “taking advantage of an opportunity”. In these two passages he is contrasting situations in which owners and workers are able to appropriate for their own interests the relevant profit-making advantages.

So, how does Weber engage the problem of the expenditure and appropriation of labor effort within the system of production? He sees this primarily as an issue of the “incentives to work” and as part of the larger question of the relationship between formal rationality and substantive rationality within capitalist systems of production.

Weber discusses the motivation of workers to expend effort in a broader discussion of the “conditions affecting the optimization of calculable performance by labor” (150). “Optimization of calculable performance” is a specific problem within the broader discussion of the conditions which foster or impede technical rationality in economic organization. Weber cites three primary conditions for this optimization to occur: “(a) the optimum of aptitude for the function; (b) the optimum of skill acquired through practice; (c) the optimum of inclination for the work.” (150). The third of these concerns the performance of labor effort. Weber writes:

In the specific sense of incentive to execute one's own plans or those of persons supervising one's work [the inclination to work] must be determined either by a strong self-interest in the outcome or by direct or indirect compulsion. The latter is particularly important in relation to work which executes the dispositions of others. This compulsion may consist in the immediate threat of physical force or of other undesirable consequences, or in the probability that unsatisfactory performance will have an adverse effect on earnings.

The second type, which is essential to a market economy, appeals immensely more strongly to the worker's self-interest.

Weber then discusses a variety of conditions that need to be met in order for this "indirect compulsion" ("the probability that unsatisfactory performance will have an adverse effect on earnings") to be effective. In particular, he cites three factors:

(1) *that employers have a free hand in hiring and firing workers*: "It also necessitates freedom of selection according to performance, both qualitatively and quantitatively, though naturally from the point of view of its bearing on profit." (150)

(2) *workers lack both ownership and control over the means of production*: "It presupposes the expropriation of the workers from the means of production by owners is protected by force" (150)

(3) *workers bear the responsibility for their own reproduction*: "As compared with direct compulsion to work, this system involves the transferral [of]...the responsibility for reproduction (in the family)...to the workers themselves."

(151)<sup>8</sup>

Where these conditions are met, workers will expend the optimum amount of effort from the point of view of profits of the capitalist.

Where these conditions are not met, labor effort will tend to be restricted, resulting in a decline in technical rationality. In particular, Weber discusses situations in which the first condition is violated, conditions in which workers themselves retain some significant degree of control over the deployment of their labor. He writes (128):

....opportunities for disposal of labor services may be appropriated by an organization of workers, either without any appropriation by the individual worker or with important limitations on such appropriation. This may involve absolute or relative closure against outsiders and also prohibition of the dismissal of workers from employment by management without consent of the workers, or at least some kind of limitations on powers of dismissal....

Every form of appropriation of jobs in profit-making enterprises by workers.....[results in] a limitation on the *formal* rationalization of economic activity.

At the core of this limitation on formal rationalization is the problem

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Weber concludes this discussion with the summary statement: "... willingness to work on the part of factory labor has been primarily determined by a combination of the transfer of responsibility for maintenance to the workers personally and the corresponding powerful indirect compulsion to work, as symbolized in the English workhouse system, and it has permanently remained oriented to the compulsory guarantee of the property system."153

of labor effort. If workers appropriate their jobs but owners still appropriate the products of labor, technical rationality is limited “through a tendency to restrict the work effort, either by tradition, or by convention, or by contract; also through the reduction or complete disappearance...of the worker’s own interest in optimal effort.” (129). He further goes on to argue that the problem of getting a technically rational level work effort from workers who control their jobs is similar to the problem of getting work effort from slaves:

The very opposite forms of appropriation – that of jobs by workers and that of workers by owners – nevertheless have in practice very similar results. [When workers are appropriated by owners] it is natural that exploitation of labor services should, to a large extent, be stereotyped; hence that worker effort should be restricted and that the workers have little self-interest in the output....Hence, almost universally the work effort of appropriated workers has shown a tendency to restriction.....When jobs have been formally appropriated by workers, the same result has come about even more rapidly.  
129-130

If one wants the technically most efficient performance of labor effort by workers within production, therefore, workers must not only be expropriated from the means of production, but must also lose any real control over their jobs and the labor process.

There is one situation in which Weber sees that the appropriation of jobs by workers might not lead to restriction of work effort: situations in which the workers are also owners of the means of production: “The appropriation of the means of production and personal control...over the process of workers constitute one of the strongest incentives to unlimited willingness to work.” (152) But this

situation creates other irrationalities, especially since “the interests of workers in the maintenance of jobs (‘living’) is often in conflict with the rationality of the organization”. Thus, while it might be the case in a worker-owned cooperative that workers would work very hard, they would engage in technically irrational behavior in their allocation of labor and their unwillingness to hire and fire labor as the market required.

In certain important respects, Weber's stance towards the problem of work effort is in line with that of contemporary neoliberal micro-economics. Neoliberals see any restriction by workers on managerial control of labor and the labor process as generating efficiency losses, both because of technically sub-optimal allocations of resources and because of restrictions of labor effort by workers. Like Weber, they believe that control of the workplace by workers leads to worker opportunism – workers serving their own interests at the expense of owners. The only real solution to such opportunism is preventing workers from appropriating their jobs and making the alternative to conscientious performance of work especially unpleasant. They would thus endorse Weber's statement that “Free labor and the complete appropriation of the means of production [by the owner] create the most favorable conditions for discipline” (138).

The problem of the performance and appropriation of work effort is thus, for Weber, above all a question of the degree and forms of rationality in economic organization. This does not mean that Weber is unaware that these forms of rationality may impose harms on workers: “The fact that the maximum of *formal* rationality in capital accounting is possible only where the workers are subjected to domination by entrepreneurs ,” he writes, “is a further specific element of *substantive* irrationality in the modern economic order” (138). But he does not see the problem of who appropriates and

benefits from work effort as a central, defining feature of class relations and economic systems.

#### **IV. Ramifications**

To summarize: The formal characteristics of the concept of class in capitalist societies are rather similar in Weber and Marx. Where they differ is in the account of the central causal mechanisms that are linked to class relations. For Weber, these are primarily centered in the ways in which ownership of property affects life chances via exchanges in the market; for Marx they concern the ways in which ownership of property affects life chances and exploitation through the interplay of markets and production. While Weber also, if only in passing, does touch on issues closely related to exploitation, particularly the problem of eliciting labor effort and its close link to labor discipline and domination, he does not integrate these concerns into the general concept of class.

One might still ask, so what? Does this really matter? Even if Weber himself underplayed the importance of extraction of labor effort, there is nothing in his framework which actively blocks attention to this issue. And indeed, class analysts in the Weberian tradition have paid varying degrees of attention to the problem of work discipline, labor effort and related matters.

Nevertheless, there are consequences of elaborating the concept of class strictly in terms of market relations and life chances without systematic attention to the problem of exploitation. Conceptual frameworks matter, among other things, because of the ways they direct thinking and research in particular ways. Here I would emphasize the following:

First, defining class with respect to processes of exploitation directs attention to the historical comparative analysis of class systems. For Weber, class relations are distinctive to market economies; they have no direct relevance for understanding how nonmarket economies work. A comparison of inequality in capitalism and feudalism, therefore, is a comparison of class-based stratification with status-based stratification, in which the former is structured primarily by material interests and the latter by symbolic interests bound up with life-styles and rankings of social respect. For Weber, as noted earlier, slaves are a special kind of status group, and the analysis of slavery is thus naturally drawn into a comparative backdrop with other kinds of status groups. For an exploitation-centered class concept, on the other hand, feudalism and slavery constitute particular ways of extracting labor effort from producers. The research agenda is therefore directed towards understanding the consequences of these ways of extracting labor effort in contrast to other ways.

Second, the explicit linkage of the problem of exploitation to the concept of class draws attention to ways material interests are structured by the interplay of the social organization of production and exchange. In the analysis of class formation (the formation of members of a class into a collectively organized social force ) and class struggle, the central agenda is understanding how interests and practices generated within the market and within production facilitate and impede this process. For example, a pivotal issue in studies of class formation is the problem of divisions within classes which may interfere with such collective organization. The Weberian conceptual structure would focus especially on the ways in which labor markets are organized and how this generates patterns of exclusion and division. The Marxist concept would add to this the ways in which the labor process and control over work was structured and how these

either counteract or reinforce divisions within labor markets.<sup>9</sup>

Finally, Marx and Weber's conceptual frameworks direct class analysis towards different sets of normative concerns centering on the material interests of different classes. The issue here is not that Marxist class analysis is normatively driven whereas Weber's is not, but rather that the specific way the concept of class is built directs attention towards different kinds of normative agendas.

Weber's treatment of work effort as primarily a problem of economic rationality directs class analysis towards a set of normative concerns centered above all on interests of capitalists: efficiency and rationalization. While Weber is not blindly uncritical of capitalism and recognizes, if only in passing, that from the point of view of workers the organization of work may be "substantively irrational", nevertheless, throughout his discussion of work effort the emphasis is on how anything which enhances worker control and autonomy is technically irrational and -- by implication -- undesirable. In contrast, the linkage of the problem of appropriation of work effort to exploitation in the Marxist tradition directs class analysis towards normative concerns centered on the interests of workers. The issue becomes not simply a question of which arrangements are the most technically efficient from the point of view of profit maximization, but how particular ways of organizing exchange and production impose harms on workers. Marxists recognize that increasing exploitation is "efficient" from the point of view capitalist economic organization,

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9. Both Marxists and Weberians would be attentive to the ways in which *nonclass* cleavages -- based on ethnicity, religion, race, etc. -- impact on class formation, although they might have different general expectations about relative weight of class processes and nonclass divisions in shaping the prospects of class formation in the long term.

but the conceptual framework constantly brings to the foreground the ways in which this imposes harms on workers and poses the problem of under what conditions such harms could be challenged and eliminated.

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