

THE DIALECTICS OF EXPLOITATION AND DISCRIMINATION IN THE
LABOUR MARKET: TOWARD A MARXIST THEORY OF RACIAL CONFLICT

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ABSTRACT

Since the conjoint development of capitalism and the nation-state in eighteenth century Europe, the practical and theoretical problems of socio-economic reproduction and socio-political order have confronted social scientists of all ilks as different sides of the same coin. In its infancy, sociology drew its formative inspiration from classical political economy, and long after the new discipline had carved out its own niche from the theoretical vacuum created by the rise of neoclassical economics, the dialogue between social and economic theory persisted, especially within the Marxist tradition. Nowhere is this symbiotic relationship more apparent than in the field of labour market studies. The labour market constitutes a microcosm of capitalist society where the related problems of economic reproduction and social order are manifest in their myriad, contradictory forms. One such form is the dyad of racial inequality and conflict.

This thesis focuses on how racial conflict is conceived in the contemporary Marxist, neoclassical economic and Weberian literature, and examines the contribution of radical labour market theory to a Marxist theory of racial conflict. The purpose is to meet the challenge extended by a recent, neo-Weberian critique and reformulation of class theory as a unified, theoretico - methodological framework for articulating the relationship between racial groups and social classes, racial conflict and class struggle in the labour market, community, state and international system.

It concludes that radical labour market theory represents an important departure from previous Marxist approaches to race and class. Theoretically, radical labour market theory breaks with Marxist tradition by distinguishing group forms of domination like discrimination, from class forms like exploitation, and by relating group and class, market and production relations to racial conflict and class struggle. Methodologically significant is the attempt to apply a non-reductionist class analysis that situates the race - class nexus in the historical context of collective struggles in a dynamic, open-ended class formation process. The implications of these theoretical and methodological directives for Marxist theories of race, class and the State are critically evaluated, and a non-reductionist model of racial conflict is proffered as a preliminary step toward a Marxist theory of inter-group conflict.

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CHAPTER 1

Introduction

An eminent race relations theorist recently heralded the "declining significance of race" as opposed to class in explaining inequality in the United States. Distinguishing three broad stages in the history of U.S. race relations, W. J. Wilson (1978) argued that, while orthodox Marxism offers the most convincing account of the 'racial-caste oppression' during the 'preindustrial period', and split labour market theory the best explanation for the 'racial oppression' of the 'industrial period', neither approach is applicable to the 'modern industrial period' which marks a 'progressive transition' from the 'racial oppression of all blacks', to the 'class subordination of a black underclass'. Citing empirical data on recent economic mobility and increasing stratification among blacks, Wilson (1978) predicts widening class cleavages in the black community, the emergence of different political agendas, and declining racism against blacks as a whole. Moreover, he concludes that:

"Whereas the racial antagonism in the United States during the period of industrial race relations (such as the Jim Crow segregation movement in the South and the race riots in the northern cities) tended to be either directly or indirectly related to labour market conflicts, racial antagonism in the period of modern industrial relations tends to originate outside of the economic order and to have little connection with labour-market strife" (Ibid: 15).

Wilson's (1978) findings precipitated a storm of protest from black academics who were dubious about the empirical evidence of black mobility, and spurned the claim that racism was no longer ubiquitous in the labour market (Hill, 1978; Willhelm, 1983). Conversely, the contention that class rather than racial oppression was the chief variable in contemporary black inequality won approval from white Marxists for acknowledging the economic basis for black inequality (see Willie, 1979).

Subsequent events however, soon rendered Wilson's provocative thesis a dead letter. The ascendancy of the political Right during the recurring economic crises in western capitalist states since the late 1970s has ushered in an era of unprecedented fiscal restraint, unemployment, welfare and education cutbacks, and assaults on civil and labour rights. It has also witnessed a resurgence of conservative, religious fundamentalist, racist and neo-fascist ideologies and organizations, all of which have contributed to growing racial unrest. Rioting and police and military repression in the racially and ethnically segregated urban enclaves in the U.S., Britain and South Africa, and sporadic outbreaks of racial violence in Toronto, Vancouver and other Canadian cities throughout the 1980s has testified to the 'enduring reality' of racial inequality and conflict in western capitalist society, and the inadequacy of prevailing sociological explanations.

The controversy over Wilson's (1978) study, albeit short-lived, served to breathe new life into the race-class debate, and drew critical attention to two key issues that sociological race relations and Marxist theories of racial conflict alike had failed to seriously confront. First, there is the general issue of whether a class theory of inter-group conflict is feasible, or as Willhelm (1980) tersely conveys the dilemma: "Can Marxism explain racial conflict?" Second, there is the more specific issue of whether the labour market still constitutes the primary source of, and basis for racial conflict. These two fundamental issues, highlighted by the tragic events of Liberty City, Miami in May of 1980, and Brixton, South London in April of 1981, informed the inception of this study.¹ My response to both questions is affirmative for reasons which I will now elaborate, along with the main argument, and an outline of the thesis.

In the past when Marxists have addressed racial, ethnic, or gender group conflicts at all, they have tended to be characterized by ahistorical and deterministic analyses of the class - group nexus. Western Marxism has been especially culpable of 'explaining away' race by focusing on 'racism', conceived as an exogenous form of domination outside the parameters of class analysis proper, or as a 'superstructural' element or ideology that can be 'added on' to class categories

¹ Both of these 'riots' triggered uprisings in other U.S. and British cities in the months that followed. See Marable (1980b) on the Miami rebellion, and Sivanandan (1982) and 'Notes and documents' on riots in Britain in Race & Class 23: 2/3, pp. 223-232, 1981/82.

at the theorist's convenience. The problem of determinism has also arisen from the Marxist propensity for conceiving social class as an 'objective' economic relation, rendering class analysis the analysis of class structure, and class struggle the conflict between classes 'always-already-formed' by the 'objective' relations of production. Missing from many Marxist theories is any concrete conception of human agency at the intra-class level, and the sweeping historical processes by which classes form, deform and reform in the struggles engaged in by collective agents. Consequently, Marxist approaches to racial conflict have, more often than not, been marred by static, reductionist and functionalist analyses which tend to reduce race to class, or class to race, and conflate groups with classes and vice versa (Geschwender, 1978; Parkin, 1979; Willhelm, 1980; Sivanandan, 1982).

Although class struggle is usually assumed to be the 'motor of history', conspicuously absent from Marxist discourse has been the role of intra-class and inter-group conflicts in relation to class struggle and class formation. Precisely what cries out for explanation--the relationship between race and class, racial conflict and class struggle in the historical reproduction and transformation of racial groups and social classes--remains uncharted territory.

There is a pressing need then, for a reappraisal of the race - class debate within Marxism, and a critique that propels analysis beyond the polarized cul-de-sacs of racial autonomism and class reductionism. As Wallerstein (1981: 5) has observed:

"to debate the primacy of race or class is not merely to be scholastic, it is to mislead us politically in a critical way." The first issue is not simply a case of 'black' versus 'white' Marxism as it is topical to assume,² nor is it a matter of whether Marxism can 'explain' racial conflict, at least not in the positivist sense of prediction and control. The issue here I believe, is theoretical and methodological; the construction of a non-reductionist, non-functionalist, Marxist theory of racial, inter-group conflict. So long as race and class are regarded as mutually exclusive categories, or as subsets of one another, rather than as analytically distinct, but historically contingent social relations, the theories generated to explain racial conflict will remain ahistorical and tautological. The challenge before Marxism is to conceive a unified theoretico-methodological framework for articulating the historically transforming social relations between race and class within the context of a global economy. Such a mode of class analysis would, ideally, have multifocal and cross-cultural applicability to other forms of communal group conflict.

² I am grateful to Professor Chris Mullard of the University of London for introducing me to the contemporary black Marxist literature, and explaining what distinguishes it from white Marxism. Personally, I believe that it is not the colour or sex of the observer so much as their theoretical and methodological perspective that leads to racist or sexist interpretations. This thesis may speak from and to the so-called 'white Marxist' tradition of Western Europe and North America, but that does not mean I hope, that its conclusions are inevitably racist!

The second issue is over the appropriate focus for a Marxist theory of racial conflict. According to Wilson (1978), "economic class theories which associate labour market conflicts with racial antagonism have little application to the present period" (Ibid: 16), because the "centre of racial conflict has shifted from the industrial sector to the socio-political order" (Ibid: 150). While 'prima facie' this may be the case, I have several reservations about this line of reasoning, and will argue on the contrary, that labour market theory is a necessary, if not sufficient, starting point for a Marxist theory of racial conflict.

First, if it is reasonable to assume that racial inequality and racial conflict are historically and theoretically related in terms of social relations of domination and subordination, then, since the labour market is still a fundamental basis of racial inequality, it remains a principal source of racial conflict, if no longer the primary locus of that conflict. Wilson's (1978) 'black underclass' may be 'de facto' outside the labour market, but its marginalization and permanent displacement from capitalist exchange and production relations can only be grasped from the context of the dynamics of a labour market that has historically been racist.

Second, racism may have been imported into the labour market, but in capitalist society the labour market has been one of the main loci for the reproduction of racism through the practice of racial discrimination by individuals and collectivities, as well as the State. Racial discrimination may

not have declined as Wilson (1978) sanguinely presumes, but instead changed in form, making it more difficult to discern by means of conventional indicators.

Third, the apparent shift in racial conflict from the labour market to the community and state may owe as much to changes inside, as transformations outside the workplace and labour market. The labour market is an arena of inter-group conflict 'par excellence', where the interrelationship of class and group forms of domination and struggle is accentuated. In a sense, the labour market constitutes a microcosm of capitalist society, comprising the interface of class, intra-class and inter-group relations of production, exchange, and distribution that structure the struggles among collective human agents which, in turn, affect the formation of classes, class fractions and communal groups. The community-based struggles of the black, urban poor for better jobs, housing, policing and education are affected by, and have ramifications for, struggles inside the workplace and labour market. Hence, a Marxist theory of racial conflict must commence with production and market relations, but should also link conflict in the labour market to concrete struggles at the community, state and international levels.

Radical labour market theory, a generic term used to denote the offspring of neoclassical economic, Weberian and Marxist approaches to structural inequality and racial discrimination in the United States and Britain during the 1970s, marks an important move in this direction. The work of Bonacich (1972),

Reich et al (1973), Friedman (1977), Edwards (1979) and Gordon et al (1982) represents a significant departure from previous Marxist tradition by focusing on the labour market as well as the labour process, and attempting to relate race and class relations dialectically, in the historical context of collective struggles against both class and group forms of domination.

Methodologically, radical labour market theory is significant for self-consciously attempting a non-reductionist class analysis that I have designated a 'class conflict' approach.³ A class conflict perspective of the labour market attends to the effects of the concrete struggles of collective human agents on the processes of labour market segmentation and working class stratification. Applying an historical, relational method of Marxist political economy to neoclassical economic and Weberian theories of the labour market, and Marxist theories of the labour process, a class conflict approach produces a synthetic historical analysis of class struggle in the workplace as it mediates, and is mediated by, intra-class and inter-group conflicts in the labour market. A class conflict analysis therefore situates the race - class relationship in the historical context of collective struggles in a dynamic, open-ended class formation process, in contrast to an inert class structure determined by 'objective' production

³ The conception of a 'class conflict' analysis here is derived from Reich (1981: 186-203) whose 'class conflict model of the economic process' recognizes interpersonal competition and class struggle. I have added the category of inter-group conflict to the model to account for competition and conflict between and among class fractions and communal groups.

relations.

Theoretically, radical labour market theory breaks with Marxist tradition by distinguishing group forms of domination like racial discrimination from class forms like exploitation, and relating them to both racial conflict and class struggle. In so doing, it integrates a neoclassical economic concept of 'individual discrimination' with a Weberian notion of 'group competition' and a Marxist concept of 'class exploitation' into a class conflict analysis that relates race and class in the historical context of concrete struggles against exploitation and discrimination in the processes by which the workplace is organized, and the labour market formed. Radical labour market theory therefore conceives the race - class nexus I suggest, in terms of the 'dialectics of exploitation and discrimination'.

This thesis critically evaluates the theoretical and methodological implications of this important departure for a Marxist analysis of racial conflict in particular, and inter-group conflict in general. In the endeavour to tease out a class conflict perspective on racial conflict that radical labour market theory hints at, but never articulates, the myriad relationships between and among classes and groups, the labour process and the labour market, production and market relations, domination and appropriation are explored and conceptualized in terms of contemporary Marxist and Weberian theories. Consequently, this is not an empirical study of racial conflict and class struggle in the labour market, so much as a theoretical treatise on how class struggle and racial conflict

are conceived in the literature, and how perhaps, they ought to be conceived if Marxist theory is to have any relevance to the serious questions posed by contemporary racial, and other inter-group conflicts. As such, a number of caveats and disclaimers should be entered before proceeding with an outline of the thesis.

Since the 'modus operandi' I chose was to scrutinize recent Marxist theories of race and class and the labour market, and contrast them to a neo-Weberian critique and alternative formulation offered by Parkin (1979), numerous allied approaches which were either not congruent with, or outside of this narrow spectrum, are referred to only in passing, or omitted altogether. Cases in point here include the so-called field of 'race relations' theory (Glazer & Moynihan, 1963, Gordon, 1964, Banton, 1967; van den Berghe, 1967; Rex, 1970/83; Schermerhorn, 1970; Newman, 1971), other neo-Weberian approaches like Giddens (1973) and Rex (1978; 1981b), the radical school of industrial sociology (Clegg and Dunkerley, 1980; Hill, 1981), Marxist theories of slavery (Williams, 1966; Genovese, 1974; Fogel and Engermann, 1974), the British post-Structuralist school (Hall et al, 1978; Hall, 1980), contemporary writings on black resistance (Sivanandan, 1982; Marable, 1980; 1981; Hall et al., 1976), and theories of racial conflict in socialist societies (Lane, 1971). In addition, many eclectic theories undoubtedly fall into the grey areas between the typologies adopted to represent each theoretical camp.

Another silence in the thesis pertains to the relationships between racial conflict and ethnic and gender forms of inter-group conflict. Here the standard plea of 'limited scope' is less convincing because racial and ethnic groups are more easily distinguished in theory than in practice, and the situation is further complicated by gender relations which cross-cut all other communalistic boundaries. Nevertheless, simplifying assumptions are a necessary evil, and it is theory after all, to which this study is addressed. Therefore, I have assumed that: (i) racial conflict can be analytically distinguished from other forms of communal group conflict, (ii) race, ethnicity and gender are all forms of ascriptive status, that is, are all socio-culturally defined group categories,⁴ and manifest similar forms of conflict, and (iii) a model of racial conflict can be pitched at a level of abstraction such that it may be applicable, to some extent, to all forms of inter-group conflict.

And finally, two related caveats should be acknowledged. It will be observed that little attention is paid to the role ideological relations play in structuring the concrete struggles of collective agents in the labour market, and paradoxically for

⁴ Setting aside the interesting issues raised by sociobiology (see Van den Berghe, 1981), race and ethnicity are assumed here to be social rather than primordial categories. Both are reproduced by the assignation of communal group status to persons sharing the same inherited physical, or socialized cultural, traits respectively. Hence, race and ethnicity are analytically distinguishable in terms of origin, but tend to be concretely related since biological and cultural characteristics are not autonomous.

a non-reductionist Marxist theory, the relationship between race and class appears cast in a deterministic dyad of exploitation and discrimination.

First, the bias towards economic and political relations is quite deliberate, but does not completely preclude ideology.⁵ It is intended to counterbalance the Marxist tendency to conceive race as an ideological epiphenomenon of class struggle, and to underscore the reproduction of racist ideology through the practice of racial discrimination.

Second, the reductionist guise of class conflict analysis is actually more semantic than real. Employing Marx's reflexive methodology which has been characterized as a process of knowledge production proceeding from the 'abstract to the concrete' (Ollman, 1971; Israel, 1979) the multifarious economic, political and ideological relations between racial conflict and class struggle in the labour market are abstracted and idealized into the 'simplist determinations', and placed within the context of a 'concrete totality'. The dialectics of exploitation and discrimination do not purport to represent the 'essence' of the race/class relationship, but rather a more concrete way of conceptualizing the complex chain of interrelations between and among social classes and racial groups in the labour market of capitalist society.

⁵ Miles (1982: 167-181) for example, argues that 'racial categorization' is an ideological process that is structured by, and in turn, has effects on, economic and political relations within and between classes.

The terrain for a class conflict analysis of racial conflict is surveyed in Chapter Two by introducing a conceptual framework for the discussion of labour market theory, and providing a background critique of Marxist theories of race and class. Key terms like racial conflict, communal group, class fraction, intra-class conflict, and class struggle are specified, and following radical labour market theory, the concepts of exploitation and discrimination are posited as the concrete social relations structuring racial conflicts in the labour market. Working definitions of class exploitation and racial discrimination are devised such that both concepts are conceptually grounded in economic, political, and ideological relations of production, exchange and distribution.

Marxists often criticize sociological race relations theories for emphasizing inter-group relations and processes at the expense of class relations and class struggle, but seldom recognize that the reverse also holds for Marxist theories of race and class. A critical review of 'internal colonialism', 'class stratification' and 'world capitalist system' theories suggests that inadequate Marxist conceptions of race and class have lead to either 'racism' (autonomist) or 'classism' (reductionist) positions, both equally deterministic. This problem is attributed to the failure to clearly distinguish between class and group relations of domination, and the lack of both a systematic conception of racial discrimination, and a mode of class analysis that focuses more on concrete struggles in the historical process of class formation, than abstract

struggle imposed on static class structures.

The foundation for a class conflict analysis of racial conflict is laid in Chapters Three and Four by tracing the career of the economic concept of discrimination through neoclassical and dual into radical labour market theories, where it is married with a concept of exploitation. The neoclassical economic underpinnings of radical labour market theory⁶ and the concept of discrimination are critically evaluated in Chapter Three. The two main neoclassical economic approaches to racial conflict--human capital theory, and discrimination theory--both expand the simple marginalist model of the labour market, but I argue, even within the limitations of the neoclassical paradigm, neither proposes a consistent and plausible explanation for racial conflict. Dual labour market theory tenders an interesting challenge to orthodoxy, yet does not I contend, move beyond the individual-based, market-centred, neoclassical model to embrace a collectivity-based, production-centred, conflict approach to racial conflict.

'Radical dual', 'radical segmented', and 'split' labour market theories are reviewed in Chapter Four, and different foci of struggle are identified as the class dynamics reproducing, and being reproduced by, racial conflict. The concept of discrimination is regarded as emerging from the radical

⁶ One of the unspoken themes addressed in Chapter Three, and running through this thesis is the historical relationship between economic and sociological theory. See Clarke (1982) for a thoughtful rendering of the relationship between the 'marginalism revolution' and 'modern sociology'.

literature in a particular class form, in the context of the dialectics of 'resistance and control' in the labour process, and 'displacement and reaction' in the labour market. Radical labour market theories suggest that, while racial discrimination has become less direct, overt or intentional behaviour, it has not declined so much as it has become 'institutionalized' in the social organization of the workplace, and in the structure and formation of the labour market under monopoly capitalism.

The relationship between racial conflict and class struggle, left untheorized in radical labour market theory is then conceived in terms of the 'dialectics of exploitation and discrimination'. Racial conflict in the labour market, I attest, tends to crystallize around the interface of class relations of appropriation and domination, and group relations of competition and domination. It is difficult to theorize about because racial conflict, although always inter-group by definition, may also assume intra-class or even inter-class forms, contingent on the historical conjuncture of market, class and state formation processes. It is the complex, overlapping forms of struggle manifest in racial conflict that the notion of the dialectics of exploitation and discrimination attempts to capture.

A skeletal framework and some conceptual landscaping for a class conflict analysis of racial conflict are initiated in Chapters Five and Six by exploring some of the theoretical and methodological implications of radical labour market theory for Marxist theories of class and state, contrasting them to

Parkin's (1979) neo-Weberian revision, constructing an alternative, class conflict model of racial conflict, and extending it beyond the labour market to include community-based struggles and Third World liberation movements. The processes of market and class formation described by radical labour market theory are considered in Chapter Five from the perspective of the 'boundary problem' of Marxist class theory. The contribution of radical labour market theory, I maintain, is not a resolution to the 'boundary problem' presented by the 'new middle class', but a mode of class analysis that focuses attention on concrete class, intra-class and inter-group struggles in the class formation process. The abbreviated treatment of the State in radical labour market theory is regarded as a critical liability, and is compared to contemporary Marxist 'instrumentalist', 'structuralist', 'class theoretical', and 'capital logic' theories of the State. With some qualifications, the class theoretical variant is endorsed as most compatible with a class conflict analysis attending more to the processes of class and state formation than structures (Gramsci, 1971).

Parkin's (1979) recent theory of communal conflict is then critically evaluated on the basis of his claim to explain class struggle and racial conflict within the same conceptual framework. He is credited with recognizing the centrality of exploitation to an explanation for racial conflict, but faulted for reformulating the concept wholly in terms of domination, and neglecting the relations of appropriation that constitute

exploitation. I conclude that Parkin's (1979) model of class formation has substantially less explanatory potential than the nascent class conflict analysis of radical labour market theory.

In Chapter Six a theory of class formation, implicit in radical labour market theories, is outlined by drawing from interpretations of the British historical materialist school associated with E.P. Thompson (1963; 1975; 1978a,b). Following Thompson, class is conceived as an historical 'relationship' and 'process'; class formation as an open-ended process whereby classes form, deform and reform through concrete struggles; class analysis as 'class struggle analysis'; and class struggle as struggles 'about class' as well as 'between or among classes' (Przeworski, 1977; Wood, 1982; Kaye, 1983).

A simple class conflict model of racial conflict in the labour market is then constructed around the dialectics of exploitation and discrimination. This model specifies the agents and their social practices, the historical conditions, and the outcomes of concrete racial conflicts which, I argue, comprise a necessary, but not sufficient framework for a class conflict analysis. Finally, an attempt is made to extrapolate from the model to account for racial conflict outside the labour market by briefly revisiting Marxist theories of race and class. Concepts from each type are rejuvenated to contribute to a class conflict analysis linking racial conflict inside the workplace, to community-based struggles against the State, and anti-imperialist struggles in the Third World.

In the concluding remarks, class conflict analysis is touted as a tentative step towards a rapprochement between black and white Marxism, that proffers a promising theoretical and methodological framework for further research and political action on questions of racial and other inter-group conflicts in capitalist society.

Chapter 2

Racism or Classism?: Marxist Theories of Race and Class

"...the Left's recent writings on the subject of racial politics remain paralyzed by an inability to conceive race and class as related. Race is either shorn of all determinacy and allowed to ascend to the rarified heights of ideological autonomy, from where it 'only subsequently' intervenes at the level of the economy, or it is subsumed entirely by class. The experience of racial domination is so distorted that its class character evaporates" (Gilroy, 1981: 208-209).

2.1 Introduction

The purpose of this chapter is twofold. First, to introduce some conceptual parameters for the discussion of labour market theory in Chapters Three and Four, and more specifically, to devise working definitions for some key concepts like class exploitation and racial discrimination. And second, to place that discussion against the backdrop of a Marxist political economy of race.

Following radical labour market theory, two concepts are posited in section 2.2, as the most important social relations structuring concrete racial conflicts in the labour market. First, the endless debate within Marxism over the concept of exploitation is duly noted, but set aside in favour of Wright's (1982) compromise definition as 'class relations of appropriation and domination'. And second, the concept of discrimination is defined in a preliminary fashion in terms of group relations of economic, political, and ideological domination. Race and class are thus conceptually grounded in dynamic economic, political and ideological relations of

production, exchange and distribution.

Three main types of Marxist race and class theories are identified in section 2.3, and briefly criticized in order to adumbrate some of the major problems with class analyses of racial conflict. Theories of 'internal colonialism', 'class stratification' and 'world capitalist systems' each highlight key aspects of racial conflict, but all tend to suffer from 'reductionist' or 'functionalist' analyses in which exploitation is either subsumed by discrimination, or discrimination by exploitation. The intention here is to provide a critical contrast for a non-reductionist class analysis of racial conflict derived from radical labour market theory.

2.2 The concepts of exploitation and discrimination

This study covers an extensive amount of literature, and spans several paradigms in social theory, making a consistent and coherent conceptual framework difficult to sustain throughout. Consequently, an effort has been made to keep definitions as general and concise as possible, and allow the pivotal concept of racial discrimination, for instance, to evolve with the text. Exploitation, on the other hand, is defined pragmatically from the outset, and is unchanged at the close. Other key terms frequently encountered along the way also merit some comment. Racial conflict, to which this thesis is addressed, refers to forms of inter-group conflict between members of different racial groups. Racial groups are collectivities that have been assigned, or have assigned themselves, status based on shared physical traits like skin

colour. Communal groups are collectivities whose ascribed status is based on some common origin, whether territorial or cultural. Inter-group conflict signifies conscious struggles between and among collectivities over political power, scarce resources, values, and ideologies.

Both maximal and minimal definitions of conflict are employed. Racial conflict is assumed to involve non-legal forms of coercion, as well as legitimate forms of competition. The distinction is also made between 'competition', or struggles within an established framework of laws, norms and conventions, and 'conflict', or struggles outside the law involving violence, in order to distinguish between intra-class and inter-group competition for scarce resources, and inter-group and class struggles for political power. Intra-class conflict denotes struggles between and among class fractions, the Marxist designation for market or distributive groups such as occupation or income. Community-based struggles are so-called because they are centred on a particular territorial domain like an urban district, rather than any single collectivity. Finally, class struggle refers to struggles between or among collectivities pursuing class interests, as well as between or among organized social classes.

The relationship between race and class in Marxist theories is usually predicated on 'exploitation' (a class relation), and 'racism' (a group relation). The difficulty with this formulation is that the one is treated as simply an economic relation, while the other is reduced to an ideological relation

which is either subsumed by class, or autonomous from class. In radical labour market theory the focus is shifted to concrete struggle, and the relations of exploitation and discrimination that affect, and are affected by, class struggle and racial conflict. Racial discrimination is conceived as the 'practice of racism', and as primarily an economic and political relation of domination between or among racial groups. This more dynamic and historical conception of the race/class nexus remains largely implicit however, since neither concept is defined, and the 'dialectic of exploitation and discrimination' is never theorized. Working definitions of exploitation and discrimination are therefore requisite before any theoretical analysis can proceed.

One of the oldest debates within Marxism concerns the relevance of the labour theory of value in general, and the concept of exploitation in particular, as a theoretical basis for social class. The theoretical disputes continue between the 'classicists' (e. g., Fine and Harris, 1979; Weeks, 1981; Dostaler, 1982) who accept, at least in part, the labour theory of value, and the 'neo-Ricardian revisionists' (e. g., Morishima, 1973; Meek, 1977; Bose, 1975) who, following Sraffa (1960), reject labour value theory, but affirm the centrality of exploitation to social class.

Classicists tend to conceive exploitation in the Marxian tradition as the appropriation of surplus value from direct producers by the owners of the means of production. This surplus value extraction from one class by another occurs at the

macro level (society as a whole) in the process of capital accumulation. Revisionists are more likely to conceive exploitation in terms of the appropriation of ownership and control of production. This class domination occurs at the micro level in the labour process. Some recent revisions of exploitation include initiatives to expand the concept to encompass unequal exchange, monopoly pricing, and state transfers (Yago and Blee, 1982), and to create a general theory based wholly on property relations (Roemer, 1982).

Without attempting to unravel the Gordian knot of labour value theory, exploitation will be defined here by incorporating elements from both positions in the manner of Wright (1982). In a critique of Roemer (1982), Wright contends that the concept of exploitation cannot be reduced to an economic relation, because it combines economic relations of appropriation (extraction of surplus product), and political relations of domination (control of production).

"The Marxist account of class subsumes both of these images of class relations through the concept of exploitation. Class relations are the unity of appropriation relations (the Marxist way of theorizing categories of distribution) and domination. The justification for this view of class relations rests on two arguments. First, within production relations, domination without appropriation and appropriation without domination are unreproducible structures of social relations. Second, the coincidence of domination and appropriation within production relations provides the basis for understanding collective actors in the epochal processes of social conflict and social change" (Wright, 1982: 333).

While essentially an economic relation referring to the primary

division of the social product,¹ exploitation also subsumes a political dimension, the class domination inherent in capitalist wage labour relations. Thus conceived, the concept of exploitation allows class analysis to explain the reproduction and transformation of social relations in capitalist society as a dynamic process.

The concept of racial discrimination will be defined here as any form of economic, political or ideological domination of members of one racial group, by members of others.² Again, domination here denotes asymmetrical power relations, but in this case, between or among groups, and not restricted to the realm of production. In Chapters Three and Four racial discrimination is defined more narrowly with reference to the labour market, and the evolution of the concept is traced from neoclassical through dual to radical labour market theory.

2.3 Racism or classism?

Turning to Marxist explanations for racial inequality and conflict we are confronted with a broad, amorphous range of theories and models all purporting to disclose the 'objective'

¹ Social product refers here to the total wealth produced by a society, that is, the value of the 'economic pie' to be divided between and among the social classes.

² The concept of domination is used rather permiscuously by Marxists, and clear distinctions are not always made between class and group forms. Although it often carries the connotation of 'oppression', like the concept of power to which it is allied, I am using domination in a neutral, relational sense of 'having control over'. Domination then, can be defined as 'structured, asymmetrical power relations which, while conducive to coercion and conflict, also contain the potential for transforming social relations'.

relationship between racism and capitalism. Two critical shortcomings surface in this literature, however, which provide initial benchmarks for typologization and critique. The first, 'reductionism' or 'determinism', refers to two often related tendencies of Marxist analyses. One is the propensity to reduce the source of racism to a homogeneous race or class, and the other is the predisposition to reduce social class to an economic relation. The second is 'functionalism' which designates the proclivity for explaining racism tautologically, by reference to the 'functions' it serves for the dominant class or racial group. Both themes are indicative of the same flaw in Marxist class analyses of racial conflict; an inability to relate race and class because of static concepts which fail to capture the historical dynamics of concrete class and inter-group struggles.

Although internal colonialism, class stratification and world systems theories have each made unique theoretical contributions, none conceives racism systematically in terms of racial discrimination, and all suffer to some extent from reductionist and functionalist class analyses which yield static and ahistorical theories of racial conflict.

2.3.i Internal colonialism

"Black people are a stolen people held in a colonial status on stolen land, and any analysis which does not acknowledge the colonial status of black people cannot hope to deal with the real problem" (Cleaver, 1969: 61).

Internal colonialism has been, and continues to be a most powerful political tool, not only because of its emotive

national/cultural appeal, but also because it confronts a 'real problem' and proposes a solution. The main thrust of the theory is that racism is a form of 'neo-colonialism', a wider system of economic exploitation, cultural domination, and political oppression of a black, colonized nation by a white colonizing nation. The exploitation and segregation of blacks in the metropolitan enclaves of United States is regarded as qualitatively different from that of other minorities, or the working class as a whole. Racism, not simply a ploy of the capitalist class, is endemic to white labour who share a material interest in the racially stratified economic system. Black liberation therefore can only be achieved by national self-determination, by some form of black autonomy that will inevitably be resisted by all whites regardless of class.

The 'black nation' or 'submerged nation' thesis was initially conceived by black nationalists who had joined the American Communist Party during the 1920s. Later it was endorsed and promoted by Moscow until World War II when it was gradually eschewed in favour of a black proletariat perspective (Geschwender, 1978: 70-79). It resurfaced in the 1960s under the guise of 'internal colony', a concept employed by nationalists who disagreed with the Communist Party's position that black migration from the agrarian South to the industrial North had undermined the black nation theses, and rejected the assimilationist bias of sociological race relations.

Equating the 'Third World within' with urban ghettos rather than the Southern Black Belt; economic exploitation with absentee landlords and dirty work; cultural domination with white education and media; and political oppression with white police and state bureaucracy, theorists like Clark (1965), Carmichael & Hamilton (1967), Allen (1970), Tabb (1970), and Blauner (1972) all stressed the distinctive racial dimension of U.S. capitalism. Their argument is provocative and encompasses the entire spectrum of black experience, but as a Marxist theory of institutionalized discrimination it presents several problems. Blauner's (1972) classic study highlights some of these difficulties.

The most characteristic feature which pervades Racial Oppression in America is ambiguity. Blauner (1972) begins by arguing forcefully that a "focus on colonialism is essential for a theory that can integrate race and racial oppression with a large view of American social structure" (Ibid: 12). He then immediately concedes that the colonial perspective "tends to miss the total structure, the context of advanced industrial capitalism in which our racial arrangements are embedded." Furthermore he acknowledges that his own study lacks a "systematic exposition of capitalist structure and dynamics" (Ibid: 13). On the one hand Blauner wants to refute the "idea that racism and racial oppression are not independent forces but are ultimately reducible to other causal determinants" (Ibid: 2), yet on the other hand he asserts that, "classical colonialism of the imperialist era and American racism both

developed out of the same historical situation and reflected a common world economic and power stratification" (Ibid: 83).

Paradoxes of this kind abound. The concepts of 'colonialism' and 'imperialism' are used uncritically (as if they were 'facts' rather than theories), and often interchangeably. The Marxian concept of exploitation is used in a wider 'racial' sense which increases its descriptive range, but at the cost of analytic rigour, leaving it floating rootlessly above unspecified relations of production. What is specifically 'colonial' about 'racial exploitation', and how it differs from the class relations of industrial capitalism is never clearly articulated.

The historical role of human agency in Marxist theory played by class struggle is subordinated to cultural and political relations of domination that supposedly rest upon capitalist social relations, but somehow occur between homogeneous racial or national entities. Although Blauner (1972) claims to be studying "racism as an objective phenomenon, located in the actual existence of domination and hierarchy" (Ibid: 10), his vague conception of 'racial capitalism' founded on an imprecise differentiation between the colonial and capitalist modes of production precludes the theoretical linkage of race and class that he seeks. This makes the question of who benefits from racial discrimination predetermined as opposed to genuinely historical in nature.

"Whether or not particular racist practices are followed consciously in order to benefit whites is not the issue. Whatever the intent, the system benefits all strata of the white population, at least in the

short run - the lower and working classes as well as the middle and upper classes" (Ibid: 22).

If the white majority gains from racial inequality, and "presumably will defend these privileges as rational and objective interests" (Ibid: 44), then black independence Blauner admits, is probably not a very viable option. Instead, he seems to suggest a wider arena of struggle instigated by "Third World militancy", but once again the specific race and class relations between 'First' and 'Third' worlds never enters the discourse.

With the class content of exploitation eclipsed by racial forms of domination, internal colonialism remains at the level of analogy, which ironically does not diverge dramatically from mainstream race relations theory. This is not to say that more rigorous and dialectical conceptions of the model are not possible, or that it is inapplicable to cases where non-capitalist modes of production survive. Lately the concept of internal colony has been invoked in more sophisticated analyses by Hechter (1975), Wolpe (1975), Barrera (1977), and Hill (1980) to account for the 'superexploitation'³ of Celts in the United Kingdom; blacks in S. Africa; Chicanos in the barrios, and blacks in the ghettos, of American cities. However, it appears that the more rigorously the model relates race to class relations in North America at least, the greater the tendency to perceive the complicity of the white working class within the

³ The concept refers to a higher rate of exploitation resulting from the coincidence of racial/ethnic discrimination.

context of class struggle, and the less the situation assumes a colonial character so much as the institutionalized discrimination of segmented labour markets.⁴

The model seems most useful for describing the plight of the native peoples of North, Central and South America whose colonial status is reflected in their subordination and dependency on state bureaucracies (Gonzalez-Casanova, 1965; Aberle, 1969; Watkins, 1977). A well known race relations scholar proffers this succinct summary:

"...internal colonialism describes the position of Amerindians quite well, of Chicanos somewhat, of blacks poorly, of Appalachian whites hardly at all, and of women, old people, homosexuals, and convicts only by the most fanciful stretch of the academic imagination Internal colonialism is but one of many ways of getting the short end of the stick" (van den Berghe, 1978: 271-2).

2.3.ii Class stratification

Theories of this genre are usually referred to as 'orthodox Marxist' because they tend to conceive class as an economic category, and to concur therefore, that the exploitation of blacks differs in degree, but not in kind, from that of other minorities and the white working class. Racism is regarded as so indispensable to the historical development of capitalism that the notion of racial discrimination becomes almost an instrumental feature of capitalist exploitation. The premium placed on class as opposed to racial forms of domination can be viewed as a response to both neo-colonial and bourgeois sociological theories which are perceived as undermining the

⁴ See Chapter Four

revolutionary potential of the black proletariat (e. g., Winston, 1973).

Racism, it is held, is a capitalist ideology originally produced by European imperialists to justify slavery and colonial subjugation, and later employed by the bourgeoisie to rationalize the exploitation of cheap labour and divide the working class into competing racial factions. Racism functions to reproduce capitalist relations of production, and racial discrimination by the white working class represents the 'false consciousness' that all whites have a material stake in the racial status quo, which all blacks and other minorities are threatening.⁵ The critical assumption that the chief beneficiaries of racial discrimination are the capitalist class leads logically to the conviction that black liberation can only be achieved by the establishment of socialism, but there is no organizational consensus on how this is to be achieved. Some envision a black revolutionary vanguard, others argue that white working class leadership should be followed; some view working class unity with hope, while others are more pessimistic and view white workers with suspicion.

Nearing (1929/69) was one of the first to reject the submerged nation thesis in favour of an orthodox class model, but the work of O.C. Cox (1948) remains the benchmark for Marxist analysis of race and class.

"...racial exploitation is merely one aspect of the problem of proletarianization of labour, regardless of

⁵ See Perlo (1975) for an extreme version of this position.

the colour of the labourer. Hence, racial antagonism is essentially political-class conflict. The capitalist exploiter, being opportunistic and practical, will utilize any convenience to keep his labour and other resources freely exploitable. He will devise and employ race prejudice when that becomes convenient. As a matter of fact, the white proletariat of every capitalism had to endure burdens of exploitation quite similar to those which many coloured peoples must bear today" (Ibid: 333).

This traditional approach has changed so remarkably little that twenty-five years later a prominent European study observed:

"there is no essential difference between the prejudice towards coloured immigrants and the prejudice towards non-coloured immigrant groups in Western Europe. Most definitions of racialism would fit both situations. Both have similar characteristics and causes" (Castles and Kosack, 1973: 457).

After the Cold War, Baran and Sweezy (1966) updated Cox's critique by noting that the 'economic oligarchy' had coopted a 'token' black bourgeoisie through public sector employment, but at the expense of the unskilled black proletariat. Since then, the empirical question--who benefits from racial discrimination?--has been obfuscated to a certain extent by the theoretical problem of assigning a unique position for the black proletariat in the class structure of capitalist society.

In a study of class consciousness in Detroit, Leggett (1968) described black workers as a potentially militant 'marginal working class' who suffered the dual exploitation of proletarianization and racial segregation. Braverman (1974) supplemented Baran and Sweezy's truncated analysis with Marx's notion of the 'relative surplus population' or 'industrial reserve army', arguing that blacks, women, and other minorities who experience high rates of unemployment are a necessary

byproduct of monopoly capitalism that creates its own pool of cheap labour (Ibid: 386-401). For Oppenheimer (1974) the 'subproletariat' comprises a population of 'darkskinned' workers who are confined to 'dirty work' in what O'Connor (1973) calls the 'competitive sector' of monopoly capitalism. The ordeal of the black community in Atlanta recently prompted a similar response from Headley (1981).

"The ultimate significance of the Atlanta killings lies in the reality that there exists within Atlanta (as in a number of major U.S. cities) a vast underclass and subproletariat who ... have been permanently trapped into a lumpen ghetto existence, and unable to exercise any control over their own communities, become prey to terror, violence, and exploitation The youthful males within the underclass are merely part of a redundant labour force, valuable to the system only as a reserve of cheap labour; consequently they are viewed as physically expendable" (Ibid: 82-84).

On the question of who benefits, class stratification theorists tend to assume that all capitalists benefit from racial discrimination. The assumption that the white working class has a material interest in racial inequality--widely held by internal colonialists--has been hotly contested by some quantitative research on monetary gains from racial discrimination (Reich, 1972; 1981; Dowdall, 1974; Syzmanski, 1976). These studies maintain that

"racist policies against blacks do not benefit all whites equally; as with other issues in American inequality, gains accrue more rapidly to those at the top Most whites, including manual workers, probably gain little from black subordination directly" (Dowdall, 1974: 182).

Of course direct monetary gain may not be the only advantage served by racial discrimination, and the historical evidence of white union collusion with employers against black and other minority workers is extensive to say the least (Dubois, 1935; Jacobson, 1968; Marshall, 1965; 1974; Foner, 1974; Allen, 1975; Castles and Kosack, 1973). In a wry paraphrasing of Marx, Killens (1973: 283) notes that "the whole history of the American labour movement has been a history of white racism and apartheid."

Even if we refer to the perception of, rather than (or as well as) actual gains by white workers, it is difficult to explain this with the notion of 'false consciousness' so prevalent in orthodox theories. The problem is that the primacy accorded to class determination results in race being treated as either 'racism', a capitalist ideology, or 'racial discrimination', a capitalist strategy to divide and rule the working class. Both lead willy-nilly to ahistorical, functionalist analyses in which the role of class and community-based struggles in the reproduction of racism and racial discrimination among the working class is largely ignored. False consciousness is clearly a residual concept slotted into the theory to explain a phenomenon which the theory itself cannot. Based on a crude correspondence theory of knowledge, this notion of ideology accepts the base/superstructure distinction as 'concrete' rather than merely 'analytical'. Orthodox theories are therefore constrained to assume that white workers must be 'duped', otherwise why would they embrace racist

policies that do not reflect their 'objective interests'?

Paradoxically then, the one class entrusted with the world historical mission to topple the capitalist system becomes the only victim of its ideology! That the capitalist class (howsoever defined) alone benefits from racial discrimination, is more often assumed by the theory than empirically demonstrated. The useful concept of 'surplus population' which for Marx was an historical tendency suggested by the logic of capital accumulation, becomes instead a function of the racist strategies of the ruling class. If the concept is to be more than descriptive, then it must itself be perceived as the historical outcome of class struggle and intra-class conflict, and not simply the ingenious design of bigoted capitalists.

The charges of 'economism' often cited against orthodox Marxism may be unfair to some theories of this type, but the proclivity for hypostasizing class struggle has downplayed the importance of black culture and consciousness. Since the black community is seldom perceived as a political force in its own right, the orthodox model has not been particularly fertile ground for germinating appropriate revolutionary programs. There have been attempts to transcend the autonomist/reductionist dilemma by eclectic theories which combine aspects of both internal colonialism and class stratification models. Invariably these tend to slip back into the class camp as does Wilson's (1978) 'historical stages' theory mentioned earlier, and Geschwender's (1978) unsuccessful

merger of race and class into the concept of "nation-class".⁶

Even Willhelm's (1980: 98) critique of Marxist interpretations as "unable to concede and intellectually incorporate an economics of uselessness in which large numbers of blacks are permanently unemployed", points to a general malaise of the orthodox approach rather than to a radical new departure. To argue that blacks in the United States are "declassed persons inasmuch as they hold no relationship to the means of production and therefore cannot possess a class position" (Ibid: 108), is to subscribe to the same presumably suspect conception of social class. Once again, without a dialectical analysis that focuses on class struggle and racial conflict, the relationship between race and class gets overlooked in the polemical fray.

2.3.iii World Capitalist System

The view of capitalism as a world-embracing economic system is of course not particularly novel. Luxembourgh, Bukharin, Lenin, and Trotsky have expounded on the expansionary nature of the capitalist mode of production in an effort to explain European colonialism and the Great War that followed in its wake. The contemporary rejuvenation of interest in imperialism by the 'dependentistas' (Frank, 1967; Cardoso, 1972; Dos Santos,

⁶ Geschwender (1978: 264) claims to be combining the two models, but his usage of the term 'nation' actually has little in common with the notion of internal colony. As Willhelm (1980: 105) notes, he is really "wrestling with the concept of race within a class analysis", and since that analysis is basically an orthodox one, the concept of 'nation-class' does not constitute a theoretical advance.

1973), and the 'world-system' proponents (Emmanuel, 1972; Wallerstein, 1974; Amin, 1974), has been addressed to the question of 'underdevelopment' mystified by the ideological emphasis on the unilinear evolution of capitalism by liberal, Rostowian modernization theory, and classical theories of imperialism alike. The most vociferous critics of both perspectives have come from the post-Structuralist 'articulationist' school (Dupre and Rey, 1973; Hindess and Hirst, 1975; Taylor, 1979; Hall, 1980), wherein underdevelopment is conceived of as the result of the complex interrelationships of the dominant capitalist, and various non-capitalist modes of production.

As Chevalier (1982) has commented, the underdevelopment and articulationist approaches represent

"two extreme notions of capitalism: one which embraces all relations of production and exchange found in the world-system, and [the] other which produces a rigidly-eroded model to which everything else is externally articulated" (Ibid: 92).

There is no point here in entering the ongoing 'modes of production' debate (Hilton, 1976; Foster-Carter, 1978), but a recap of the basic features of underdevelopment theories, and the by now familiar critique of their mutual weaknesses (Laclau, 1971/77), is a useful preliminary exercise for evaluating their influence on theories of race and class.

As a recent overview of the field put it:

"Because world-system theory is in most ways merely a North American adaption of dependency theory, there is little to distinguish them from each other as theoretical constructs" (Chirot and Hall, 1982: 90).

Both perspectives attempt to explain how

"one and the same historical process of expansion and development of capitalism throughout the world has simultaneously generated--and continues to generate--both economic development and structural underdevelopment" (Frank, 1967: 13).

The main facets of underdevelopment theory, and concomitantly its most serious flaws, are epitomized by Wallerstein's (1974) seminal macrosociology. The 'modern world-system' he asserts, evolved with the first signs of mercantile capital in sixteenth century Europe. Not only did capitalism emerge at this time, but it prospered, and soon became the dominant mode of production. The key to its success we are told is that it represented

"a new form of surplus appropriation ... based not on direct appropriation of agricultural surplus in the form either of tribute (as had been the case for world-empires) or of feudal rents (as had been the system of European feudalism). Instead what would develop now is the appropriation of a surplus which was based on more efficient and expanded productivity (first in agriculture and later in industry) by means of a world market mechanism with the "artificial" (that is nonmarket) assist of state machineries, none of which controlled the world market in its entirety" (1974: 37-8).

According to Wallerstein, there were three main features that distinguished the nascent world-system from the world-empires that preceded it: territorial expansion; a more extensive division of labour; and the separation of polity from economy. The first resulted from a conjuncture of historical reasons, but size, Wallerstein (1974) notes, "is a function of the state of technology, and in particular of the possibilities of transport and communication" (Ibid: 349). With expansion, an

international division of labour developed at the geographical as well as the occupational level. As he depicts it, capitalism is compatible with many different 'modes of labour control' ranging from serfdom and slavery, to free wage-labour, all regulated by the operation of the world market which, in turn, fostered regional specialization of economic roles (Ibid: Chap. 2). In short, the regional disparities which arose from ecological and geographical differences, were exacerbated by the social organization of production, and the third factor, the role of the nation-state.

"The states do not develop and cannot be understood except within the context of the development of the world-system" (Wallerstein, 1974: 67).

The growth of strong state apparatuses for intervention in the world market on behalf of 'national' interests created conditions of 'unequal exchange', and led to the division of the world-system into 'core' (centre/metropolis), 'semi-periphery', and 'periphery' (hinterland/satellite) areas (Ibid: Chap.5). Thus, capitalism for Wallerstein entails not only the exploitation of direct producers, but also the transfer of surplus from the periphery to the core. This is the fundamental 'zero-sum' logic underlying what Frank calls the 'development of underdevelopment'.

The virtues of world-system theory are manifest in its dramatic impact on, and 'new paradigm' status in, the social sciences. Nonetheless, it shares with dependency theory some rather dubious assumptions which diminish its theoretical punch.

Wallerstein's broad, market-based conception of capitalism denotes an exercise in revisionism which, while interesting, is hardly an authoritative interpretation of history. The historical determinancy of the relations of production in Marxist theory, is dispatched from the production process to the circulation process, allowing him to maintain the dominance of the capitalist mode of production long before the advent of industrial capitalism. The end result is a capital subsumption theory lacking in historical specificity (Laclau, 1977). The logic of capital accumulation supposedly subsumes several diverse forms of capital, labour exploitation, and the State, all determined in some way by an emerging world market.

The treatment of pre-capitalist modes of production is necessarily sketchy.

"The general tendency to lump all precapitalist societies into two simple types (and "mini-systems" are an even more simplistic type than "world-empires"), is perilously close to the ahistorical eurocentrism that characterizes modernization theories" (Chiot and Hall, 1982: 99).

Differences in development between core and periphery areas are determined largely by relations of unequal exchange created by the actions of instrumentalist states seeking advantage in the transnational marketplace. Apart from the discussion of core states (Wallerstein, 1974: Chap. 5), there is precious little analysis of the differences in class formation and forms of struggle between core and periphery. The implication is that the successful development of the core is the result of the appropriation of economic surplus from the periphery, which

leaves the nexus between a state's 'strength' and its 'location' unexplained. This induces one to query along with Brenner (1977) whether dependency is not so much the 'cause' as an 'effect' of economic backwardness.

Most would agree with Wallerstein that,

"if world-systems are the only real social systems (other than truly isolated subsistence economies), then it must follow that the emergence, consolidation, and political roles of classes and status groups must be appreciated as elements of this world-system" (1974: 351).

However, within this macro perception racial and ethnic relations like the class struggle itself, tend to be overshadowed by a global economic process in which the principal actors are nation-states, treated as more or less homogeneous ideal-types. Moreover, political and cultural domination is relegated to a supporting role as a pre-capitalist attribute, and receives little attention. As Rex (1981a) points out:

"This is questionable. While it is certainly true that empires eventually fade away and that colonialism continues through exploitation by multinational corporations, the actual positions of various ethnic groups, segments, and classes within the total imperial system is only explicable in terms of their subjection to power other than that of a simple market type" (Ibid: 362).

The beneficiary of racial discrimination is therefore predetermined by the essentially dualistic division of the world into exploiters and exploited. The concept of exploitation is redefined from the point of circulation, and projected onto a geographical context as a relation of domination between 'strong' core states and 'weak' periphery areas. Similarly,

racial discrimination is consigned the function of either a means of, or a justification (racism) for, the exploitation of the 'black' periphery by the 'white' core through the world market.

"Global unequal exchange, the structural antinomy of core and periphery, is integral to the functioning of capitalism. Racism is then the ideological legitimization of this mechanism" (Wallerstein, 1981: 51).

Consequently, for Wallerstein "the struggle against racism, the struggle for national rights, is an inescapable centrepiece of the struggle for socialism" which represents the only 'alternative world-system' (Ibid: 51). Polemics aside, how socialism is to be achieved in the core remains in the realm of conjecture, while in the periphery this logic smacks of nationalism and autarky.

2.3.iv Summary

In summary, these three types of Marxist race and class theories exhibit some interesting similarities and divergences. Although they share much of the same conceptual nomenclature, world systems theory actually has less in common with internal colonialism, than it does with class stratification approaches. Both orthodox Marxism and world systems theories tend to reduce racial discrimination to class exploitation, albeit from very different class analyses. Internal colonialism, while it may be quite apt for describing the colonial status of Amerindians, displays an equally problematic tendency to reduce exploitation to discrimination, and class relations to group relations. In none of these theories do we get a clear sense of how class and

race are historically related in the ongoing struggles of human agents against exploitation and discrimination. The reason for this theoretical shortcoming seems to be not only the way race is conceived, as 'racism', but also the way social class is conceived as strictly an economic relation.

Marxist analyses of race and class lack a concept of racial discrimination grounded in group relations, and a mode of class analysis focusing on concrete struggles in the process of class formation rather than class structure. The economic conception of discrimination is examined in the next chapter by tracing its evolution through neoclassical and dual labour market theories. Marxist theories of race and class are revisited in Chapter Six to integrate some insights from each type into an outline for a non-reductionist class analysis of racial conflict.

Chapter 3

The Economics of Discrimination: Neo-classical and Dual Labour

Market Theory

"Though racial privilege pervades all institutions, it is expressed most strategically in the labour market and the structure of occupations If there is any one key to the systematic privilege that undergirds a racial capitalist society, it is the special advantage of the white population in the labour market" (Blauner, 1972: 23).

3.1 Introduction

Labour markets are sets of social relations which operate to allocate workers or labour power to positions within the production process (Loveridge and Mok, 1979). They can be specified in terms of their (i) agents, (ii) structures, (iii) modes of formation and (iv) outcomes. How these social relations and the concepts which specify them are conceived is largely contingent on the theoretical perspective of the observer. Hence, for neoclassical economic theorists labour markets are conceived predominantly in terms of relations between individuals, while for Weberians they are relations between groups, and for Marxists they are relations between classes and states. A 'class conflict' perspective of the labour market eclectically borrows from all three approaches to offer a broader viewpoint.

Class conflict theory assumes that the agents involved are individuals, groups, classes and states, inclusively rather than exclusively. Labour market structures denote the dynamic set of institutions and social relations through which labour power is exchanged (bought and sold), and distributed (allocated to

positions). By modes of formation is meant the historical processes by which labour market structures form, de-form and re-form under conditions of struggle. Of particular interest is the formation of submarkets or 'segments', each with its own rules and conventions governing exchange. Labour market outcomes specify patterns and relationships in the labour force such as income distribution, occupational segregation, and communal divisions of labour.

Communal divisions of labour refer to various groups and collectivities in the labour force who are distinguished by ascriptive attributes like race and sex, communal affinities like ethnicity and religion, or legal status like citizenship. The concept of 'discrimination'--the unequal treatment of individuals or groups ascribed to such social categories--is usually applied to account for differential outcomes accruing to different communal groups in the labour market.

The economic theory of discrimination was developed by neoclassical labour market theorists as an explanation for persistent poverty and racial inequality amidst the affluence of post-war United States. Considering its bourgeois association with inter-personal and inter-group conflict, it is not surprising that the concept leads a rather shadowy existence in Marxist theories of race and class. Significantly however, racial discrimination has entered Marxist discourse in the emerging radical or class conflict paradigm which combines aspects from neoclassical economic, Weberian and Marxist theories of the labour market. The next two chapters analyse

the relationships between the market outcome of racial inequality, and the agents, structures, and modes of formation of the labour market as they are presented in contemporary theory. As a first step, the neoclassical underpinnings of radical labour market theory, and in particular the concept of discrimination, are critically evaluated.

The two main approaches of neoclassical economic theory to racial inequality and conflict in the labour market are described and criticized in section 3.2. 'Human capital' theory and 'discrimination' theory are pioneering approaches which developed individual-based explanations limited by the assumptions of the neoclassical model. Neither can be said to offer a logically consistent and empirically plausible explanation for the persistence of racial conflict.

The challenge of 'dual labour market' theory to the static, abstract, neoclassical model is examined in section 3.3. Although it draws attention to the influence of market structure and formation on individual choices to discriminate, and provides a more empirical and dynamic conception of the labour market, dual theory stops short of embracing a conflict explanation. Instead of transcending its theoretical heritage, dual theory ends up straddling the fence between the old neoclassical and the new radical, or class conflict paradigms of the labour market. A caveat should be entered here that this truncated review of major theories cannot presume to be comprehensive, nor to speak to the merits of individual contributions.

3.2 Neoclassical labour market theories

Neoclassical economics concerns itself with the allocation of scarce resources by the price mechanism which operates through the atomistic behaviour of individual economic agents in more or less competitive markets. The explanation for racial conflict therefore, tends to be sought in individual characteristics, prejudice, and motives conducive to discrimination which is assumed to be a manifestation of temporary market imperfections.

"Economic explanations for discrimination or other phenomena tend to run in individualistic terms Economists ask what motivates an employer or an individual worker. They tend not to accept as an explanation a statement that employers as a class would gain by discrimination, for they ask what would prevent an individual employer from refusing to discriminate if he prefers and thereby profit" (Arrow, 1972: 99).

The so-called 'competitive model' of the labour market is an ideal type which rests on five basic assumptions: (i) employers and workers are rational economic actors, (i.e., they act to maximize profits or wages); (ii) actors have 'perfect knowledge' about the market; (iii) actors operate individually, and each comprises such a small proportion of demand or supply that their decisions have no influence over wages; (iv) labour is a homogeneous and interchangeable commodity; and (v) labour is freely mobile (cf. Lipsey and Sparks and Steiner, 1979; Loveridge and Mok, 1979).

Wages are determined like the price of any commodity, by the forces of supply and demand operating like Marshall's "blades of a scissor". Since fluctuations in the demand for labour are assumed to be short-run aberrations, the equilibrium or market-clearing price for labour is therefore determined by the marginal productivity of labour.¹ This is known as the 'queue' theory, so-called because the firm's demand for labour is conceived by economists as a line of workers queued according to their marginal productivities. In its pure form, the model constitutes a microeconomic analyses of market behaviour which is ahistorical, noninstitutional and supposedly, universal.

What distinguishes 'liberal' from 'conservative' economists is the degree to which the assumptions of the competitive model are relaxed to account for imperfections or 'discontinuities', like racial income inequality in actual labour markets. Conservatives tend to be micro theorists and monetarists who maintain that competition will eliminate racial inequality in the long-run, and eschew state intervention. Liberals tend to be macro theorists and Keynesians who are inclined to be skeptical about the ability of the market to erode racial inequality, (Keynes famous dictum being 'in the long-run we are all dead!'), and to be advocates of public planning. Conservative views were supported by the structural-

¹ Productivity is a concept of neoclassical cost theory which deals with the efficiency of production. 'Marginal productivity' is the rate of "change in total product resulting from the use of one unit more of the variable factor" (Lipsey, Sparks and Steiner, 1979).

functionalist school of American sociology which held that racial inequality would diminish as society evolved from *gemeinschaft* to *gesellschaft*; from traditional roles based on ascription, to modern roles based on achievement.

Ironically, conflict theorists (including Marx), who subscribed to a class polarization thesis, were equally culpable of ignoring communal cleavages in capitalist society. The ideological complacency of assimilationist theories of either political persuasion was rudely shattered by the civil rights movement, black power, and the urban uprisings during the 1960s. Economists were suddenly forced to explain the persistence of racial inequality in 'competitive' labour markets which was not explicable simply in terms of productivity. The neoclassical response to this anomaly was theories of human capital and racial discrimination, and later, various dual labour market models.

3.2.i Human capital theory

Human capital theory, pioneered by Becker (1964; 1967), attempts to explain group income disparities in the United States in terms of the unequal distribution of 'human capital', or occupational skills and education. It marked a clear advance over the simple neoclassical model by relaxing the assumption of the homogeneity of labour, and making institutions like education endogenous to the labour market, whilst maintaining the notion of individual optimizing behaviour. According to the theory, wages are a 'return to investment in human capital'. The opportunity cost of education is considered comparable to

the cost incurred by the firm for job training since both represent capital investments to raise productivity. This 'rate of return' approach assumes a chain of positive correlations linking cognitive skills, education and productivity. It also assumes that the occupational skill requirements of advanced industrial economies are constantly climbing, and therefore the relationship between human capital and the labour market, the demand for labour, is technologically determined.

Hence, the enduring gap between black and white incomes was explicable in terms of the low productivity of black workers resulting from the lower stock of human capital that they bring to the labour market. The obvious solution to black income inequality was to increase black skill levels and productivity by expanding their educational and vocational training opportunities.

Human capital theory remains the foundation of conventional neoclassical wisdom, but its central postulates, shared by structural-functionalist theories of stratification, have been gradually discredited by conflict theory and the failure of liberal policy efforts during the 1970s. The causal relations posited between education and income, its critics argue, are spurious since the theory neglects the non-cognitive functions of the education system. Aside from its instrumental role, education may also function as a 'screening device' (Collins, 1971), a 'signal' (Spence, 1974), or a 'credentialing system' (Berg, 1970) facilitating employers' selections of desirable 'status cultural attributes'.

Other studies have contended that the emphasis on individual characteristics and the supply-side generally, tends to 'blame the victim', and ignores important structural and demand-side effects on income distribution. Organization theorists have demonstrated that occupational and industrial variables have more pronounced effects on income than human capital (Bibb and Form, 1977). Similarly, dual labour market approaches have suggested that different returns to human capital accrue in different sectors of the labour market (Gordon, 1972; Piore, 1973; Osterman, 1975).

The assumption of rising demand for technical skills has been seriously questioned by the 'degradation of labour' thesis of Marxist labour process theory (Braverman, 1974; Marglin, 1974; Clawson, 1980). Evidence of declining returns to education in the United States (Berg, 1970), and in Canada (Goyder, 1980) suggest that it is the abundance of supply, rather than the rising demand for skills that is responsible for inflating the educational currency. And finally, liberal policies of educational expansion during the last decade have come under attack by radicals and conservatives alike. Studies like Jenck's et al., (1972) have reached very pessimistic conclusions about prospects for reducing racial inequality by educational reforms based on skill allocation rather than income redistribution.

The contribution of Marxism to the debate has been largely to stress the reproductive function of education, and the ideological nature of human capital theory itself. In their

orthodox critique Bowles and Gintis (1975) argue that

"by restricting its analysis to the interaction of exogenously given individual preferences, raw materials (individual abilities), and alternative production technologies, human capital theory formally excluded the relevance of class and class conflict in the explication of labour market phenomena" (Ibid: 75).

The focus on individual characteristics and the residue of technological determinism actually boil down, Bowles and Gintis conclude, to an analysis of fetishized exchange relations.

"The theory of human capital like the rest of neoclassical economics, ultimately locates the sources of human happiness and misery in the interaction of human nature (preferences and 'abilities') with nature itself (technologies and resources). This framework provides an elegant apology for almost any pattern of inequality (under capitalism, state socialism or whatever), for it ultimately attributes social or personal ills either to the shortcomings of individuals or the unavoidable technical requisites of production" (Ibid: 82).

3.2.ii Racial discrimination theories

The other approach of neoclassical theory to the problem of racial inequality in the labour market was from the demand side, employing marginal utility² rather than marginal productivity analysis. The concept of discrimination is employed in order to explain why workers with the same marginal productivities receive unequal rewards. Discrimination may be manifest in the form of unequal wages (post-entry discrimination), or unequal jobs (pre-entry discrimination). The neoclassical models

² Utility is a key concept of neoclassical consumer theory which attempts to index the effect of commodity consumption on the subjective estimation of individual welfare. The 'marginal utility' of a commodity is the change in an individual's total utility created by a one unit change in his or her consumption of that commodity, ceteris paribus (Cole, 1973: 38-41).

presented here are preoccupied with forms of wage discrimination, and it was left to dual labour market theory to articulate a model of job discrimination.

3.2.ii.a Employer model

The first attempt to develop a theory of racial discrimination within a neoclassical framework was once again by Becker (1957/71). Becker's novel contribution was to introduce a 'coefficient of discrimination' from the employer's utility function into the wage determination process. In his simple two country model of international trade, white employers are assumed to have a 'taste for discrimination' based on a hypothetical dislike for physical association with blacks. Considering the central importance of the 'taste' notion, Becker's account of discriminatory preference formation is not very compelling.

"Becker's conceptual framework wasn't so much wrong as it was empty; tastes for discrimination are not an explanation for behaviour but merely a ghost that gets blamed for observed events" (Samuelson, 1973 in Reich, 1981: 83).

If all employers shared the same discrimination coefficient, then Becker's model predicts that white employers will actually lose, and white workers gain, from racial discrimination. However, relax this assumption and employers with lower coefficients will possess a competitive edge, and discrimination against black workers will tend to disappear in the long-run. In other words, as Arrow (1972b: 192) points out, the employer model "predicts the absence of the phenomenon that

it was designed to explain". Since all employers are not equally prejudiced and racial inequality persists, Becker concludes that immunity from competition is the real problem, and anti-monopolistic policy the solution, to racial discrimination in the labour market. Unfortunately, the empirical evidence that competitive industries are less discriminatory than monopolistic ones is not forthcoming, and seems to run contrary to Becker's (1957: 38-46) expectations in any case (see Shepard, 1970; Flanagan, 1973; Kaufman and Daymont, 1981).

3.2.ii.b White cartel model

Building on Becker's pioneering efforts, Krueger (1963) and Thurow (1969) contend that the predominant motive for discrimination is not exogenous individual preferences, but 'economic gain'. They argue that all whites benefit from discriminatory collusion that systematically excludes blacks from receiving the full value of their marginal products under competitive conditions. The model suggests that the prevailing faith in self-interest and competitive markets to eliminate racial discrimination in the long-run, was unfounded and actually contributed to black underdevelopment

Thurow's (1969) analysis which incorporates seven different forms of white discrimination, was particularly appealing to black nationalists because it lent theoretical support to their calls for black independence and self-determination. Neither the political theory nor the economic model is particularly convincing. Although Thurow (1969) presents aggregate data to

estimate white gains from discrimination, the assertion that all whites benefit from monopolistic practises is never empirically demonstrated. Moreover, the practical problems of forming and policing a systematic white cartel seem insurmountable in the absence of formal sanctions against cartel-breakers (like apartheid policy). Despite these shortcomings the white cartel model does introduce macroeconomic and collective activity into the analyses, with the implicit assumption that institutional factors like the State may help to explain discriminatory market behaviour.

3.2.ii.c Employee model

Another departure from Becker's initiative was the 'employee discrimination' model developed by Welch (1967) and Arrow (1972b). Instead of white employers it is white workers who are assumed to dislike association with blacks. Becker had predicted a trade-off; worker discrimination would result in racial segregation, but not wage discrimination. The employee model assumes that association between blacks and whites in the workplace creates conflict which results in a loss of productivity. In Welch's (1967) model the cost of white worker discrimination is absorbed by blacks, leaving the incomes of white workers and employers unaffected. Arrow (1972b) modifies this position slightly by assuming that white workers must be compensated for working with blacks, implying a transfer of income from blacks to some (skilled) white workers leaving the incomes of other (unskilled) whites and employers unchanged.

The employee model has intuitive appeal because it holds that racial segregation and wage discrimination can occur simultaneously in competitive markets, and it does seem to describe racist behaviour by white workers. On the other hand, it rests on the critical assumption that racial conflict in the workplace is caused by white workers, in support of which neither author provides any concrete evidence.³ Since the data presented by competing theories like Bergmann's (1971) 'crowding' theses, and Doeringer and Piore's (1971) 'dual labour market' seemed to suggest that occupational segregation and wage discrimination were structurally and institutionally related, economists questioned the relevance of the employee model, and looked to more sophisticated demand-side explanations.

3.2.ii.d Statistical model

Recent theories of discrimination have taken their cues from the management and employment relations theories that have evolved alongside the 'revised theory of the firm' based on 'cost minimization' strategies. Accordingly, Phelps (1972) and Arrow (1972a) regard racial discrimination as an exigency of the rational practices of employers seeking to minimize their labour costs in a competitive market. One of these costs is that of procuring information about the productivity of prospective employees. Race, so the theory goes, is a readily identifiable trait that conveys general information about productivity to

³ There is, of course, an abundance of evidence of white union discrimination (see Chapter Two, section 2.3.iii for references), but unions and other institutions are excluded from this individual-based model.

cost-conscious managers. Since blacks as a group are known to possess a lower stock of human capital than whites, it is more parsimonious to assume lower productivity than to obtain specific information about any individual black worker. Hence, the 'statistical' model combines elements from the employer model, the queue, human capital and signaling theories.

By relaxing the assumption of 'perfect knowledge' then, the statistical model explains the persistence of racial inequality in a way that conveniently exonerates employers and management from personal motivation and collective responsibility for racial discrimination. However, the model posits the high cost of determining the productivity of black workers, and assumes that all employers share the same racial stereotypes. Both seem rather dubious expectations given competitive market conditions. The marginal revenue derived from changing inefficient racist hiring practices should, *ceteris paribus*, exceed the marginal cost of obtaining accurate information in the long-run. Since standard personnel procedures include detailed applications, resumes, references, training and probation periods the information provided by race is largely superfluous, unless employers do harbour racial prejudice. As already noted, the second assumption is irrational given the supposed economic incentives to increase productivity and minimize costs.

3.2.iii Summary of neoclassical theories

To summarize, there have been two predominant neoclassical approaches to racial inequality in the labour market, one employing marginal productivity theory (human capital), and the

other marginal utility theory (discrimination). Both extend the simple model of the labour market by acknowledging numerous discontinuities, but even on their own terms, neither succeeds in presenting a logically consistent and empirically plausible explanation (Marshall, 1974). Marxist critiques (Reich, 1971; 1981; Cherry, 1977) have attacked the ideological underpinnings of neoclassical economics, and the consequent neutral income distribution implications of most of the models. As Reich (1981: 113) has counterposed, "none of these models predicts that racial inequality produces increased inequality among whites." Nonetheless, Marxists who have dismissed the concept of discrimination as part of a wholesale rejection of bourgeois theory, have done so at the peril of a class theory of racial conflict.

3.3 Dual labour market theory

Market segmentation has had as long and cherished a career in neoclassical economic as it has in sociological theory.⁴ Economists since Marshall (1927/61) have questioned the assumption of a homogeneous labour market, and identified discrete occupational, local-regional and industrial submarkets within any given national labour market. These segments are treated as short-run imperfections to which the usual partial equilibrium assumptions apply. The social/demographic characteristics of market segments can then be translated *ceteris paribus*, into familiar marginalist variables, or

⁴ Examples are Weber's (1978) notion of 'social closure' and Durkheim's (1960) notion of 'occupational group'.

attributed to institutional influences exogenous to the analysis.

The major contribution of 'dual labour market' theory has been the integration of (i) the concept of 'dual economy' (Averitt, 1968), (ii) the observations of the American 'institutionalists' (Dunlop, 1944; Ross, 1948; Kerr, 1954), and (iii) sociological notions of mobility and stratification, into labour market research in an effort to explain the structure and formation of labour markets, and the effects of market outcomes like income distribution. Bracketing many of the fundamental tenets of neoclassical orthodoxy, dual theory focuses on the social organization of the market, that is, the matrix of structural characteristics of jobs, firms, and industries that determine wages and income distribution. This shift from individual to institutional characteristics is not complete however, and falls short of an overhaul of neoclassical theory. Ultimately, the dual approach presents a new 'queue' theory in which workers are perceived as queued according to their market segment.

The conception of the dual labour market emerged from several studies of local labour markets in the black enclaves of Boston (Doeringer et al., 1969), Chicago (Baron and Hymer, 1968), Detroit (Bluestone, 1970; Wachtel, 1970), and Harlem (Vietorisz and Harrison, 1970). At that time it posed a direct challenge to human capital, discrimination and status attainment explanations for racial inequality in the United States by revealing important structural sources of income inequality. A

proliferation of dual analyses devised by economists (and increasingly by sociologists heralding a new paradigm), followed these benchmark studies, but over a decade later the perspective has yet to deliver the systematic theory and methodology that its proponents promised (see Kalleberg and Sorensen, 1979). In the absence of a consensus, the dual perspective is often rendered as a series of postulates relating the structural and institutional limitations on individual choices and preferences to the processes of income determination and distribution (e. g., Gordon, 1972).

Perhaps the best known and most complete version of dual labour market theory is that of Doeringer and Piore (1971). The following postulates (with the exception of 'dual economy'), conception of discrimination, and critique of dualism are based loosely on their model.

3.3.i Economic dualism

Many dual theorists postulate the historical tendency of advanced capitalist economies to bifurcate into distinct economic sectors referred to variously as the 'core', 'monopoly' or 'primary' sector, and the 'periphery', 'competitive' or 'secondary' sector of production (Averitt, 1968; Bluestone, 1970; Galbraith, 1973; Beck et al., 1978). High barriers to entry into the core sector are assumed, and the relationship between core and periphery is usually specified as one of

⁵ Some Marxists have added a third 'state' sector to the dual economy model comprised of forms of public production (O'Connor, 1973; Hodson, 1978).

interdependence.⁵

A plethora of characteristics is used to empirically index the two sectors, ranging from market power, firm size, profit levels, concentration and organizational form, to planning capability, unionization, internal labour markets and state intervention. Since some of these features are germane to firms, while others are characteristic of industries, there is an ongoing debate over which is the 'appropriate unit of analysis'. Much of the theoretical literature is based on the firm (Averitt, 1968; Baron & Bielby, 1980), while most of the empirical research utilizes an industrial differentiation (Beck et al., 1978; Tolbert et al., 1980).⁶

3.3.ii Market dualism

Dual economy theorists argue that a dualized labour market results from differences in the demand for labour generated by the core and periphery sectors. Dual (and multi-segmented) market theories on the other hand, posit the division of the labour market into two (or more) segments without necessarily assuming an isomorphic relationship between production and market structures (Doeringer & Piore, 1971; Piore, 1975; Freedman, 1976). Each segment exhibits distinct wage and job allocation mechanisms governed by separate rules and procedures which operate interdependently. The differentiation of 'primary' and 'secondary' markets therefore becomes one of 'good' versus 'bad' jobs, rather than the orthodox 'skilled'

⁶ There are exceptions. See Clairmont, MacDonald and Wien (1980) for a Canadian example.

versus 'unskilled' workers.

'Primary jobs' are those with relatively high wages, status, security, opportunity for advancement, returns to human capital and good working conditions. 'Secondary jobs' tend to have lower wages, status and returns to human capital, fewer opportunities for promotion, high turnover, and less attractive working conditions. Workers are perceived as getting 'trapped' in secondary jobs, and the explanation for poverty and racial inequality is thought to lie in this restricted mobility.

Extending Kerr's (1954) notion of 'structured' and 'unstructured' markets, Doeringer and Piore (1971: 39-46) conceive the limited mobility between primary and secondary segments in terms of 'internal' and 'external' labour markets. In the latter, market functions are largely dictated by competitive forces. The internal market, constituted at the firm or industry level, arose out of the competitive market by developing separate wage rates, job allocation and job training functions with restricted access or 'ports of entry', controlled by employers or privileged workers in protected jobs.

The hallmark of the internal market is job stability, and the salient characteristic of primary jobs the authors suggest, is 'behavioural requirements'. The increasing importance of enterprise-specific skills, on-the-job training and custom (administrative rules) has raised the cost of labour turnover and fostered different behavioural traits in internal markets. The institutional evolution of technology, work organization, unionization and welfare legislation have also been conducive to

encouraging employment stability in internal labour markets, and concomitantly, instability in external labour markets.

3.3.iii Market outcomes

The division of labour that ensues from dual labour markets has direct implications for racial inequality. The empirical observation that blacks, women, and youth are over-represented in the secondary market is explained by Doeringer and Piore (1971) by means of the proverbial 'queue' metaphor. Workers are perceived as queued to enter the primary market ranked according to the cost of training them for more or less permanent employment. Race, gender and age function as inexpensive and convenient 'screens' for desirable behavioural traits like 'reliability'.

Blacks, women and other minorities who tend to begin their working careers in secondary jobs may find their access to primary jobs blocked, not simply because they may lack the skills, education and behavioural requirements, but also because they are perceived to possess 'unstable work histories'. A vicious cycle is created in which secondary market experience confers the stigma of 'unreliability' on workers which employers in the primary market perceive as indicative of undesirable behavioural patterns associated with secondary work habits and life styles. Thus, in dual labour market theory discrimination is seen as perpetuating already existing forms of social inequality.

3.3.iv Concept of discrimination

Although all of the discrimination models reviewed above are discernible in dual labour market theory, Doeringer and Piore (1971) rely mainly on the 'employer' and 'statistical' models to explain racial and gender inequality in the United States. The crucial difference between dual and neoclassical treatments of the phenomenon is that while both wage and job discrimination coexist in a dual labour market situation, unlike orthodox theories, the focus is principally on the latter. This emphasis on pre-entry forms provides a more objective, dyachronic measurement of discrimination than individual prejudice, and reveals serious shortcomings in the human capital account, in that visible minority status may invite systematic devaluation of skills, credentials and human capital generally through employers' actuarial assessments.

Moreover, another conception of discrimination implicit in dual labour market theory, but never elaborated beyond Kerr's (1954) analysis, is what could be called 'institutional structure and practices'. This embryonic model refers to the historical process whereby jobs that technically can be performed in either segment tend to become 'rooted' in the secondary market through the evolution of institutional practices like subcontracting and union classification. Once such a shift in job allocation occurs, the resultant technical division of labour, institutional structures and vested interests become inert, and hence, expensive and difficult to change. To some extent this notion foreshadows aspects of the

degradation of labour thesis, and represents perhaps the first hint of a concept of 'institutionalized discrimination' advanced later by radical labour market theory.

3.3.v Critique of dual labour market theory

As Gordon (1972: 52) predicted, dual labour market theory was to have a "short half-life as an integral paradigm in economics." On the one hand, its rebuttal of the assumption of market homogeneity, and emphasis on the structural and institutional influences on individual choice were gradually incorporated into the neoclassical framework, while on the other hand, the burning question of social inequality it left unresolved led some of the original dualists to integrate the perspective with Marxist political economy. The neoclassical critique of dual theory (see Wachtel, 1974; Cain, 1976), recently reiterated by sociologists (Kalleberg and Sorensen, 1979; Kaufman et al., 1981; Hodson and Kaufman, 1982), pointed out some serious theoretical and methodological deficiencies, many of which were also voiced by, but uncritically assimilated into, the emerging radical paradigm.

Perhaps the chief criticism of the dual perspective has been its inability to develop a rigorous and systematic theoretical model, leaving the analysis at the level of typology and taxonomy.

"The theories are sketchy, vague, and diverse if not internally conflicting. Description, narratives and taxonomies crowd out model development" (Cain, 1976: 1221).

Key concepts like 'primary jobs', 'behavioural requirements' and 'discrimination' remain loosely defined and inconsistently

related. An example is the premium that Doeringer and Piore (1971) place on 'job stability' as a source of market division. The problems of measuring job stability which is as much a subjective evaluation as an objective criterion, make the postulate of dual market formation very difficult to assess.

Another area of contention has been the dual economy proposition or assumption of 'parallelism'. Economic dualism, its critics argue, misrepresents the complexity of advanced industrial economies, and the multi-dimensionality of economic segmentation. Relations of interdependence between firms alone cannot account for dual formation, and it does not necessarily follow that a dualized economic structure will be mirrored in the labour market. The correspondence between core and periphery sectors, good and bad jobs, and dominant and subordinate social groups has been more often asserted than theoretically defined and empirically demonstrated.

"A dual mold cannot be forced on empirical reality without any allowance for transitory, anomalous, or residual categories. The reification of what are rightfully analytic constructs, even when the analytic constructs are valid ones, leads to a stifling of theoretical development and an inability to generate new knowledge" (Hodson and Kaufman, 1982: 732).

Weak conceptual linkaging and imprecise criteria for distinguishing between sectors and segments has made dual theory susceptible to charges of circularity. A current methodological debate in the literature rages over the propriety of combining causal and outcome variables to operationalize independent

variables generated by dual hypotheses.⁷ Confusion reigns over the relationship between job and individual characteristics and causal outcome variables in defining labour market segmentation. Theories which bifurcate the market in terms of job characteristics suggest a relatively homogeneous intrasectoral composition of workers, while theories which conceive dualism in terms of individual characteristics tend to equate dichotomization with a division of labour by race, ethnicity and gender.

Resolving these difficulties presents a classic double-bind situation. Further theoretical refinement awaits empirical input, but empirical analysis is confounded by the problematic nature of testing dual hypotheses on the terrain of neoclassical theory and methodology. In fact, the empirical evidence of dualism thus far has been rather inconclusive. Studies supportive of dualism (Andrisani, 1973; Beck et al., 1978; 1980; Oster, 1979) have rested on the dubious grounds aforementioned, while countervailing evidence suggesting the multidimensionality of economic and market segmentation has been compiled by recent research (Bridges, 1980; Kaufman and Daymont, 1981; Wallace and Kalleberg, 1981; Zucker and Rosenstein, 1981).

⁷ An example is the use of both industrial characteristics such as firm size (a causal variable), and labour force characteristics such as wage level (an outcome variable) to operationalize a dual economy hypothesis. See Hodson and Kaufman (1981) for critique, and Horan et al (1981) for counter-argument.

The Marxist critique of dual labour market theory simply argues that it is an hypothesis bereft of an explicit theoretical perspective and historical methodology. The distinction between primary and secondary markets can easily be interpreted in terms of class, conflict and social change, yet these concepts are conspicuously absent from the dual analysis.

"The dual labour market theory, however much it emphasizes the dynamics of change, does not provide an explicit analysis of conflict and it is not orientated toward looking for the sources and effects of conflict in society" (Gordon, 1972: 87).

In the process of sacrificing the rigorous hypotheses of an abstract static model in favour of the speculative hypotheses of a more empirical and dynamic conception of the labour market, dual theory fails to transcend the narrow confines of the neoclassical paradigm.

"Its most important hypotheses are explicitly historical; they concern the dynamics and dialectics of changes in jobs, people and labour market operations over a period of fifty or more years. Most of these hypotheses have not arisen from historical research however, but have been adduced from local labour market investigation and cross-section analysis. The dual labour market theory suggests a methodology, in other words, which its proponents have not been applying in its conception" (Gordon, 1972: 52).

From a sociological point of view, dual theory poses the quintessential question of a conflict perspective--cui bono?--but having done so, never adequately addresses it. Whether or not dual theory represents a "conceptual point of departure ... rather than ... a theoretical destination" (Beck et al.,

1980), it marks a transitional position in the paradigmatic shift from an individual-based, market-centred, neoclassical view of the labour market, to a class-based, production-centred conflict approach. The next two chapters present a critical review of radical or class conflict labour market theory.

Chapter 4

The Dialectics of Exploitation and Discrimination: Radical

Labour Market Theory

"Whereas the working class sees itself exploited as a class and comes face to face with its exploiter capital, the capitalist exploitation of blacks is veiled by racial oppression. As a result, they are caught up in a two-fold consciousness: as a class and as a race, each of which often contradicts the other without affording a synthesis" (Sivanandan, 1982: 75).

4.1 Introduction

Over the past decade or so a Marxist political economy model of the labour market has emerged from the confluence of three disparate theoretical traditions. The nascent radical or 'class conflict' paradigm draws eclectically from 'individual/job skill', 'group power' and 'class strategy' approaches to the labour market.¹ Each type of labour market theory conceives the concepts of agency, structure, formation and outcomes from differing, but often complementary sociological perspectives.

First, neoclassical and dual labour market models are concerned with the individual and job-specific skills that workers bring to exchange, and how these determine market outcomes, and to a lesser extent, market formation. As a rule, the explanation for racial conflict provided by these theories tends to be based on individual motives for pre-entry and post-entry discrimination, influenced by structural and institutional

¹ This is a slightly modified version of Findlay's (1983) typology.

constraints.²

Second, 'group power' approaches, derived from the Weberian tradition of labour market analysis, focus on the ability of groups of workers to promote their collective interests through union and professional institutions. Discrimination is assumed to be a form of domination arising from inter-group competition over the social distribution of jobs, wages, and hence income. Labour market segmentation, stratification and discrimination are generally construed as the consequences of collective activity to monopolize skills and jobs by exercising what the institutionalists call 'bargaining power' (Dunlop, 1944; Ross, 1948; Kerr, 1954), organization theorists refer to as 'occupational power' (Form and Huber, 1976) or 'worker power' (Kalleberg et al., 1981), and the neo-Weberians designate 'mobility closure' (Giddens, 1973) or 'social closure' (Parkin, 1979).

Third, Marxist political economy has recently been rejuvenated by labour process theory (e. g., Braverman, 1974; Stone, 1974; Marglin, 1974; Burawoy, 1979; Clawson, 1980), and extended into labour market analysis by radical segmentation theory (Reich et al., 1973; Edwards, 1979; Gordon et al., 1982). For 'class strategy' theories the starting point is not an abstract individual or marketplace 'sui generis', but the capitalist 'mode of production', conceived as an historically specific set of social as well as technical relations. Social

² Following Cain (1976), I am including dual theory in this type because, although it challenges neoclassical economic theory, it fails to transcend the paradigm.

relations are perceived not merely as free exchange between or among individuals, or competition between or among groups, but as unequal, exploitative and fundamentally antagonistic class relations. Labour market relations are therefore class relations, and market segmentation and stratification the historical outcomes of class struggle and intra-class conflict. Class struggle at the point of production takes the form of employer strategies to control the labour process versus worker strategies to resist control. Racial conflict tends to be conceived as 'intra-class' (between or among class fractions) conflict reproduced by employers use of 'impera et divide' tactics to maintain control and ensure capital accumulation.

Each tradition highlights important aspects of racial conflict, but taken individually, none is able to account for how racial conflict affects and is affected by, the structures, modes of formation, and outcomes in the labour market. The social relations between and among individuals, groups and classes for instance, remain theoretically unspecified. Radical labour market theory attempts to integrate neoclassical notions of skill and discrimination with Weberian notions of competition and authority, and Marxist notions of class and exploitation by means of an historical analysis of class struggle in the workplace, as it mediates and is mediated by, intra-class and inter-group conflicts in the labour market. This synthetic 'class conflict' perspective is represented here by a trio of theories which differ somewhat in their perception of the labour market and racial conflict, but tend to share a Marxist

conception of class, and an emphasis on the historical relations of class struggle, racial conflict and the processes of labour market segmentation and stratification.

The 'radical dual', 'radical segmented' and 'split' labour market theories reviewed in sections 4.2, 4.3 and 4.4 respectively, each identify different foci of struggle as the class dynamics reproducing and being reproduced by, racial conflict. The concept of discrimination reappears in a particular class form, in the context of the dialectics of 'resistance and control' in the labour process, and 'displacement and reaction' in the labour market. Racial discrimination may have become less overt, or intentional behaviour in the labour market, but it has probably not declined as significantly as Wilson (1978) anticipated. Instead, radical labour market theories suggest that it has become 'institutionalized', ingrained in the social organization of the labour process, and in the structure and formation of the labour market itself under monopoly capitalism.

A critical evaluation of radical labour market theory is presented in section 4.5, highlighting the strengths and weaknesses of each approach to racial conflict. Finally, the relationship between class struggle and racial conflict is conceptualized in section 4.6 in terms of the 'dialectics of exploitation and discrimination'. Racial conflict, it is argued, tends to arise at the interface of class relations of appropriation and domination, and group relations of competition and domination. Concrete racial conflicts are always inter-group

by definition, but may also assume either inter-class or intra-class forms, depending on the historical processes of market, state,³ and class⁴ formation.

4.2 Radical dual labour market theory

Although developed in Britain as an explanation for regional economic disparities, and chronologically preceded by the other radical models, Friedman's (1977) theory of 'centre-periphery relations' has become an exemplar of the class conflict paradigm. It combines insights from individual/job skill, group power and class strategy approaches into a theory which resembles a radical version of Doeringer and Piore (1971). This heritage makes it an appropriate introduction to radical labour market theory, and accounts for its theoretical importance as well as its limitations.

4.2.i Worker resistance

Friedman (1977) begins from a class strategy perspective analyzing class struggle at the point of production, but the premium placed on the role of worker resistance to exploitation leads to conclusions usually associated with group power theories.

"Worker resistance must be seen as a force ... which affects capitalist development, rather than simply a force which may eventually result in the destruction of the capitalist mode of production" (Friedman, 1977: 49).

³ See Chapter Five.

⁴ See Chapter Six

The homogenization of wages and working conditions predicted by Marx and asserted by Braverman (1974) has never actually occurred under monopoly capitalism according to Friedman (1977). Differentials based on race, ethnicity, sex and age persist, he argues, due to a combination of related factors; cultural customs, the size of the industrial reserve army, and most crucially, worker resistance.

"Unequal worker resistance and strategic managerial counterpressure in the labour process generate a pattern of disparity among workers which has been a fundamental feature of capitalism at least since the beginnings of Modern Industry" (Ibid: 108).

Labour market segmentation and stratification are therefore seen as the historical outcomes of the uneven development of worker resistance to exploitation in the form of domination or control in the workplace.

Friedman (1977: 56) identifies two major trends in worker resistance since the advent of monopoly capitalism to augment this argument. First, with the expansion of unionization worker resistance has become increasingly centralized, institutionalized and less militant. Second, with the post-war shrinking of the reserve army, combined with the growth in firm size and internal labour markets, worker resistance has been reasonably successful in raising real wages and improving working conditions. Unionization has led to cooptation, at least to the extent of a tacit acceptance of capitalist social relations as embodied in the role of 'policing' collective agreements. Moreover, organized labour is clearly implicated in labour market discrimination.

"In part the attitude towards women, unskilled workers and immigrants reflects deep social prejudices, but in part it reflects a basic economic motive that has underlined much trade union activity" (Friedman, 1977: 75).

4.2.ii Employer strategies

The principal functions of management are 'coordination' of production and 'control' of production, the latter defined as the 'exercise of authority over workers' (Ibid: 77). Control, Friedman notes, is an ambivalent notion peculiar to capitalist production. While employers purchase labour power and the right to exploit it and its products, their 'absolute control' is historically constrained by the dictates of capital accumulation and the degree of worker resistance ('relative control'). Management, as he sees it, is confronted with two alternative approaches to control of the workplace. They can choose either coercive or adaptive controls which he calls 'Direct Control' and 'Responsible Autonomy' respectively. Both strategies are effective within limits, and have been applied throughout the historical class struggle to different groups of workers.

Direct control has assumed many forms from the direct supervision of the early entrepreneur, to despotic foremen, regressive piece-rates, machine pacing and scientific management. All represent coercive attempts to overcome 'soldiering' (work slowdowns) under conditions of individualistic and weakly organized resistance. Taylorism, promoting what Braverman (1974) called the 'separation of conception from execution', represents the epitome of direct control strategies for Friedman. However, scientific management

he claims, was limited by its own contradictions which produced inflexible control. By extending the detailed division of labour, deskilling and reducing worker autonomy, it had the opposite effect to that intended; worker discontent and solidarity were magnified. While workers were poorly organized and the ranks of the reserve army were swollen, direct control was a profitable strategy, but as these conditions changed under monopoly capitalism more flexible strategies were needed.

In the post - 1945 expansionary period of monopoly capitalism, increasingly organized worker resistance along with the growth in firm size and market power, and greater financial and technical resources made long-run corporate planning and responsible autonomy the favoured approaches. The latter represents strategies to instill the same loyalty and identification with company goals in manual workers, that were previously the behavioural traits of mental or white-collar workers. The examples Friedman cites are the 'human relations' schools of industrial sociology at Harvard and Chicago, and the British Tavistock Institute. (Recent 'quality of work' and 'job enrichment' studies would no doubt also fall under this rubric).

Proponents of these approaches encouraged management to improve working conditions, and relinquish a degree of control by reorganizing work to increase worker autonomy and job satisfaction, while at the same time diminishing worker solidarity, and maintaining steady profits. The classic example is the 'group assembly' concept introduced in the Swedish auto plant during the 1960s. But responsible autonomy, Friedman

allows, remains an ideal approach that only conceals exploitation, and is only feasible while the firm is profitable. During periods of recession the contradictions quickly become visible in long-run strategies to foster company loyalty that are necessarily predicated on job security.

4.2.iii Centre - periphery relations

The contradiction inherent in both management strategies is their inflexibility in relation to the changing economic and technological climate and forms of worker resistance. Neither strategy alone is an appropriate method of controlling production if it is applied to all workers unequivocally. Instead Friedman (1977) contends,

"splitting workers into various groups and applying different types of managerial strategies toward these groups represents a major method whereby flexibility is gained, and the capitalist mode of production itself is maintained" (Ibid: 108).

Management distinguishes between 'centre' and 'periphery' categories of workers in its labour force, and applies responsible autonomy approaches to the former, and direct control to the latter.

This bifurcation of the labour force into centre-periphery relations, internal and external labour markets,

"arises out of struggle, out of a combination of differential worker resistance and managerial strategies for counter-pressure. It is not simply a function of attributes such as differences in race, sex, colour, nationality or skills" (Ibid: 117).

Centre workers therefore tend to be those who are least expendable; strongly organized workers, those with scarce technical or craft skills, and those involved in supervisory

positions. This amounts to an internal labour market of skilled, white, male nationals who enjoy more autonomy at work, higher wages, and greater job security. The external labour market of periphery workers comprises the unskilled, semi-skilled, lower clerical, women, blacks and immigrants who

"will generally be peripheral largely because of the lack of solidarity with them on the part of male, white native workers, reflecting general prejudice in society" (Ibid: 111).

Centre-periphery relations between firms of different monopoly power (subcontracting), and between countries of differing economic wealth (unequal exchange), can also be viewed as strategies for increasing managerial flexibility to accommodate organized worker resistance (Ibid: Chaps. 8,9).

4.2.iv Concept of discrimination

Typical of many Marxist analyses, the concept of discrimination is implicit in radical dual labour theory. Race and other ascriptive group attributes remain exogenous to class structure, but in contrast, not to class struggle. Friedman is critical of both labour process theories that ignore class struggle, and 'conspiratorial' labour segmentation theories that perceive increasing stratification under monopoly capitalism as perpetuated by conscious employer strategies to divide the working class.

"Systematic divisions on the basis of sex, race, skill or other educational attributes not only predate Monopoly Capitalism, but also they predate capitalism. Certainly there was no golden age of harmony before capitalism among people from whom surplus product was extracted" (Ibid: 114).

The failure of class strategy theories he suggests, is in underestimating the strength of worker resistance which has always been unevenly distributed. While employers do encourage and take advantage of racial divisions in the labour market, the reproduction of racial inequality through the operation of a dualized market should be comprehended in terms of centre-periphery relations.

For Friedman (1977: 54), the key to explaining this dynamic, and therefore discrimination, is the contradictory nature of worker resistance which acts as a "double-edged sword". On the one hand, workers resist managerial control, while on the other they endeavour to protect themselves from reserve army pressures. This basic contradiction between what Lenin called revolutionary and trade union consciousness, results in the resistance of organized groups of privileged (centre) workers taking the form of both pre-entry and post-entry discrimination against other firms, regions and countries.

"The relation between centre and periphery workers is that centre workers are able to exclude others from certain tasks; they are able to protect themselves, in the short-run, from the reserve army of labour; they are able (with managerial encouragement), to divide the working class into non-competing groups" (Ibid: 129).

This translates into a notion of discrimination as group behaviour institutionalized in internal labour market structure and formation, and forged in the class struggle between Capital and a labour aristocracy. Crudely stated, job stability and behavioural traits remain characteristic features of Friedman's

internal labour market, but are superseded as causal factors in dualization by worker resistance, shifting the primary source of discrimination (significantly for a Marxist theory) from the employer to privileged workers.

4.3 Radical segmented labour market theory

Radical segmented or 'labour segmentation' theory is the influential work of several dual labour market theorists in the United States who gravitated towards a Marxist perspective during the 1970s (Reich et al., 1973; Edwards, 1975; 1979; Reich, 1981; Gordon et al., 1982). Although it borrows elements from both individual skill and group power traditions, radical segmented labour market theory is a class strategy approach par excellence. Its intellectual lineage may be more pronounced, but it tends to depart from Friedman (1977) more in emphasis than substance; to complement rather than contradict.

In the most complete statement of the theory Edwards (1979: 17) like Friedman, distinguishes between the 'coordination' of production and its 'control'; the latter involving coercion while the former need not. Like Braverman (1974) however, he notes that coordination under capitalism necessarily assumes a 'top-down' form, and hence the distinction is one of degree rather than kind. The social relations within the firm he equates with the "system of control", or the manner in which the "direction of work tasks, evaluation of worker performance, and discipline or reward are coordinated" (Edwards, 1979: 18). Edwards' focus is on the system of control and how it evolves from the historical class struggle at the point of production.

4.3.i The system of control

For Edwards, control is the primary feature of capitalist production, and the revolutionary nature of capitalism is its ability to restructure the social organization of the labour process in order to muzzle worker resistance and maintain capital accumulation. This 'restructuring' process is contingent on the size of the firm, the type of production, market conditions and the level of worker resistance. During nineteenth century competitive capitalism the predominant system was 'simple control', the direct supervision of workers by owner-operators ('entrepreneurial control'), or their foremen ('hierarchical control'). The effectiveness of simple control was gradually undermined by the mutual increase in the scale and complexity of the firm, and the organization of worker resistance.

While experimenting with alternatives like welfare capitalism, scientific management and company unions throughout the first half of the twentieth century, the 'core' firms of monopoly capital developed more sophisticated systems of 'structural control' to subjugate worker resistance. The notion of structural control recognizes what responsible autonomy cannot; the system of control has been incorporated into the technical and/or social organizational structure of work, making it more difficult to identify with the relations of production.

The three main systems of control according to Edwards (1979)--simple, technical and bureaucratic--correspond roughly to progressive stages in the development of the capitalist mode

of production, but since that development has been uneven, alternative forms have tended to coexist within the general historical trends. Simple control persists in the competitive periphery sectors of the economy, while various combinations of structural control are practised in the monopoly sectors. The criterion is the same; accommodating worker resistance to ensure capital accumulation.

4.3.ii Structural control

4.3.iii.a Technical control

The concept of technical control acknowledges Braverman's (1974) assertion that science and technology are implicated in the reproduction of relations of domination in the workplace.

"Technical control involves designing machinery and planning the flow of work to minimize the problem of transforming labour power into labour, as well as to maximize the purely physically based possibilities for achieving efficiencies. Thus a social dimension, the inherent class nature of capitalist production is added to the evolution of technology" (Edwards, 1979: 112).

It is related to, but distinguishable from machine pacing, numerical control, and the various techniques of scientific management which may increase the exploitation of labour without necessarily transforming the social organization of production as a whole. The example Edwards (1979: 117) cites is continuous-flow production first established in the meatpacking industry, and later introduced into automobile production by Henry Ford.

Each system of control invariably creates its own contradictions. The routinization of work homogenized the work force and socialized the labour process, shifting the locus of worker resistance from the individual workplace to the entire firm. Technical control therefore helped foster the preconditions for industrial (as opposed to craft) unionization, by integrating both the labour force and the production processes of each industry. While increasingly useful for controlling unorganized, non-production workers (e. g. Clerical), it became less effective in accommodating organized resistance from production workers.

4.3.ii.b Bureaucratic control

Since the post - 1945 period of monopoly capitalism a new form of structural control has evolved alongside technical forms to mitigate their vulnerability to organized resistance. Bureaucratic control, Edwards contends, was devised in the public and corporate bureaucracies and then applied to the production sphere with considerable success.

"In its most fundamental aspect, bureaucratic control institutionalized the exercise of hierarchical power within the firm. The definition and direction of work tasks, the evaluation of worker performances, and the distribution of rewards and imposition of punishments all came to depend upon established rules and procedures, elaborately and systematically laid out" (Ibid: 131).

The effects of bureaucratic control on the labour force are exactly the opposite of technical control. Extensive hierarchies of job classifications specifying wages, job autonomy, supervisory power, security and advancement greatly

enhance stratification, now based on status distinctions rather than differences in skill or ability to resist. In sum, it promotes competition among workers and "establishes the apparatus for the employer's model ... of the internal labour market" (Edwards, 1979: 183).

Like responsible autonomy, bureaucratic control aims at inculcating company loyalty and bourgeois values in the labour force. The long-run nature of the system also requires job security and creates the same problems for managerial flexibility. Productivity suffers, and increasing 'work to rule' and wildcat resistance testify to the failure to conceal exploitation. Variable costs tend to become more fixed, prompting multinationals to move operations to cheap labour countries. And finally, the trade-off between job security and managerial flexibility has increasingly involved state intervention, transforming the corporation and organized labour into 'social institutions', and thereby displacing the class struggle over control of production into national political arenas. Hence, bureaucratic control, Edwards (1979: 162) concludes, has resolved the problem of control at the level of the firm only at the risk of reuniting it with the class struggle in society at large.

4.3.iii Segmented markets and divided workers

If the historical trend during the nineteenth century was toward the homogenization of labour, then, Edwards (1979: 163) argues, the dominant tendency of monopoly capitalism has been the 'redivision' of the working class into 'enduring fractions'

through the operation of institutionalized, segmented labour markets. He rejects the individual/job skill and group power explanations for market segmentation based on either monopoly buyers of labour power (monopsonists), or monopoly sellers (unions) as contradictory and implausible (Edwards, 1979: 164-165). Instead, Edwards maintains that segmentation has occurred not through exchange relations themselves (the buying and selling of labour power), but through the different systems of control in the labour process (the consumption of labour power).

Referring to dual labour market research in the United States, he tentatively identifies three distinct market segments, each associated with particular market structures and outcomes, and a predominant system of control.

"Thus the fundamental basis for division is to be found in the workplace, not in the labour market; so to define the three market segments we now have a single criterion--the type of control system--rather than simply a cluster of market behaviour characteristics" (Ibid: 178).

(a) The 'secondary market' entails casual jobs in production and nonproduction areas where skills, wages and security are minimal, advancement practically nil, and voluntary turnover relatively high. Most secondary jobs are found in the competitive periphery sector of monopoly capitalism where simple control continues to prevail. Blacks, hispanics, females, youth and illegal aliens tend to be heavily overrepresented in what Edwards denotes the 'working poor' (Ibid: 167).

(b) The 'subordinate primary market' includes both production and nonproduction jobs which tend to be unionized. These jobs usually have reasonably high wages and security, but advancement

is limited, tasks routine, and work subject to technical control. This segment Edwards (1979) associates with the 'traditional proletariat' comprised of male industrial manual workers, and female clerical and factory operatives (Ibid: 170).

(c) The 'independent primary market' consists of skilled jobs in lower-level administrative, technical and supervisory areas, upper-level industrial and craft work, and the professions. Public sector employees comprise a large and growing proportion of this segment where wages, benefits, job security and advancement are often high, and bureaucratic control usually the norm. Following Braverman, Edwards refers to this group as the 'middle layers' (Ibid: 174).

4.3.iv Concept of discrimination

The concept of discrimination in Edwards' (1979) analysis is more explicit and complex than in radical dual theory, and the line of argument appears to be reversed. Edwards (1979: 163) contends that

"both exogenous divisions (expecially racial and sexual ones) and new distinctions of capitalism's own making have become embedded in the structure of society".

Acknowledging that various overt forms of discrimination continue to be practised within each market segment, he claims that

"intentional discrimination remains important, but increasingly it has been supplanted by institutional discrimination Thus in probing the causes of segmented labour markets, we seek in part to understand how racial discrimination and sexual discrimination have become incorporated in the institutional processes of labour markets" (Ibid: 178).

The labour market however, is not the only locus of racial discrimination, and since it tends to cross-cut all market segments, the process of market formation can only partially explain racial inequality.

'Blacks, and other minorities and women come to constitute yet further fractions of the working class, because racial and sexual relations continue to develop according to distinct processes of development or 'separate dialectics'" (Ibid: 194).

Race constitutes a 'separate consciousness', a 'special status' for Edwards which is not simply a derivative of the accumulation process. Nevertheless, the

"growing research on the roles of women and blacks in capitalist society suggests one central conclusion: change in their situations has occurred mostly in response to the interaction of the dialectics of race and sex with that of capitalist development" (Ibid: 196).

In sum then, systems of control in conjunction with institutional forms of discrimination like internal labour markets, produce market segmentation that operates to reproduce racial discrimination and racial inequality. These tend to appear as endemic to society, but in actuality, they are integral features of labour market structure under monopoly capitalism. While all agents in the labour market are implicated, because the primary source of segmentation is in the labour process, the onus of responsibility for racial conflict in the labour market must be assumed by the class which ultimately profits from it.

4.4 Split labour market theory

Split labour market theory, formulated by Bonacich (1972; 1975; 1976; 1979; 1980) is distinctive for several reasons. First, it is the only class conflict approach that is avowedly a theory of "race and ethnic relations which emphasizes the material bases of race and ethnic antagonism" (Bonacich, 1979: 17). Second, it was conceived by a sociologist, rather than an economist. Hence the term 'antagonism', a sociological concept which includes all forms of inter-group conflict from intentional and institutional discrimination, to racist beliefs and ideologies. And finally, it focuses on inter-group competition in the labour market in the context of societal class struggle, as opposed to struggle at the point of production. This particular aspect distinguishes split labour market theory from the other two class conflict models, although its conclusions are very similar to the radical dual model, and indeed, some group power theories.

Bonacich begins with the assumptions that race is essentially a 'political construct', and that racial antagonism originates in a labour market divided along racial lines. The central tenet of split market theory is that racial conflict can be explained by economic class processes, the most important of which is the 'price of labour'. The hypothesis is that a large difference in the price of labour along racial lines will foster inter-group antagonism, and conversely, decreasing price differentials within the working class will tend to be associated with increasing racial integration and working class

solidarity. In the complex dynamic of class struggle, racial divisions within the working class therefore conceal the concrete material division between 'high-priced', white labour and 'cheap', black labour.

Of course, Bonacich (1979: 34-5) is aware that

"race is not the only line along which a division in the working class based on price of labour differences is drawn. Sex and nationality mark other important instances Race, sex and nationality become the symbolism in which the conflict is expressed, but they are not in themselves its cause. Nor is it inevitable that race, sex, etc., should mark a price of labour distinction Race is important only so long as it is rooted in class processes."

Her argument proceeds from an historical analysis of the determinants of the price of labour, the process of 'displacement' of expensive by cheap labour, and the reactions of high-priced labour to the threat of displacement in the struggle with capital and the State.⁵

4.4.i Price of labour

Bonacich (1979: 20) readily concedes that "ethnic and racial conflict and division are highly complex phenomena which cannot be reduced to a single factor." Nor does she hold that the price of labour is the only class issue underlying racial conflict in the labour market; only that it is the most fundamental one. The price of labour is defined as

"labour's total cost to the employer, including not only wages, but the cost of recruitment, transportation, room and board, education, health care (if the employer must bear these), and the cost of labour unrest" (Bonacich, 1972: 549).

⁵ See Bonacich (1975; 1976) for analysis of blacks in the labour market in the United States.

As such, it is a catch-all concept encompassing notions of the price of labour power, worker resistance, and worker control of production.

The causes underlying a racial price differential in the labour market are identified as the level of economic development, imperialism, migration, and middlemen (Bonacich, 1979: 20). Economic development tends to have an upward effect on the price of indigenous labour, while imperialism, migration and middlemen tend to drive the price down. For Bonacich, economic development is associated with three interrelated processes: (i) the development of the forces of production, increasing productivity, and a rising standard of living accompanied by (ii) proletarianization spawning class consciousness and worker organizations to increase bargaining power, and (iii) the construction of a relatively autonomous capitalist state with an increasing welfare function. This modernization scenario has not been reproduced as successfully in the Third World however, because capitalism in Western Europe and later in North America, led to imperialism. Imperialism Bonacich (1979) associates with 'white domination', 'underdevelopment' and huge reserve armies of labour, all of which have downward effects on the price of labour in the hinterland.

The period of imperialism was one of massive demographic change. First the migration of settlers, slaves and indentured labour to the colonies, followed later by the migration of labour from the hinterland to the metropolis. Migration lowers

the price of immigrant labour relative to indigenous workers in several ways. Immigrant labour is more prone to exploitation because it often faces linguistic and cultural problems, and its citizenship rights are limited by the terms of entrance dictated by the host country. The phenomenon of 'sojourning'--temporary workers who plan to return to their families in the hinterland--also places downward pressure on the price of immigrant labour. Still another factor is the role of 'middlemen' who act as intermediaries between capital and immigrant labour in labour contracting and subcontracting (Bonacich, 1979).

4.4.ii Displacement of labour

Bonacich assumes that, given a price differential between two groups of workers, *ceteris paribus*, capital will attempt to substitute the cheaper labour for the more expensive, thus permitting a higher degree of exploitation and larger profits. The simplest type of displacement rarely occurs now because it is actively resisted by organized labour (it is also illegal!), but Bonacich (1979: 25) insists that the 'threat of displacement' is still real, and presents six more subtle processes of displacement that capital employs to undercut high-priced labour.

The 'deskilling' process which Braverman (1974) describes is an indirect form of displacement that aims to replace high-priced, skilled labour with less expensive, semi-skilled labour. The displacement of petit bourgeois, owner-operators (small farmers) by monopoly producers (agribusiness) is another indirect form. The 'maintenance of depressed pockets' through

job or sector segregation is also indirect displacement. 'Dirty work' performed by gastarbeiders in Europe, farmworkers in North America and illegal aliens everywhere exists because employers are allowed access to sources of cheap labour, and high-priced labour has the option of welfare.

Petit bourgeois middlemen minorities can threaten high-priced labour with displacement by driving unionized competitors out of business unless the latter reduce labour costs. The two most recent and important indirect forms of displacement are by 'cheap imports' and the 'runaway shop'. The multinationals in collusion with the ruling classes in the Third World can choose to import manufactured items from, or produce them right in, the cheap labour countries who compete among themselves to attract foreign capital.

"Thus immigration and the runaway shop are essentially opposite sides of the same coin, and should be so analysed. The particular form displacement takes undoubtedly corresponds to stages of capitalist development, and also to the dialectic of class struggle. Thus, as high-priced labour achieves a resolution to this problem, capital devises a new way to reach and exploit the world's cheap labour" (Bonacich, 1979: 30).

4.4.iii Reactions to displacement

As long as a supply of cheap labour is available it poses a serious threat to high-priced labour.

"While the process of displacement of high-priced with cheaper labour may occur for economic reasons alone, it has important political consequences, namely, it undermines the class struggle between capital and (high-priced) labour. The threat of displacement acts as a damper on the class struggle, a fact that capital makes use of to keep labour subdued" (Ibid: 25).

According to Bonacich (1979: 30), high-priced labour has two

alternatives for dealing with the problem. They can either obstruct capital's access to cheap labour using political means to avert displacement, or they can attempt to raise the price of cheap labour, and thereby remove the grounds for a split labour market and the threat of displacement.

Attempts to block capital's access to cheap labour vary according to the type of displacement threatened, the source of the cheap labour, and the political clout of high-priced labour. Typical of these approaches are exclusion movements, racial 'caste' systems, and protectionism. If the source of cheap labour is outside the country the most effective means of exclusion is to enlist the State to impose immigration controls. Restrictions on oriental immigration in North America, and the 'white Australia' policy are examples of the political power of white labour to protect itself. When efforts to block the entry of cheap labour are not successful, as in the case of illegal aliens from Mexico, lobbying occurs for repatriation and deportation measures.

Racial 'caste' systems develop when 'white' trade unions restrict the entry of non-organized black labour into certain industries, firms or jobs, creating colour bars, price differentials and a dualized labour market. The racial divisions of labour in the United States and South Africa are largely, Bonacich believes, a product of this historical process.

Protectionism refers to policies to restrict cheap imports by erecting tariff walls, import quotas, and advertising campaigns to buy national brands. Lately, Bonacich notes, protectionism has been directed more at the runaway shop by demanding the repeal of tariffs that permit multinationals to escape duty charges on commodities produced by subsidiaries in cheap labour countries. Consequently, recent protectionist slogans have tended to appeal to nationalist rather than racial solidarity.

The problem facing high-priced labour is that its short-run prophylactic efforts paradoxically maintain a racial price differential, and therefore perpetuate a split labour market in the long-run. The alternative is to raise the price of cheap labour by organizing those workers, putting pressure on the State to establish minimum labour standards for all workers, and to support the oppressed workers in cheap labour countries. Although equalizing the price of labour offers the only long-run solution, such strategies by high-priced labour have been more often the exception than the rule. Explanations for this dilemma Bonacich (1979) argues, tend to point to the 'false consciousness' and cooptation of high-priced labour instead of the enormous difficulties confronting long-run strategies.

"...the failure of equalizing strategies by high-priced labour is not only a product of their own failings (though these may be considerable), but also of the structure and dynamics of split labour markets which make equalizing solutions difficult to achieve. Protectionism of various sorts is far more simple and direct, providing immediate relief. It is primarily for this reason that it predominates" (Ibid: 34).

4.4.iv Concept of discrimination

Bonacich argues that in the uneven development of capitalism, and chiefly because of colonialism, the role of cheap labour has been most often played by 'non-white' peoples, and women. The resistance of high-priced labour to capital's attempts to displace it with cheaper labour has resulted in institutionalized discrimination by trade unions, exclusionary movements and protectionism. White, male workers have tended to monopolize jobs, skills, and politico-legal resources at the expense of blacks, ethnic minorities, women and other less powerful groups in the labour market. The dualized labour market structure created by the displacement - reaction cycle of the class struggle has allowed capital to superexploit cheap labour, stratifying the working class into competing racial, ethnic and sexual factions.

"In sum, this approach suggests that there are two distinct types of racial-national oppression, one stemming from capital, and the other from labour" (Bonacich, 1980: 14).

Bonacich is critical of individual/job skill and class strategy approaches to racial conflict in the labour market.

"In contrast to dual labour market theory, split labour market theory sees the price of labour of different groups of workers as rooted in their historical experiences. Stability in the job market is only one of the factors which affects price. The price differences are not so much a product of the sector in which workers are congregated as of the bargain they are able to strike up with employers. "Racial" differences in the price of labour are materially based in the history of the group in question and not merely a handy visible tool upon which employers make an actuarial prediction" (Bonacich, 1979: 36).

She agrees with radical segmented theory that market segmentation and stratification are the historical outcomes of the uneven development of capitalism, but challenges the assumption that racial discrimination is more a "product of manipulation by capital than a rational pursuit of self-interest by white labour" (Ibid).

"For what split labour market theory tries to do is to show how the material conditions of white workers produced by imperialism distort the progressive class struggle against capital into a reactionary stance on the race question" (Bonacich, 1979: 40).

Split labour market theory then, comes closest to the radical dual position on racial discrimination, and like Friedman (1977), Bonacich (1979: 40) concludes that the "white working class has often been among the more reactionary forces in the modern world." The main difference is that split labour market theory borrows more from group power theory, focusing on the displacement - reaction dialectic in the labour market, rather than the control - resistance dialectic in the labour process. While it may be faulted for this, the relationship between production relations and market relations, and among class struggle, intra-class conflict and racial, inter-group conflict is more clearly theorized than in either the radical dual or radical segmented models. Specifically, a relationship between worker resistance and racial discrimination is theoretically and empirically established by historically linking "racism (and sexism) to the class struggle as it is made more complex by imperialism" (Ibid: 37).

4.5 Critique of radical labour market theory

Since, with the exception of Bonacich (1972), these theories tend to focus on class struggle in the context of labour market as opposed to class formation, their explanations for racial conflict are at best tentative, and vulnerable to criticism. Instead of lengthy critiques then, a few points on each theory will suffice before contemplating the relationship between class struggle and racial conflict in the process of market formation suggested, but left untheorized by radical labour market theory.

Friedman's (1977) concern is to demonstrate that racial divisions in the labour market are conducive to different levels of worker resistance which, in turn, produce different forms of managerial control in the labour process, rather than vice versa. It is the combination of centre worker resistance and managerial strategies to accommodate it that dualizes the labour market and reproduces social stratification. This effort to reintroduce class, intra-class and inter-group struggles within a Marxist analysis is laudatory, but given the managerial prerogative as the purchasers of labour power ('absolute control'), and the role of the State in 'buttressing managerial authority', the potency of worker resistance ('relative control') is overestimated, and tends to be interpreted almost exclusively in an economic sense. (There are apparently contradictions in, but no resistance to, responsible autonomy strategies!)

The point that worker resistance to exploitation has always been unevenly distributed is historically founded, yet a satisfactory explanation is never forthcoming. Social prejudice and the lack of solidarity among workers are not sufficient criteria for the persistence of racial and other communal group conflicts because they are themselves historically contingent on concrete class, intra-class and inter-group struggles. Indeed, they are as much the outcomes as the sources of market structure and modes of formation in capitalist societies. Missing from this theory are systematic accounts of the social organization of the workplace, and the forms of intra-class and inter-group conflicts in the labour market that mediate, and are mediated by, class struggle.⁶

The contribution of radical segmentation theory is the concept of the 'system of control' which expresses the dominance of control over coordination, and the social relations over the technical relations of production. The central tenet that the consumption rather than the exchange of labour power reproduces market segmentation, stratification and racial conflict is insightful and provocative. The system of control refers to the social organization of the workplace that evolves from the

⁶ The empirical evidence of dualism is also inconclusive. Friedman (1977) uses case studies of the nineteenth century haberdashery, and the twentieth century automobile industries in support of his theory, but the evidence of dualism in the British labour market (Loveridge and Mok, 1979; Blackburn and Mann, 1979; Hill, 1981), has been just as contentious as the U.S. research. Similarly, studies of the relationship between unionism (albeit only one form of internal market), and racial inequality do not seem to support radical dualism (Ashenfelter, 1972; Leigh, 1978; Reich, 1981).

interface of class struggle and intra-class and inter-group conflicts. It is a 'contested terrain', and at the same time, a structure of class domination.

Perhaps as a result of this contradiction, Edwards (1979) tends to downplay the role of the white working class in racial discrimination in the labour market, placing most of the onus on capital. For Edwards (1979), uneven worker resistance is not assumed on the basis of a heterogeneous labour force, but like the working class, is itself a contradictory outcome of class struggle and intra-class conflict; both constitutive of the system of control, and its principal object.

The problem with this class strategy formulation is what it omits. Edwards (1979) is inclined to interpret worker resistance in political terms, and does not give equal play to the economic competition between and among class fractions and communal groups in the labour market. Racial conflict is acknowledged as one of the forces affecting market formation and outcomes, but its relationship to class struggle, and hence, the system of control, is never empirically or theoretically specified. Even if we were to accept that the system of control is the paramount factor causing segmentation, the effects of class, intra-class and inter-group struggles on market outcomes are not fully appraised.

The dynamics of split labour markets seems to explain the historical experience of many racial and ethnic groups in North

American labour markets,⁷ and undoubtedly, organized worker resistance to the threat of displacement does account for some market outcomes and racial discrimination. However, the need to emphasize the collective power of organized labour results in the depiction of capital's role vis a vis cheap labour as a 'liberal, paternalistic' one, ignoring the domination inherent in the wage labour relation, and the desperate struggles of those groups engaged in cheap labour. Like Friedman, Bonacich's (1972) conception of class struggle is limited to economic interests, and reducible to struggles between capital and a labour aristocracy. This makes it problematic to explain the late development of the labour movement in North America, and the relatively small proportion of the labour force unionized.

It also denies the ideological dimensions of race and class, leading to the curious assumption that the working class practises racial discrimination, without actually harbouring racism. This paradoxical position seems to exonerate both capital and labour from any racist motivation, since racism is not endemic to either class, but merely an historical exigency of class struggle as it is manifest in the labour market.

In the final analysis, the conclusion reached by split labour theory and shared by radical dual and some group power approaches,⁸ is untenable. Theories based on group competition

⁷ See Bonacich (1975; 1976) and Wilson (1978) on the experience of blacks in the U.S. labour market, and Chan (1983), Ward (1978), and Hilton (1977) for orientals in the Canadian and U.S. labour markets.

⁸ See critique of Parkin (1979) in Chapter Five.

or monopoly sellers of labour power, provide a useful fit for some empirical market outcomes, but are market-centric, and do not alone constitute an adequate explanation for racial conflict or modes of formation in the labour market.

4.6 The dialectics of exploitation and discrimination

The merits of radical labour market theory lie not in what it accomplishes so much as what it attempts; a dialectical class analysis of racial inequality and conflict in the labour market. It integrates a neoclassical economic notion of individual discrimination with a Weberian notion of group competition, and a Marxist notion of class exploitation into a dynamic, historical analysis that encompasses the agents, structures, modes of formation and outcomes of concrete struggles in the labour process and market. This class conflict approach suggests that race and class are related in the historical context of concrete struggles against exploitation and discrimination in the processes by which the workplace is organized and the labour market is formed. Or conversely, relations of exploitation and discrimination are social structures which shape and limit the class and racial struggles that affect the social organization of the labour process, and market formation. Hence, radical labour market theory posits the race/class nexus as a 'dialectic of exploitation and discrimination'.

The three types of radical theory reviewed above concur on two points. First, the process of market formation reproduces racial discrimination, and 'vice versa', and second, the form of

racial discrimination in the labour market has shifted from direct, intentional post-entry forms, to predominantly indirect, pre-entry, institutionalized forms under monopoly capitalism. This transformation has occurred through concrete class, intra-class and inter-group struggles in the process of labour market segmentation. Each theory is concerned with different foci of struggle in the course of market formation.

In radical dual and segmented theories the relations of exploitation and discrimination are conceived in terms of the dialectic of resistance and control in the labour process, but from different class vantage points. For Friedman (1977) the crux of market formation is the uneven distribution of worker resistance to exploitation which has led to institutionalized resistance, and institutionalized forms of discrimination against those groups excluded from internal labour markets. Edwards (1979) alters the perspective by focusing on the social organization of the labour process, conceived in terms of institutionalized control which has been conducive to institutionalized forms of racial discrimination. Both theories tend to conceive exploitation from the context of class domination, as the control of workers' time and resources in the workplace, for which class appropriation is the assumed rationale.

For split labour market theory the key to market formation is the dialectic of displacement and reaction in the market itself. Bonacich (1972) contends that economic and political class struggle creates competition among groups of workers in

the labour market which results in institutionalized forms of racial discrimination from both capital and labour. The concept of exploitation in split theory remains implicit in the notion of class struggle, but seems to refer more to class appropriation, that is, the primary division of the social product between capital and labour. None of these theories makes much comment on the role of the State in market formation and the institutionalization of racial discrimination, although that role is acknowledged.⁹

Radical labour market theory suggests therefore, that racial conflict has tended to crystallize around the social relations of exploitation and discrimination. Class exploitation was defined in Chapter Two as the unity of economic relations of appropriation and political relations of domination at the point of production. Radical theories tend to focus on the latter, but not to the exclusion of the former. It remains only to characterize discrimination in terms of intra-class and inter-group relations of competition and domination. For both Marx and Weber relations of competition epitomize internal class relations in capitalist society. In radical labour market theory competition denotes the economic relations between or among class fractions and communal groups competing for access to jobs, income and status. Competition therefore represents a

⁹ See discussion of the State in Chapter Five, section 5.3. Sivanandan (1982) catalogues the role of the State in the institutionalization of racial discrimination in the British labour market in an article entitled "Race, Class and the State".

secondary division of the social product, related to, and contingent on, class relations of appropriation.¹⁰

Discrimination was defined initially as any relation of domination which specifies asymmetrical power relations between or among members of communal groups. In radical labour market theory the concept is extended to include relations between or among distributive groupings (class fractions), as well as communal groups, and conceived as primarily a political relation of domination arising out of economic relations of competition. Racial discrimination becomes institutionalized in the structure of the labour process and market when dominant class fractions and communal groups use the State to politically and legally secure the advantages gained in competition with other groups, and in struggle with capital, and is reproduced through the operation of segmented labour markets. And conversely, racial discrimination contributes to the reproduction of market segmentation, and indirectly, to class domination and appropriation in the production process.

If racial conflict in the labour market does germinate at the interface of class relations of appropriation and domination, and group relations of competition and domination, then it can be defined as 'concrete struggles against the discrimination and/or exploitation of members of one racial group by members of another or others'. In the radical labour market theories reviewed, concrete struggle in the process of

¹⁰ Secondary divisions of the social product refer to distribution within social classes.

market formation typically assumes three forms: class, inter-group and intra-class. Class struggle usually represents forms of conflict between or among organized class forces, and is characterized by exploitation; class relations of appropriation and domination. Inter-group struggle are forms of conflict between or among communal groups, the hallmark of which is discrimination; relations of group competition and domination. Intra-class struggles are forms of conflict between or among class fractions, and are also distinguished by relations of discrimination.

Racial conflict has been treated thus far as, by definition, inter-group conflict. However, radical labour market theory suggests that, since it is structured by relations of class exploitation as well as group discrimination, and because discrimination transcends class boundaries, racial conflict can assume the form of any, or all of these three types. Indeed, it would seem that a characteristic feature of racial conflict is the overlapping of inter-group, intra-class and class struggles in the historical process of class formation in the labour market. It is this interrelationship of different forms of struggle that are designated the 'dialectics of exploitation and discrimination'.

The dialectics of exploitation and discrimination do not constitute a theory of racial conflict, nor the synthesis to which Sivanandan (1982) alludes in the opening quotation. This discussion is intended as a preliminary step in theorizing the relationship between race and class, racial conflict and class

struggle in the labour market. Chapter Five takes the analysis further by examining some of the implications of radical labour market theory for Marxist and Weberian theories of class and state.

Chapter 5

The Politics of Exploitation: Class and State in Radical LabourMarket and Group Power Theories

"There is something to be said in favour of a single framework of ideas and a common vocabulary with which to conduct the discourse on structural inequality in all its familiar guises. All this amounts to a general declaration that internal class divisions should be accorded as much theoretical attention as the 'boundary problem' itself; or, more correctly, that the identification of class and communal boundaries should be regarded as aspects of a single problem and should be analysed as such" (Parkin, 1979: 42).

5.1 Introduction

In the postscript to his well known work on class theory, Giddens (1980) identifies four significant issues raised by Weber and proponents of the New Left that should be 'directly confronted' by a Marxist class analysis. These are:

- "1. The relation between Marx's conception of class and the analysis of class as 'market situation'.
2. The problem of the 'new middle class' in capitalist society.
3. The relation between capitalist development and bureaucracy.
4. The nature of the capitalist State and its relation to class conflict" (Ibid: 296).

The first, relations between groups and classes, and the importance of the market as a 'medium' of class formation is directly if not conclusively confronted by radical labour market theory. The class conflict approach to the labour market draws from both Marxian and Weberian theories of class to explicate the reproduction of capitalist social relations through class struggle, and intra-class and inter-group conflicts. The 'political' bias of Marx's abstract, production-based,

theoretical model of class in which class struggle tends to be interpreted as transformative rather than reproductive, is balanced by the 'economic' bias of Weber's empirical, market-based, descriptive model which assumes that group conflict is waged over the distribution of material and symbolic rewards.¹

Radical labour market theory posits relations between classes and groups, production and distribution relations, class struggle and group conflict, in terms of the 'dialectics of exploitation and discrimination'. It provides a limited view of the processes of class and market formation by means of an historical analysis of the formation of class fractions or market segments in the labour market. The relationship between class and market formation suggests a theory of class 'qua process' as well as 'structure', a theme which is touched on in section 5.2, and returned to in Chapter Six.

The third issue, the role of authority relations and bureaucracy in capitalist development is addressed in radical labour market theory by integrating a critical analysis of bureaucratic domination with an analysis of class and group forms of domination, both in the workplace and in the labour market. The dialectics of exploitation and discrimination relate class struggle over control of the labour process and intra-class and inter-group conflict and competition over social

¹ This is an oversimplification which is not to deny that both abstract and concrete models of class (and capitalism) are extant in the writings of Marx and Weber, but only to generalize about radical labour market theory's debts to the Marxist and Weberian traditions of class theory.

distribution in the labour market, to the processes of labour market segmentation and working class fractionalization. Bureaucratic domination is conceived as social relations that structure concrete struggles over control of the workplace and distribution in the labour market which affect the processes of market and class formation.²

The second and fourth issues are only dealt with obliquely by radical labour market theory, and require more explicit comment here. As explanations for market formation, and embryonic theories of class formation, radical labour market theory contributes indirectly to the recurring debates within Marxism over the significance of the 'new middle class', and the role of the State in class struggle. These are not issues of academic interest to Marxist and Weberian scholars alone, but of vital importance to Left political practice in general, and strategic alliances between racial, ethnic and gender groups and class fractions in particular, especially during the present crisis of the liberal-democratic state in Western societies.

There will be no attempt made here to resolve any major theoretical or political impasses. The purpose is to set up the class conflict analysis of racial conflict presented in Chapter Six by exploring some of the implications of radical labour market theory for Marxist theories of class and state, and comparing them to a recent and controversial group power approach. In section 5.2 the processes of market and class

² See discussion of social relations, class struggle and class formation in Chapter Six.

formation posited by radical labour market theory are viewed from the context of the 'boundary problem' (See Walker, 1978) of Marxist class theory. The polarized 'proletarianization' and 'embourgeoisification' positions assumed by theorists of the 'new middle class' are considered misleading since both tendencies can be empirically discerned in the process of class formation in the labour market. The contribution of labour market theory to class theory is not a resolution of the boundary problem, it is argued, but a mode of class analysis that focuses on class formation as well as class structure.

In section 5.3 the perfunctory treatment of the State is identified as a critical silence in radical labour market theory, and compared to contemporary Marxist 'instrumentalist', 'structuralist', 'class theoretical' and 'capital logic' theories of the State. A qualified case is made for the class theoretical approach whose historical, non-reductionist conception of the State is most compatible with a class conflict analysis focusing more on class and state formation than on structure.

And finally, in section 5.4 Parkin's (1979) provocative, neo-Weberian theory of communal conflict is critically evaluated from a class conflict perspective, on the basis of his claim to explain class struggle and group conflict within the same conceptual framework. Parkin (1979) is applauded for recognizing the importance of exploitation to an explanation for racial conflict, but faulted for redefining the concept solely in terms of domination, and ignoring the relations of

appropriation that constitute exploitation. The model of class formation he presents ultimately fails to supersede the developing class conflict analysis of radical labour market theory.

5.2 Class theory and labour market models

A common criticism of Marx's 'pure' model of social class is the difficulty it presents in reconciling relations to the means of production with historical forms of class struggle and processes of class formation; that is, translating the static, abstract concepts of capital and labour into dynamic, concrete historical agents. The 'boundary problem' facing Marxist theory, a phrase coined by Poulantzas (1975), expresses two related aspects of the same problematic; namely, that of identifying precisely who belongs to the working class under monopoly capitalism. First, there is the task of theoretically and empirically demarcating the 'two great hostile camps', and second, that of locating and explaining the positions of 'intermediate classes' or 'strata', as well as the various class fractions within each of the main protagonists. It is the relationship between the 'abstract' and 'concrete' models of class in general, and the second aspect in particular, around which the current debate over the new middle class turns.

Since Marx did not leave a systematic formulation of class theory to posterity, orthodox class analysis has adhered to an abstract model derived largely from Capital, and resting on the questionable distinction between 'productive' (surplus value generating), and 'unproductive' (surplus value consuming)

labour. This two-class model corresponded concretely to industrial workers (in production) and service workers (in circulation and the state sector) respectively. Following Marx's nineteenth century prognostications, orthodox theory assumed the increasing polarization of the class structure, and homogenization of the working class proceeding from the gradual absorption of the petite bourgeoisie and all unproductive labour into the proletariat, and the dissolving of communal ties like race, ethnicity and nationality by the progressive forces of capitalism.

In the post World War Two period of monopoly capitalism this abstract definition of the working class, or 'proletarianization' thesis had the dubious virtue of consigning the fastest growing and most politically active section of the labour force to the transitional fate of an 'intermediate strata' in the orthodox scheme. Bourgeois sociology, following Weber's concrete model of class, was less reticent in proclaiming the survival of the petite bourgeoisie, and in identifying in the expanding service sector a new middle class of educated, white-collar, non-manual workers. The current debate within Marxism, a belated recognition of this phenomenon, is over the exact location of the new middle class on the class map, their probable destination, and the nature of their class interests. In a sense then, it poses a dilemma similar to the problem of race in orthodox Marxist theory.³

³ See Chapter 2, section 2.3.

The 'proletarianization' thesis was updated during the 1960s by the French Marxists Belleville (1963), Mallet (1963/1975) and Gorz (1967) who studied a new technical stratum of the working class they designated 'la nouvelle classe ouvriere'. A decade later a more sophisticated defence was advanced in the United States by Braverman (1974) and other labour process theorists. Both approaches however, waived the labour theory of value and stressed the concrete conditions of non-ownership, wage labour, deskilling and loss of control over the labour process as the objective criteria of proletarianization of the 'middle layers' under monopoly capitalism .

While the sociological vision of the 'post industrial society' (Touraine, 1972; Bell, 1973) heralded the final demise of the two class model, the abstract definition of the working class was also being challenged by a diverse group of Marxists variously referred to as the 'new middle class' or 'embourgeoisification' theorists. Supplementing the orthodox criterion of class determination with concrete political and ideological distinctions between mental and manual labour, productive and reproductive functions, dominant and subordinate roles in production, and wage and revenue components, they argued that the exigencies of monopoly capitalism have created a new middle class alongside the traditional petite bourgeoisie.

The size and composition of the new class varies from one theorist to the next, and there is little consensus as to its destiny. For the Ehrenreichs (1978) the 'Professional-

Managerial Class' constitutes a separate class with its own distinct interests, while for Poulantzas (1975) the 'new petty bourgeoisie' remains a residual (albeit a large one), and ambivalent stratum in the historical class struggle. This idea is developed by Carchedi (1977) for whom the 'new middle class' performs both the 'function of the collective worker' and the 'global function of capital', and still further by Wright (1978) who contends that the objective boundaries of the new middle class are indeterminate since it occupies a 'contradictory class location' within the social relations of production.

The further one moves away from the heat of the debate the more the similarities of the positions seem to eclipse the differences. Apart from the Ehrenreichs (1978), participants on both sides maintain the orthodox, two-tiered class model, now defined largely in terms of concrete criteria, and conceive the problem in terms of the structural location of the new class, rather than its mode of formation. With few exceptions the theories tend to suffer from static, functional and ahistorical analysis which vitiates the importance they assign to class struggle. None makes more than passing reference to the influence of market relations or phenomena outside the workplace on class formation, and as a corollary, neither side sheds much light on the role of racial and other inter-group conflicts in the process of class formation. With respect to the general reliance on concrete class determinants, there is little to distinguish some of these theories from conflict sociology, a point made rather sardonically by Parkin (1979: 25).

"The fact that these normally alien concepts of authority relations, life-chances, and market rewards have now been comfortably absorbed by contemporary Marxist theory is a handsome, if unacknowledged, tribute to the virtues of bourgeois sociology. Inside every neo-Marxist there seems to be a Weberian struggling to get out."

Radical labour market theory does not appear to offer any dramatic solutions to the class equation, and could also be implicated in Parkin's accusation. Friedman's (1977: 29) only reference to class boundaries is a truncated and inconclusive footnote to the effect that 'centre' workers who do not exploit 'peripheral' workers are part of the working class, while those whose function it is to exercise authority (and 'indirectly exploit' workers) are not. We are left with essentially two fractions of the working class and an ambiguous middle stratum. Bonacich (1979: 24) states that "typically a split labour market has present three classes: capital, high-priced labour, and cheap labour." Although the distinction between class, group and caste is never explicitly made, one assumes from its antagonistic relation to capital in the class struggle that high-priced labour is a fraction of the working class. Once again the boundaries are very vague, and just as likely to rest on racial as class determinants.

Edwards (1979) is the only radical theory that presents a model of class structure, describing three class fractions and explaining the boundaries of the 'middle layers' by reference to Wright's (1978) notion of 'contradictory class locations' (Edwards (1979: 240)). In contrast to the radical dual and split

theories which suggest the embourgeoisification of a labour aristocracy or middle stratum, radical segmented theory firmly backs the proletarianization thesis (Ibid: 108).

The contradictory positions taken by radical labour market theories regarding the destination of the middle classes, rather than clouding the issue, actually provide an exit from a debate that has generated more heat than light. As the matter stands, both parties recognize internal divisions in the working class, the existence of a large middle stratum, and by default, the anachronistic nature of the simple two class model. Unfortunately, neither considers the possibility that homogenization and stratification might coexist as complementary tendencies in the historical process of class formation, reproduced by the uneven development of global capitalism (Wright and Singlemann, 1982). Radical labour market theory suggests that each tendency represents a potential outcome of transformations in the workplace and the labour market, contingent on class struggle, and intra-class and inter-group conflicts. Generalizing about historical trends can hide their concrete effects on specific groups like blacks, women, and ethnic minorities which, although they may comprise the majority of the working class (Wright et al., 1982), tend to get lost in objective class categories.

It is not surprising that contemporary Marxist and Weberian descriptions of class structure have been converging. Neither Marx nor Weber was as guilty of reifying class theory as their acolytes. As a rule, they did not confuse their analytic models

of class with concrete social relations because their primary concerns were the roles of human agents in historical processes. Radical labour market theory integrates Marxist class strategy and Weberian group power approaches with neoclassical economic theory into what has been called a 'class conflict' perspective. Its contribution to class theory is not a theoretical or empirical resolution to the boundary problem as such, but an eclectic conceptual framework, and an historical method for analysing concrete social classes in terms of an abstract model; class as dynamic 'process' as well as 'structure'.

Radical labour market theory provides a rather limited, economically determined view of the historical process of class formation by analysing struggles between or among classes in the labour process as they mediate, and are mediated by, intra-class (class fraction) and inter-group (racial, ethnic, gender, etc.,) conflict in the labour market. The dialectics of exploitation and discrimination represent a way of conceptualizing how production and distribution relations shape and limit the struggles of concrete agents that transform the labour process, segment the labour market, and stratify the working class. Absent from radical labour market theory is the political dimension of class formation as a discontinuous process of self-organization both outside and inside the workplace. A more explicit and systematic class conflict theory of class formation is presented in Chapter Six to explain the process whereby classes form, de-form and re-form in concrete class and community-based struggles (Thompson, 1963; Przeworski, 1977;

Wood, 1982; Therborn, 1983).

5.3 The state and labour market theory

A vital issue raised by Weber's analysis of bureaucracy and the middle class, Giddens (1980) notes, is the role of the State in capitalist development and class struggle. Acknowledgement of the problematic nature of the State has led to recurring debate within contemporary Marxism over a 'general theory of the capitalist State' (Gold et al., 1975; Panitch, 1977; Jessop, 1982). The unabating crisis of world capitalism over the past decade has been characterized by both Left and Right as a 'crisis of the State'. The revival of both radical political economy and conservative monetary policy during this period has drawn attention to the neglected role of the State, and filled a theoretical and ideological vacuum created by the absense of liberal-pluralist analyses of the situation. Rather than attempting to catalogue the proliferation of Marxist literature on the State, only brief summaries of four important perspectives are presented here. The 'instrumentalist', 'structuralist', 'class theoretical' and 'capital logic' variants are each considered here on the basis of their conception of the relationship between the State and class, intra-class, and inter-group struggles. The rather inadequate account of the State in radical labour market theory is recognized, then contrasted to these four variants, and a class conflict approach to the State is tentatively advanced.

5.3.i Instrumentalist approach

Contrary to pluralist conceptions, instrumentalists argue that the State is the direct instrument of class rule (Domhoff, 1967; Miliband, 1969; Quinney, 1977). In accordance with the Manifesto's caricature of the State as an 'executive committee of the bourgeoisie', this perspective holds that those with economic power are also those with political power. Research usually assumes the form of tracing familial and interpersonal relationships among members of the economic, political and judicial elites, and linkages between the dominant class and the various command posts in the State. The latter is defined as a system of institutions comprising the "government, the administration, the military and police, the juridical branch, sub-central government and parliamentary assemblies" (Miliband, 1969: 50). The operational autonomy of these institutions is considered largely a sham. Explanations for the functioning of the State on behalf of the dominant class are couched in a 'positional' theory of power, which tends to reduce political action to the motivations of individual and group agents who, because they have demonstrably similar backgrounds, are assumed to share class interests. As dynamics of social change, class struggle and intra-class and inter-group conflicts enter the picture infrequently if at all.

5.3.ii Structuralist approach

The structuralist perspective takes a completely opposing position. The State is not a system of institutions, nor can it be simply equated with the incumbents of command posts. It is

an 'objective structure', and its relationship to the dominant class is an 'objective relation' determined by the structural constraints on it to act on behalf of the entire dominant class (Poulantzas, 1973). The State therefore is 'relatively autonomous', and acts as the 'factor of cohesion' reproducing the relations of production by counteracting dominant class disunity on the one hand, and working class solidarity on the other. Hence, the State is defined functionally, and since its functions are predominantly ideological, the 'Ideological State Apparatuses' include practically all institutions in society (Althusser, 1971). Not all structural approaches subscribe to this broad definition of the State, and for some the concept of relative autonomy is qualified by emphasizing the economic and coercive functions of the capitalist State (O'Connor, 1973; Offe, 1975; Panitch, 1977). In all these functionalist theories the role of class and community-based struggles is curiously absent, and human agency, if not vigorously denied, tends to be replaced by structural crises in the economy.

5.3.iii Class theoretical approach

The class theoretical variant is derived from Gramsci (1971) whose work is not so much a theory of the State as it is a theory of political practice. His theoretical musings are rather loosely connected by the general theme of 'hegemony', and emphasize human agency and consciousness in the class struggle to gain and hold state power. Gramsci (1971) conceded the primacy of the economic, but viewed the relations between base and superstructure, civil society and state, as complex and

dynamic rather than objective and determinant (Williams, 1978). He recognized the coercive character of the State, but focused on its ideological function as the 'architect of consensus', legitimating class rule by organizing an ideological hegemony around the structural requirements of capital. Hegemony is achieved by state control of the apparently autonomous institutions and agencies of civil society--family, churches, media, schools, unions, political parties--and maintained more by leadership than by domination.

Consequently, class struggle for ideological supremacy of civil society takes precedence over the political battle for state power. Counter-hegemonic forces in the subordinate classes develop organically rather than arising spontaneously or from objective contradictions in the economy. Class interests are organized first on the ideological level through class institutions, then expressed politically through class parties. This evolution of class consciousness through struggle necessarily entails mediating conflicts between or among groups and fractions of the subordinate classes, and forging an 'historical bloc' within civil society and the State. The latter can only be grasped therefore by the analysis of specific historical conjunctures and the class fractions, groups, alliances and struggles for state power.

5.3.iv Capital logic approach

The materialist or capital logic theory of the State has its origins in the German 'state derivation' debate which began with a critique of class theoretical approaches for failing to

relate politics, ideology and culture to the capitalist mode of production (Holloway and Picciotto, 1978). Gramsci is faulted for not exploring the structural limitations imposed on the State by capital accumulation, and for not being able to explain the development of specific political forms. By means of a highly abstract 'form analysis', the proponents of capital logic attempt to relate historical periods of exploitation and accumulation to particular forms of class struggle and the State. The State's form and its primary function are regarded as contingent on the relation between structural changes in the economy and class struggle, and vice versa. Thus, the State is not merely an instrument of the dominant class, an objectively determined structure, or an organizer of hegemony, but an historical form of political domination necessary for securing continuous capital accumulation. By denying the autonomy of the 'political instance' however, the capital logic variant is unable to avoid the economistic reduction of the State to its form, and class and community-based struggles to the laws of motion of capital.

5.3.v Towards a class conflict theory of the State

Considering the impact of the modern state on class and market formation as regulator and employer in the labour market and labour process, not to mention its politico-legal jurisdiction over welfare (Gough, 1979), immigration (Kubat, 1979), and racial/ ethnic relations (Sivanandan, 1982), it receives scarcely any attention in radical labour market theory. In part this failing can be attributed to pragmatic limitations

of scale, but it is no doubt also due to the problematic nature of defining and theorizing about the State. In any case, Friedman's (1977: 130) comments are reserved for a brief description of the shift in the State's approach to 'buttressing managerial authority' from a coercive role to a cooptive one, paralleling the change from direct to responsible autonomy forms of control. Why this occurred we are not told, nor does Friedman address the issue of 'unproductive' state workers, so we can only surmise that these concerns fall outside the pale of centre-periphery relations.

Bonacich (1979) perceives the State as an "arena of class struggle, and various policies as products of class struggle, often entailing peculiar compromises" struck between the State and class fractions. The problem here is that the analysis is pitched at such a descriptive level that the State's relationship to the dominant class is never directly broached, nor its primary functions taken into account. Edwards (1979) also perceives the State as increasingly part of the 'contested terrain', and his more extensive analysis relates capital accumulation and bureaucratic control to the politicization of the class struggle, the development of 'class fraction politics', and contradictions in the democratic form of the State (Ibid: pp. 200-216). Still, there is hardly what one could call a coherent theory of the State in radical segmented theory, and the effects of state intervention on the processes of class and market formation remain untheorized.

Although the State has been essentially bracketed out as a complicating factor, features of all four variants of state theory are clearly discernible in radical labour market theory. If the dialectics of exploitation and discrimination are regarded as a class analysis of concrete struggles in the process of class formation in the labour market, then a class theoretical approach, qualified by the capital logic critique, would probably provide the best fit for a class conflict theory of the State. The class theoretical and capital logic variants tend to err at complementary extremes, not unlike group power and class strategy approaches to the labour market. Class theoretical theories tend to be dynamic, and focus broadly on the human agents involved in concrete political and ideological struggles in the processes of class and state formation, while capital logic theories tend to be more static and concerned with the economic determination of the forms of class struggle and the State by the process of capital accumulation. A class conflict theory of the State should fall somewhere between these two variants, but closer to a class theoretical position.

Neither approach perceives the State as a relatively autonomous set of social relations with its own formative processes and interests arising from its contradictory roles as both an agent in class and community-based struggles, and the historically specific politico-legal conditions under which they are fought. How the State mediates, and is mediated by, class struggle and class formation is considered again in Chapter Six, section 6.3, in the context of a class conflict model of racial

conflict.

5.4 Group power approaches to class, state and racial conflict

A recent explanation for communal conflict that addresses Giddens' four significant issues within the context of a class formation theory is Parkin (1979). Parkin's 'closure' theory was chosen to represent this genre over Giddens' (1973; 1979) account of 'class structuration' for several reasons. First, it is explicitly a group power theory which defines class in terms of 'modes of collective action', while Giddens' (1973) sees class more conventionally as emerging from the division of labour. Second, Parkin's (1979) theory rests on a polemical critique directed primarily at Marxist class theory, and a controversial interpretation of Weber which implicitly refutes other neo-Weberians like Dahrendorf (1959) and Giddens (1973). Third, and more important, Parkin (1979) places a premium on the role of communal groups and 'intra-class' conflict in the process of class formation, and argues "in favour of a single framework of ideas and a common vocabulary with which to conduct the discourse on structured inequality in all its familiar guises" (Ibid: 42). And finally, Parkin's (1979) conception of class formation is intricately meshed with a theory of the State, and his contention that class power and state power should be distinguished as separate forms of domination demands serious consideration. His unified approach to social inequality, based on Weber's notion of 'social closure' is scrutinized below from a class conflict perspective, and found to suffer from a malady common to Weberian reformulations; an

abundance of description, but a dearth of explanation.

5.4.i Parkin's bourgeois critique

Parkin (1979) has two principal objections to 'neo-Marxist' class theories. The first is that Marxism conceives class as an objective set of social relations, and emphasizes class structure and location above class formation and action.

"The human raw material of class analysis that Weberian usage designates as 'actors', thereby singling out the role of conscious agency and volition, is transformed by Marxist usage into the status of 'embodiments' or repositories of systemic forces" (Ibid: 4).

The second is that the primacy of production over distribution relations in Marxist class analysis does not provide an adequate basis from which to explain the convergence of capitalist and socialist societies, or the 'renaissance' of racial and ethnic conflict in the 'heartlands of Western capitalism'.

"The Marxist preoccupation with the realm of production, increasingly held up as its mark of theoretical rigour, obscures from view any recognition of the possibility that some line of cleavage other than that between capital and labour could constitute the primary source of political and social antagonism" (Parkin, 1979: 5).

There is a familiar ring to Parkin's argument. Both of these themes have already been treated more intensively in contemporary Marxist critiques. (The same basic criticisms have been reiterated throughout this study with respect to orthodox and functionalist Marxist theories). The objection here is not his argument so much as the way it is expressed, and the ideological underpinnings of the author's conclusions. By means of a procrustean review of Marxist theories, Parkin (1979)

creates structuralist effigies of Marxism which are then razed in a ritual polemic previewing his own resurrection of Weberian class analysis. The critique is merely window dressing; the theory however, warrants closer attention.

5.4.ii Class and forms of social closure

Sociological class theory can be recounted as a succession of Weberian revisions of Marxism in search of a superior model that captures both structure and consciousness in class formation. Hence, C.W. Mills (1951) employed the concept of 'status', Dahrendorf (1959) the concept of 'authority', and later Giddens (1973), the concept of 'mobility closure' to explain class formation in Western capitalist society. In the latest addition to these eminent ranks, Parkin (1979) seizes on the hitherto obscure notion of 'social closure' to provide the foundation for another alternative to Marxist class analysis.

"By social closure Weber means the process by which social collectivities seek to maximize rewards by restricting access to resources and opportunities to a limited circle of eligibles. This entails the singling out of certain social or physical attributes as the justificatory basis of exclusion" (Parkin, 1979: 44).

For Weber, closure described the collective strategies of dominant communal groups to 'monopolize economic opportunities' by excluding subordinate groups from competition. Parkin (1979) logically extends the concept to include not only 'exclusionary closure', but also forms of collective action by subordinate groups aimed at 'usurping' resources from below.

" Exclusion and usurpation may therefore be regarded as the two main generic types of social closure, the

latter always being a consequence of, and collective response to, the former" (Ibid: 45).

With social closure thus defined, the way is now clear for Parkin (1979), in a consummate feat of theoretical legerdemain, to reformulate social class such that class formation, power, exploitation and internal class divisions are all related in terms of closure struggles over social distribution.

"...the familiar distinction between bourgeoisie and proletariat ... may be conceived as an expression of conflict between classes defined not specifically in relation to their place in the productive process but in relation to their prevalent modes of closure, exclusion and usurpation, respectively" (Ibid: 46).

Exclusionary strategies are the principal modes of closure by which the dominant class mobilizes power in a 'downward direction' to form and reproduce its 'monopoly of opportunities'. According to Parkin (1979), the two main forms of exclusion are 'property' (as capital), and 'credentials' (cultural capital).

"Each represents a set of legal arrangements for restricting access to rewards and privileges; property ownership is a form of closure designed to prevent general access to the means of production and its fruits; credentialism is a form of closure designed to control and monitor entry to key positions in the division of labour" (Ibid: 47-8).

Exclusionary practices may combine both forms, and are further differentiated in terms of 'individualist' and 'collectivist' criteria, similar to Parsonian achievement and ascription respectively. Collectivist types of exclusion are those based on ascriptive attributes like race, and tend to subordinate

communal groups marked by a total negative status such as apartheid. Individualist types are those based on achievement criteria, and tend to produce a subordinate group characterized by the status stratification and social fragmentation typical of a meritocracy.

Usurpatory closure describes the responses of subordinate groups to their negatively ascribed status and collective experience of domination and exclusion. Examples include labour's struggles with capital, racial and ethnic struggles against discrimination, and women's struggles for equality. As such, it tends to differ from exclusionary closure in some important ways. For Parkin (1979) usurpation involves the mobilization of power in an 'upward direction'. Regardless of the scale of usurpatory action, it is therefore generated by "alternative standards of distributive justice" (*Ibid*: 74). It must rely more on 'solidaristic' tactics like strikes, demonstrations and symbolic rituals than on the legal and institutional endorsement enjoyed by the exclusionary devices of the dominant class. Consequently, usurpatory closure poses a challenge not only to the legal order, but also to the system of distribution and the ideology of social justice underlying it.

The notion of 'dual closure' recognizes the importance of 'intra-class' conflict, and describes the "exclusion strategies ... employed by one segment of the subordinate class against another, most usually on the basis of race, sex, ethnicity, or some other collectivist attribute" (*Ibid*: 89). Thus, organized labour may be involved in two forms of closure; usurpatory

strategies against capital and/or the State, and exclusionary closure against less powerful groups of workers like immigrants, women and racial minorities.

"For definitional purposes, then, the dominant class in a society can be said to consist of those social groups whose share of resources is attained primarily by exclusionary means; whereas the subordinate class consists of social groups whose primary strategy is one of usurpation, notwithstanding the occasional resort to exclusion as a supplementary strategy" (Ibid : 93).

What is perhaps most striking about this definition is the unabashed circularity of the argument, and the sophistry of its author who promises class analysis, but delivers only a description of group competition.

"Although Parkin purports to define classes in terms of distinctive modes of social closure, it is apparent that these modes of social closure are themselves defined by the classes to which they refer Within the circle of this tautology the meaning of the concept of social class evaporates" (Burris, 1983: 118-119).

Closer inspection of the relationship Parkin (1979) assumes between class formation and group power relations, and between exploitation and internal class divisions reveals more circularity, and the kinds of inconsistencies and elliptical thinking associated in his critique with the 'wastelands of political economy'.

5.4.iii Class formation, power and the State

Class relations for Parkin (1979) are power relations, and it is only fitting that modes of social closure be defined as "different means of mobilizing power for the purpose of engaging in distributive struggle" (Ibid: 46). Power, we are told, is a

"built-in attribute of closure", so the two are intimately related. The main problem with Parkin's (1979) theory of class formation is the initial assumption (that class formation results from group power relations) that necessitates the conceptual linkage between power and social closure. The source of power on the one hand, and the way it is exercised on the other, are not always consistent with the original definition, and in fact, when the argument is not circular or predicated on the State, the concept of power remains a vague 'metaphorical notion' constantly alluded to, but never explained. The instrumentalist role of the State in class formation seems to contradict Parkin's (1979: pp. 119-141) insistence that class power and state power be conceived as distinct types of domination.

Usurpatory closure, relying primarily on solidaristic action to influence employers and the State, seems to comply with the conceptual linkage of power and closure. The inference is that the power mobilized in usurpation emanates from the class or group itself and its resources, rather than from outside it, or merely conducted by it. Parkin (1979) suggests that the 'usurpatory capacity' of the working class depends on two resources:

"the ability to command resources on the basis of skill and market capacity, and the ability to command resources on the basis of 'disruptive potential'" (Ibid: 80).

Where these resources come from, and why they should be potential sources of power mobilized solidaristically rather than legalistically is never properly addressed. To do so would

require recourse to structural conditions exogenous to class-forming closure and class relations conceived solely in terms of distribution.

The statist account of exclusionary closure belies the notion of power as a 'built-in attribute' of collective action. Power is not seen to reside in property or credentials themselves, but in their institutional and legal forms backed by the 'coercive authority of the State'. Nor does it reside in the bourgeois class formed by exclusionary closure, a point Parkin (1979: 48,50,52,57-8,138) reiterates numerous times. Even the power mobilized in dual closure by "one group of workers against another is usually facilitated by the past or present policies of the state" (*Ibid*: 95). In short, all relations of domination and subordination are those so defined by the State.

"In effect, arguments such as Parkin's propose ... that the power mobilized in class formation be understood to have its source and not simply its sanction in the state apparatus, rather than in the collective action of the class group itself. The notion of social closure can still be relevant to such an account of class formation, but it would be a supplementary significance only" (Barbalet, 1982: 488).

The prominent role of politico-legal relations in class formation is especially pertinent to a theory of communal conflict, but it is hardly novel, and appears at odds with Parkin's (1979: 136) distinction between class power and state power. He argues that the Marxist predilection for theorizing about the relation between the State and the dominant class

should be abandoned, and that class and state be acknowledged as separate forms of domination. Yet paradoxically, the concept of relative autonomy is eschewed, and we are presented with essentially a modified instrumentalist version of the capitalist state.

"The closure model conceptualizes the state as an agency that buttresses and consolidates the rules and institutions of exclusion governing all relations of domination and subjection. Indeed, a class, race, sex, or ethnic group only accomplishes domination to the extent that its exclusionary prerogatives are backed by the persuasive instruments of the state" (Ibid: 138).

In fact, Parkin (1979: 140) seems to emphasize the class nature of the State by reminding us that "direct access to state power is not governed by exclusionary criteria that differ in any important way from the means by which the dominant class itself is constituted." Distinguishing between class and state power in this formulation is tenuous at best, and it is not particularly reassuring to learn that the problem is only conceptual and not concrete. Like patterns of closure and communal conflict, relations between state and dominant class are presumably "'just so' historical facts, not ... events to be incorporated into some jumbo social theory" (Ibid: 114).

5.4.iv Exploitation and racial conflict

Parkin's (1979) objective is to create a single conceptual framework to facilitate the analysis of 'intra-class' relations as "conflict phenomena of the same general order as inter-class relations, and not as mere disturbances or complications within a 'pure' class model" (Ibid: 113). His solution is to redefine

the concept of exploitation in terms of exclusionary closure, such that "exploitation occurs within the subordinate class as well as against it" (Ibid: 89).

"That is, in so far as exclusionary forms of closure result in the downward use of power, hence creating subordinate social formations, they can be regarded by definition as exploitative. Exploitation here defines the nexus between classes or other collectivities that stand in a relationship of dominance and subordination, on whatever social basis" (Ibid: 46).

All class, intra-class and inter-group relations characterized by domination are therefore defined as exploitative in this 'neo-Weberian sense'.

Given that the exercise of power in exclusionary closure is a necessary and sufficient condition for exploitation, Parkin (1979: 46) claims that the appropriation of surplus value in production is but one form of exclusion. This makes the distinction between relations of exploitation and discrimination a matter of semantics. If both discrimination and social closure are conceived as the restriction of access to desired goods and services on the basis of some ascribed criterion, then they are forms of what Weber (1978: 38,341-42) called group 'competition'. However, competition and exploitation, access and appropriation, signify qualitatively different social processes which may result in different outcomes for those subject to them.⁴

"Both competition and exploitation are means of social distribution. Competition, though, cannot create the

⁴ See Chapter Two, section 2.2 for primary divisions, and Chapter Four, section 4.6 for secondary divisions of the social product.

material conditions it distributes; in a significant sense exploitation can The exploitation of one class by another... entails an appropriation of productive capacities and therefore the social creation of material conditions ... and not merely the opportunities to use them" (Barbalet, 1982: 490).

Exploitation and discrimination may be historically related as radical labour market posits, but exclusionary closure is clearly a form of the latter, not the former. Exploitation can exist without necessarily involving exclusion, and exclusion may occur without leading directly to exploitation. Conflating these two social relations as Parkin (1979) does, only confuses the two distinct, but related levels of abstraction to which they speak. Both exploitation and discrimination singularly, and in relation, affect class formation, but the one is associated with class relations of appropriation and domination that operate at the societal level, while the other is applicable to intra-class and inter-group relations of competition and domination operating at the level of individuals and groups.

The conceptual blurring results from Parkin's (1979) proclivity for conceiving production relations in terms of distribution relations, and translating structural inequality into 'life chances'.

"It is simply inadequate to regard exploitation as privileged access to life-chances corresponding with diminished life-chances for the exploited Exploitation relations are concerned not just with the production of life-chances, but with the production of the means of production of life-chances" (Barbalet, 1982: 491-492).

By reducing class exploitation to a form of group domination

Parkin (1979) precludes any explanation for how structural inequality is reproduced or transformed. He leaves us with a description of a voluntaristic world populated by groups posing as social classes, exercising power that has no apparent structural basis, and competing for goods and services that are never produced.

Since exploitation is not synonymous with exclusionary closure, Parkin's (1979) rationale for treating class, intra-class and inter-group relations as qualitatively the same is not sustainable. Exclusionary closure does explain important aspects of intra-class and inter-group conflict in terms of relations of competition and domination, and to a certain extent, working class fragmentation. However, it is doubtful whether it advances our understanding of the effects of racial conflict on the process of class formation beyond the contribution of radical labour market theory. Bonacich (1972) has argued that racial exclusionary strategies by organized labour should be studied in the historical context of class struggle as discriminatory reactions to threats of competition from cheap labour. Parkin (1979: 57) in fact concurs that intra-class exclusion has been a rational response to exploitation by capital, so it is hardly persuasive then to suggest, given the legal and economic vulnerability of immigrant labour (Ibid: 96), that exclusion by indigenous labour constitutes 'exploitation by proxy' (Ibid: 70).

5.4.v Conclusion

Parkin (1979) is correct in 'placing exploitation at the heart of class analysis', and in conceiving it as a feature of asymmetrical power relations. His neo-Weberian reconstruction of social class however, strips appropriation from class domination, reduces exploitation to discrimination, and severs the concept from any concrete historical basis for class formation.

"Non-Marxist accounts of class stress either distribution (appropriation) or domination, but not the unity of these two within a concept of class exploitation. The Marxist attempt to combine these two elements within a single concept produces a much more powerful theoretical tool, both in terms of analyzing the conditions of the existence of classes (the relational requirements of their reproduction) and in terms of analyzing the conditions for epochal social transformation" (Wright, 1982: 335).

Consequently, Parkin's (1979) theories of class and state are never conceptually integrated, and systematically applied. As a descriptive concept, social closure enriches class theory by highlighting intra-class and inter-group relations of competition and domination; as an analytic concept it becomes a theoretical cul-de-sac because it fails to explain the relations between class and state, their reproduction and transformation. Ironically, it graces a model of class formation almost as static as the Marxist theories it was intended to mothball. With respect to Giddens's (1980) second and fourth issues with Marxist class analysis then, Parkin's (1979) group power theory has demonstrably less explanatory potential than the class conflict approach of radical labour market theory. As Mackenzie

(1980: 584) has observed, the

"usefulness of the notion of social closure lies not in its ability to replace the framework of Political Economy, but in the ease with which it can be incorporated by it."

The theoretical and methodological implications of radical labour market theory for a theory of racial conflict are pursued in Chapter Six. The broad outlines of a class conflict theory of class formation that encompasses class struggle and intra-class and inter-group conflicts are delineated by drawing on the dialectics of exploitation and discrimination in the labour market, and the Marxist tradition of class formation theory represented by Thompson (1963).

Chapter 6

Beyond the Labour Market: Class Formation, Class Struggle AndRacial Conflict

"Though for the social analyst 'race' and class are necessary abstractions at different levels, black consciousness of race and class cannot be empirically separated. The class character of black struggles is not the result of the fact that blacks are predominantly proletarian, though this is true. It is established in the fact that their struggles for civil rights, for freedom from state harassment or as waged workers are instances of the process by which the working class is constituted politically, is organized in politics" (Gilroy, 1981: 219).

6.1 Introduction

Albeit from different theoretical perspectives, Parkin (1979) and the radical labour market theorists share an interest in explaining the effects of racial conflict on class formation. Both reject static, functionalist class analyses of racial conflict that deny human agency, and tend to conceive the relationship between class exploitation and racial discrimination in the context of a dynamic class formation process. And both identify the problem of determinism in Marxist analyses not only in terms of the theoretical reduction of race to an adjunct of class, but equally important, the reduction of class to an economic category. In each approach then, class analysis itself is interrogated. In the case of radical labour market theory this critique is only partial, and centres on the neglect of the role of class, intra-class and inter-group struggles in class formation, while for Parkin (1979) this questioning is total, and leads to a neo-Weberian revision of class analysis. Neither approach constitutes an

adequate class analysis of racial conflict however, because neither posits a systematic theory of class formation linking economic, political and ideological struggles against exploitation and discrimination inside the workplace or labour market with those struggles carried on in the community. Which is not to imply that "race can be miraculously hitched on like an extra railway carriage to the locomotive of non-reductionist marxism" (Gilroy, 1981: 209), but only that without a theory of class formation undergirding it, any class analysis of racial conflict will fall short of the 'single framework' that Parkin (1979) seeks, and the class conflict model that radical labour market theory holds in promise.

Two traditions of Marxist class formation theory, the classical and the British historical materialist schools, are compared in section 6.2, and a class conflict theory is outlined in section 6.3 from interpretations of the second tradition, epitomized by the work of E.P. Thompson (1963; 1975; 1978a,b). Following Thompson, class is conceived as an historical 'relationship' and 'process'; class formation as an open-ended process whereby classes form, de-form and re-form in the crucible of concrete struggles. Class analysis is 're-cognized' as 'class struggle analysis'; class struggle as struggles 'about class' as well as 'between or among classes'; and hegemony as a contested cultural and ideological order (Kaye, 1983; Palmer, 1981; Przeworski, 1977; Therborn, 1983; Wood, 1982).

The theoretical and methodological implications of a class conflict theory of class formation are pursued in section 6.4, and a class conflict model of racial conflict in the labour market is teased out around the dialectics of exploitation and discrimination. This simple model specifying the agents and their social practices, the historical conditions, and the outcomes of concrete racial conflicts represents a necessary, if not sufficient, framework for a non-reductionist class analysis.

Coming full circle, ways of extending the simple model to account for racial conflict outside the labour market are considered in section 6.5 by reexamining the race and class theories criticized in Chapter Two, from a class conflict purview. Some key concepts and notions from each type are retrieved and revitalized by a class conflict analysis that links racial conflicts inside the labour market to community-based struggles and Third World liberation movements. By way of conclusion, class conflict analysis is touted as a preliminary step in bridge building between black and white Marxism, that offers a promising theoretical and methodological framework for research and political action on questions of race and class in contemporary capitalist society.

6.2 Marxist theories of class formation

An explicit theory of class formation is never articulated in radical labour market theory, but contrary to Parkin (1979), class formation theory has a venerable pedigree in Marxist discourse, and is currently emerging from over a decade of Structuralist eclipse to focus attention once again on the role

of human agency in the reproduction and transformation of social relations in capitalist society. Broadly speaking, there have been two distinct traditions of class formation theory within Marxism, distinguished by their different concepts of class.

The classical tradition dates from the Second International and the debates among revolutionary ideologues over the relationship between capitalist development and the revolutionary consciousness of the European working class (Luxembourg, Lenin, Kautsky, Lukacs). The concept of class assumed by the classical theorists was by and large, the orthodox notion predicated on Marx's analytic distinction between class as an objective, economic structure ('in-itself'), and class as a subjective, political-ideological identity ('for-itself') in the Poverty of Philosophy. The problematic of class formation was the need to explain the transformation or lack thereof, from the former to the latter; either working class revolutionism or reformism. Classical theories of class formation consequently tend to be either 'historicist' (class identity arises spontaneously from the relations of production) with teleological overtones, or 'voluntarist' (class identity must be imported from an outside agency).

Contemporary strains of this tradition are discernible in theories of hegemonic versus corporatist working classes, and in 'deradicalization' theories that explain working class 'reformism' by employing Lenin's concept of 'labour aristocracy' (Foster, 1974; Moorhouse, 1978). The deradicalization or corporatist thesis has been foisted on class formation theory in

part by the orthodox concept of class which renders the working class a continuous historical subject determined once-and-for-all by the objective relations of production. Missing from the classical tradition therefore is any conception of the political dimension of class as a discontinuous process of organization.

"The debate about deradicalization is addressed to an incorrectly formulated problem. What it presupposes ... is that there was some glorious past in which the working class was militant History of the working class in the now developed capitalist societies is a history of organization on the only terrain in which such an organization was not completely repressed and at the same time was to some extent effective--the terrain of bourgeois institutions. It is a history of organization, not of "deradicalization" (Przeworski, 1977: 383).

The second tradition of class formation theory is associated with several British Marxist historians--notably Hobsbawm, Hill, Hilton and Thompson--whose practice has been avowedly to rescue history 'from below', that is, to render the formation of the working class visible as an active historical process punctuated with human struggles (Kaye, 1983). E.P. Thompson (1963; 1975; 1978a,b) is perhaps most representative of the British historical materialists. Although his work has been criticized for its lack of theoretical development (Johnson, 1979; Anderson, 1980; Hall, 1981), Thompson has repeatedly challenged the orthodox concept of class and the classical tradition of class formation theory. Rather than reducing class to either a structure or an identity, he invites us to conceive class as an active, structured process of 'self-making'. For Thompson (1963) the distinction between the objective and

subjective dimensions of class serves as an analogy to distinguish two modes of class formation, or historical stages in the 'self-making' of a class. The concept mediating between the two modes is the category of 'experience', by which Thompson refers specifically to the experience of economic, political and ideological domination.

"Class formations ... arise at the intersection of determination and self-activity: the working class "made itself as much as it was made". We cannot put "class" here and "class consciousness" there, as two separate entities, the one sequential upon the other, since both must be taken together--the experience of determination, and the "handling" of this in conscious ways. Nor can we deduce class from a static "section" (since it is a becoming over time), nor as a function of the mode of production, since class formations and consciousness (while subject to determinate pressures) eventuate in an open-ended process of relationship -- of struggle with other classes--over time" (Thompson, 1978a: 106).

Accordingly, the problematic of class formation is not working class reformism or revolutionism per se, but rather the logic of the historical process whereby classes form, de-form and re-form themselves in concrete class and community-based struggles. Thompson (1963) proffers a theory of class formation which, unlike the classical tradition, is not class-bound. Class formation is conceived as a complex process in which outcomes are determined as much by the mundane activities, social practices and struggles of the historical agents involved, as by the social relations constituted by the mode of production. As a corollary then, the process of class formation may be shaped and limited as much by non-class as by class relations, which allows for a class analysis that can

accommodate the effects of racial conflict on class formation, without reifying either race or class.

6.3 A class conflict theory of class formation

The relevance of the second tradition lies not in the historiography so much as the theoretical and political priority placed on historical specificity and human agency, and the concomitant refusal to relegate the process of class formation to a realm of subjective class consciousness contingent on objective class structures. Especially pertinent are some recent interpretations of class, class struggle and hegemony germinating primarily from Thompson's (1963) study of class formation (Kaye, 1983; Wood, 1982; Przeworski, 1977).

6.3.i Class

In opposition to sociological stratification and Structuralist class theories which he argues tend to reify class in terms of 'categories' or 'positions', Thompson (1963; 1978a) maintains that class is an 'historical phenomenon', and hence always a dialectical 'relationship' and 'process'.

"The concept of class as relationship and process stresses that objective relations to the means of production are significant insofar as they establish antagonisms and generate conflicts and struggles; that these conflicts and struggles shape social experience "in class ways", even when they do not express themselves in class consciousness and clearly visible formations; and that over time we can discern how these relationships impose their logic, their pattern, on social processes" (Wood, 1982: 59).

Class as 'relationship' Wood (1982: 59) suggests, in fact involves two historical relationships; one between classes, and one among members of the same class. The antagonistic relationship between or among classes posited by Marxism is a necessary, but not sufficient condition to define a class, since class relations are not reducible to production relations. We must also specify the relations among heterogeneous groups occupying similar positions in the relations of production which are not given directly by the production or accumulation processes. Class for Thompson (1963) denotes something more than just the conditions of class. The hiatus between class conditions and the class itself in the classical tradition is filled by Thompson with the mediation of experience--a common, lived experience of exploitation, competition, conflict and struggle--that can shape a common identity and mobilize common interests expressed in cultural forms, into the 'disposition to behave as a class'. Constructed from the historical material of human experience, classes for Thompson are therefore always social and cultural formations, structured as much by political, ideological and cultural relations as by economic ones.

"The burden of the theoretical message contained in the concept of "experience" is, among other things, that the operation of determining pressures is an historical question, and therefore immediately an empirical one" (Wood, 1982: 62).

Class as 'process' incorporates the dynamic of class formation into the very concept of class. Class formation is regarded as a complex and discontinuous 'structured process'

which is neither wholly determined nor completely arbitrary in outcome. It is a social process whereby historical conditions generate economic, political and ideological struggles among heterogeneous groupings of human agents which, in turn, give rise to the organization, disorganization or reorganization of those agents into conscious formations, as well as changes in the original conditions.

"The notion of class as 'structured process' ... acknowledges that while the structural basis of class formation is to be found in the antagonistic relations of production, the particular ways in which the structural pressures exerted by these relations actually operate in the formation of classes remains an open question to be resolved empirically by historical and sociological analysis. Such a concept of class also recognizes that this is where the most important and problematic questions about class lie, and that the usefulness of any class analysis ... rests on its ability to account for the process of class formation" (*Ibid*: 63).

6.3.ii Class struggle

The historical conditions of class formation are the particular forms of social relations that structure the process, but a central tenet of Thompson's (1963) theory is that classes are never the 'passive victims' of objective social relations, but conscious agents, the historical bearers of traditions, values and institutions. The outcome of class formation is therefore ultimately dependent on the 'self-activity' or social practices of the classes in-the-making. Hence the pivotal role of class struggle, which Thompson (1978b) contends must logically exist prior to conscious class formations. This controversial position is shared by Przeworski (1977: 370) who concurs that "classes are not a datum prior to the history of

concrete struggles". According to Przeworski (1977) classes are not determined directly by the relations of production because they constitute the "effects" of continuous struggles among historical agents whose primary goal and potential outcome, is the organization, disorganization or reorganization of classes. As the conflicting social practices of concrete agents, class struggles themselves are not uniquely determined by the relations of production.

"Class struggles are neither epiphenomenal nor free from determination. They are structured by the totality of economic, political, and ideological relations; and have an autonomous effect upon the process of class formation" (Ibid: 367).

The 'structuring' or 'conditioning' of class struggles refers to the shaping and limiting of the 'form of struggles' or 'organization of social practices' by objective social relations which Przeworski (1977: 377) defines as the "structure of choices" presented in each conjuncture to the individual and collective agents engaged in class formation. These objective conditions are in turn themselves altered in the course of concrete struggles.

"...the role of struggles with regard to the processes of class formation is twofold. First, class struggles taking place within each conjuncture have effects upon economic, political, and ideological relations and hence indirectly upon subsequent processes of class formation. Second, given the particular structure of economic, ideological, and political relations, class struggles affect directly the class organization of persons located differentially in the system of production. The indirect effects of class struggles have consequences for the entire class structure, since they modify the system of production out of which classes are formed" (Ibid: 397).

From this standpoint, if class struggles have an autonomous effect on the process of class formation, and classes are the outcomes of historical struggles, then it follows that class struggle precedes class in the sense that economic, political and ideological struggles are always struggles 'about class formation' before they are struggles 'between or among classes'.

"...class struggles cannot be reduced to struggles between or among classes. Or, to put it differently, classes-in-struggle are an effect of struggles about class The concrete actors who appear at the phenomenal level, "in struggle" in a particular historical situation, need not correspond to places in broadly conceived relations of production, precisely because they are an effect of struggles about class formation Thus, in each concrete conjuncture struggles to organize, disorganize or reorganize classes are not limited to struggles between or among classes" (Ibid: 386).

6.3.iii Hegemony

The concept of hegemony which Thompson (1974; 1978b) uses to describe eighteenth century England, also reflects his theory of class formation. Hegemony denotes neither social consensus nor class domination, but a contested socio-political order perpetually resisted, renegotiated and reproduced without necessarily breaking down into an open revolutionary struggle for state power (Kaye, 1983: 180).

"It is, as Thompson and Genovese seem to agree, a way of defining the historical content of class struggle during times of apparent quiescence" (Palmer, 1981: 88).

The process of class formation is, at the same time, a process of formation of potentially counter-hegemonic social practices, ideologies, institutions and values out of the legacy of past, and the experience of present struggles. Thompson's penchant

for studying cultural forms of working class resistance is a way of grappling empirically with this very historial process, and is

"intended to permit the recognition of "imperfect" or "partial" forms of popular consciousness as authentic expressions of class and class struggle, valid in their historical circumstances even if "wrong" from the standpoint of later developments" (Wood, 1982: 69).

Like Gramsci (1971), hegemony for Thompson (1974; 1978b) is an 'attribute of State power' which 'implies class struggles and has no meaning apart from them'.

In summary, not only has Thompson been instrumental in reconceptualizing class, class struggle and hegemony qua class formation, he has also, in a sense, contributed to the reformulation of class analysis as 'class struggle analysis' (Kaye, 1983: 181), and to the redundancy of the classical tradition of class formation theory.

"A complex view of class formation which gives equal weight to the struggle to organize classes in politics takes us far beyond the simplistic 'class in itself/class for itself' dichotomy. It poses the question of forms of struggle and political organization" (Gilroy, 1981: 212).

Class struggle is conceived as conflict over the social organization of class relations, which include relations among members of the same class as well as relations between or among classes. 'Class struggle analysis' consequently directs our attention to the historical agents and their social practices, the objective economic, political, ideological and cultural conditions, and the objective outcomes of concrete struggles over class formation and between or among classes.

This is not to assert that all concrete struggles that affect class formation are therefore by definition class struggles, or that all social change is directly attributable to class struggle. Class struggle analysis argues that concrete struggles like racial conflict are only explicable in the historical context of the reproduction and transformation of capitalist social relations when analysed as the effects of, and in turn, having an effect on, the process by which classes are formed, de-formed and re-formed. For Przeworski (1977: 385) this stands as a 'methodological postulate' for class analysis which "directs us to analyze the objective determinants of the practices of concrete historical actors with regard to the process of class formation".

6.4 Towards a class conflict model of racial conflict

The parallels between Thompsonian 'class struggle analysis' and the nascent 'class conflict analysis' of radical labour market theory are striking. Both subscribe to multi-dimensional models of class and are critical of static, functionalist analyses that underplay the importance of human agency in the historical processes reproducing and transforming social relations. Both tend to analyse the objective economic, political and ideological conditions determining the practices of concrete historical agents in the process of class formation. And both tend to focus on class-forming struggles structured by relations of appropriation, domination and competition, and share direct theoretical links to, or at least compatibility with, class theoretical theories of the State. Although radical

labour market theory lacks an explicit theory of class formation, it does attempt an analogous historical analysis of the role of class, intra-class and inter-group struggles over the social organization of production and exchange relations in the processes of labour market segmentation and working class fragmentation. It has been faulted earlier for presenting a truncated and overly structural, economic view of class formation that is inclined to restrict all economic, political and ideological struggles to the realm of production. Thompsonian class formation theory on the other hand, has been criticized for relying too heavily on subjective experience and cultural formations to the neglect of theorizing structural economic determinations (Johnson, 1979; Anderson, 1980; Hall, 1981).

The theory of class formation outlined above is a preliminary attempt to compensate for the complementary failings of both approaches. The mode of class analysis emerging from this theory shall continue to be designated 'class conflict' analysis for reasons of consistency, and in order to distinguish conceptually between concrete 'conflicts' to organize class interests, and concrete 'struggles' between or among organized class forces.

The theoretical and methodological implications of this class conflict approach are significant for a class theory of racial conflict. First, the race/class nexus is conceived dialectically in terms of relationship and process within a

concrete totality.⁵ Racial conflicts are neither directly determined by, nor totally autonomous from, class relations. They are historically related to class struggle in the sense that racial conflicts are affected by, and have an effect on, the process of class formation. Second, since class formation is a complex social process with indeterminant outcomes, and racial conflicts occur at different conjunctures in different social formations, any analysis relating racial conflict and class formation would never approach the status of a 'general theory'. And third, it follows that any genuinely non-reductionist class theory of racial conflict must be conceived as an historically specific model mapping what Thompson (1978a: 291) calls the 'logic of social process'.

A class conflict model of racial conflict represents an abstract, idealized mode of apprehending the role of racial conflict in the class formation process, which provides a conceptual framework for a class analysis of concrete conflicts, but does not itself comprise a class theory. The necessary, if not sufficient conditions for a class conflict model are that it specifies (i) the relations between and among the historical agents and their social practices, (ii) the objective social conditions, and (iii) the outcomes of concrete conflicts. Constructing such a model for the labour market will be

⁵ Marxism rejects positivistic (holism) and nominalistic (atomism) notions of totality which dualize subject and object, in favour of a 'concrete totality' mediated by human activity. Social phenomena are conceived as interdependent relationships in a dynamic process of conflict and change (see Ollman, 1971; Israel, 1979; Mirkovic, 1980).

attempted in a rather programmatic fashion below by briefly filling in each category.

(i) A class conflict model of racial conflict in the labour market should specify the relations among the historical agents involved and their social practices. Since racial conflict is not reducible to economic struggle alone, the agents may include any of those engaged in the process of class formation. Thus individuals and collectivities ranging from various socially defined racial groups like Asians, Blacks or Caucasians, to heterogeneous class fractions or distributive groupings, to sundry institutions like trade unions, political parties, churches, schools, and media are all potential agents. The State is both an active participant, and the politico-legal relation structuring racial conflicts in the labour market. The contradiction inherent in the the State's roles as both the guarantor of individual and collective rights, and the politico-legal sanction for all relations of domination, competition and appropriation, means that whether the State champions the victims of racial discrimination, or acts to institutionalize racial discrimination is contingent on the self-activity of those agents involved in struggle.

The 'self-activity' of historical agents can be conceived in terms of their social practices. Practices are intentional, individual, and collective activities whose object and potential effect is the reproduction or transformation of nature (economic practices), social relations (political practices) or human

experience (ideological practices).⁶ The distinctions between types of practices is an analytical one that emphasizes the principal effect of a practice on social relations. Concrete social practices like labour are simultaneously economic, political and ideological in their effects. Racial discrimination, for example, is primarily a political practice reproducing relations of domination and subordination, but it is also an economic practice affecting the distribution of social product, and an ideological practice reproducing racist views of society.

(ii) A class conflict model of the labour market should specify the concrete modes of exploitation in the labour process and forms of racial discrimination in the labour market, and the interrelationship of these social relations. The objective conditions of racial conflict are the concrete social relations among historical agents that structure the social practices of those agents. Again, analytical distinctions between economic, political, and ideological relations can be made corresponding to the major effect of those relations on social practices.

A class conflict model posits that racial conflict has tended to crystallize around relations of appropriation, competition and domination described in Chapter Four as the 'dialectics of exploitation and discrimination'. Class exploitation and racial discrimination are both objective social

⁶ This combines Larraine's (1979) concept of 'reproductive praxis' with Wright's (1978) concept of 'practice' as transformation.

relations, and subjective experiences which shape and limit the practices of human agents engaged in struggle. Exploitation is fundamentally an economic relation between or among classes resulting from the appropriation of surplus value from those agents that sell their labour power, by those that own the means of production. However, it also subsumes a political dimension, the class relations of domination at both the production and state levels, which maintain appropriation and are reproduced by it (Wright, 1982).

Racial discrimination is essentially a political relation defining relations of domination and subordination between or among racial groups, but it also entails an economic relation, namely group competition over access to the social distribution of jobs and wages in the labour market. Relations of competition represent secondary divisions of the social product which may reproduce group relations of domination, but are historically contingent on class relations of appropriation. Both exploitation and discrimination subsume ideological relations among historical agents like racism, which may conceal the concrete social relations structuring their social practices, and thereby operate in the interests of the dominant class or group (Urry, 1981; Larraine, 1979).

(iii) And finally, a class conflict model should specify the objective outcomes of concrete racial conflicts. Although the realm of potential outcomes or effects of concrete struggles is determined by the historical conditions, more than one outcome to any conflict is always possible. Outcomes may be direct or

indirect, reproductive or transformative. Concrete racial struggles in the labour market may have direct effects on the relations of exploitation and discrimination, and on the social organization and practices of historical agents, and therefore indirect effects on other concrete struggles in the process by which the working class is organized, disorganized or reorganized. And conversely, class struggles may have direct or indirect effects on racial conflicts in the labour market. A reproductive effect occurs when a subordinate racial group or class fraction engaged in struggle fails to alter the relations of exploitation and discrimination. When the subordinate group or class fraction succeeds in changing the social relations structuring the conflict, then a transformative effect has occurred.

6.5 Beyond the labour market

The highly abstract model sketched in above represents one possible way of framing a class conflict analysis of racial conflict in the labour market. Extending this model to account for racial conflict outside the labour market however, would be merely a formal exercise at this early stage in theoretical development. A more fruitful approach would be to review the typology of Marxist theories of race and class encountered in Chapter Two, and rejuvenate a few key concepts from a class conflict perspective.

To recap the critique, class stratification and world capitalist systems theories, while underscoring the importance of relations of appropriation to an explanation for the persistence of racial conflict in capitalist society, are inclined to reduce all non-class forms of domination like racial discrimination to class exploitation, thereby devaluing the role of class and community-based struggles in the class formation process. Internal colonialism on the other hand, accentuates the politico-legal, cultural and ideological relations of racial domination at the expense of relations of appropriation, exhibiting a tendency to conflate classes with groups, and exploitation with discrimination, which effectively strands analysis at the level of analogy and description. (Ironically, Parkin's (1979) neo-Weberian theory of class formation and racial conflict also falls into this category).

In sum, the central problems of Marxist theories of race and class are not only the reduction of race to an adjunct of class and vice versa, but equally important, the reduction of class to an economic relation. Both stem from the failure to perceive class formation as an historical process, the outcome of which is contingent on concrete struggles to organize classes as well as struggles between or among organized classes. Regardless of their flaws, each type adumbrates significant aspects of the race/class nexus which contribute to a class conflict analysis linking racial conflicts inside the workplace with racial conflicts in the community and liberatory movements in Third World countries.

6.5.i The surplus population

A critical element of recent racial conflicts outside the labour market in western capitalist societies is the crisis confronting black youth that Willhelm (1980) has coined the 'economics of uselessness'. Blacks are not only overrepresented in the secondary labour markets, they are also more susceptible than white workers to temporary or permanent exclusion from the labour market, particularly in periods of continuous recession. Although they remain members of the working class broadly defined, it is difficult to avoid the conclusion that the labour power in the riot-torn black enclaves of British and U.S. cities has become largely expendable to capitalist production. Sivanandan (1982) has described the situation in his inimitable style.

"They are not the unemployed, but the never employed. They have not, like their parents, had jobs and lost them--and so become disciplined into a routine and a culture that preserves the status quo. They have not been organized into trade unions and had their politics disciplined by a labour aristocracy. They have not been on the marches of the dis-employed, so valiantly recalled by Labour from the hunger marches of the 1930s. Theirs is a different hunger--a hunger to retain the freedom, the life-style, the dignity which they have carved out from the stone of their lives" (Ibid: 49).

The concept of industrial reserve army or 'surplus population' is useful for analyzing the situation of blacks and other communal groups whose labour power has become marginalized or separated from any form of participation in capitalist production. In orthodox Marxist theories the concept tends to be conceived functionally as evidence of the racist strategies

of the capitalist class to regulate wages and divide the working class along racial lines. In a class conflict analysis the surplus population becomes a dynamic concept related to the historical processes of capital accumulation and class formation. The logic of capital accumulation Marx noted, promotes competition among capitals, a search for higher productivity and increases in the organic composition of capital. As it develops, capitalism displays a tendency to displace labour power from production into a reserve, but the distribution of this surplus labour power is not determined directly by the relations of production. Following Przeworski (1977), Gilroy (1981) argues that the form of organization of surplus labour is a direct effect of class struggle.

"At the social formation level, this labour power is actual men and women expelled from production--'black', 'unskilled', 'old', 'young'. But there are intense political struggles over the composition of this surplus population. It is never determined mechanistically by the objective conditions (development of productive forces, phase of accumulation, etc.), which only delineate the range of possible outcomes" (Ibid: 211).

Thus, from a class conflict perspective, members of capitalism's surplus populations are historical agents whose concrete struggles must be accounted for in terms of their self-organization, and their effects on the processes of capital accumulation and class formation. Racial groups that constitute surplus populations can therefore only be considered 'declassed' in Willhelm's (1980) sense, from the context of an orthodox class analysis which conceives classes as economically

determined positions in the relations of production.

6.5.ii Cultures of resistance and the concept of community

Internal colonialism focuses more on the political, cultural and ideological domination experienced by blacks than on their exploitation, reminding us that racial discrimination in the labour market is only one form of racial oppression, and that a cultural revolution may be prerequisite to black liberation. A class conflict analysis posits the fusion of race and class experiences mediated by concrete economic, political and ideological struggles against exploitation and discrimination in the community as well as the workplace. It is more concerned with the role of culture in the ideological hegemony of the capitalist State, and the effects of racial struggles on the ensuing processes of class and state formation. Contemporary black Marxist writings on black resistance in Britain (Hall et al., 1976; Gilroy, 1981; Sivanandan, 1982), and the United States (Marable, 1980a; 1981) come closest to a class conflict perspective in their analyses of black self-organization, and the fusion of race and class struggles into community-based struggles.

Sivanandan (1982) and Gilroy (1981) have addressed the 'unique dialectic of race and class' structuring class struggle in Britain to explain the riots that exploded in Brixton in July 1981 and quickly spread throughout the slums of numerous cities that summer. Gilroy (1981) contends that racial struggles, and particularly those of black youth, have had profound effects on class struggle and class formation in Britain that have been

virtually ignored by white Marxists.

"It is precisely because race binds the processes by which ethico-political hegemony is presently reproduced that focusing analysis around it offers a privileged view of unfolding state authoritarianism, the stage of capital accumulation and the balance of forces in political struggle" (Ibid: 208).

Following Sivanandan (1982) and Cabral (1973), he locates racial struggles in a 'perspective of culture as a terrain of class conflicts'. Black culture becomes an expression of resistance to exploitation and discrimination for a people denied access to the institutions of their class, and to the economic and political systems of their adopted countries. 'Cultures of resistance' like Rastafari, for Gilroy (1981) are forms of class struggle "in and through race" which affect class formation.

"Black struggles to refuse and transform subjugation are no ready answer to class segmentation, but because they are 'against capitalism, against racism', they do attempt to constitute the class in politics where 'race' is no longer relevant; whereas the racist ideas and practices of the white working class become ways in which the class as a whole is disorganized" (Ibid: 210).

The locus of black struggles and the reproduction of cultures of resistance, Sivanandan and Gilroy point out, is not the workplace so much as the black community.

"Localized struggles over education, racist violence and police practices continually reveal how black people have made use of notions of community to provide the axis along which to organize themselves. The concept of community is central to the view of class struggle presented here. For it links distinct cultural political traditions--which have a territorial dimension--to collective action and consciousness, and operates within the relations of 'economic patterns, political authority, and uses of space'. The idea of a racially demarcated collectivity of this type underlines the fact that

community cannot be viewed as either static or as determined by the essential characteristics of the class or class fractions which have come to constitute it" (Gilroy, 1981: 212).

The concept of community developing in black Marxist writings is a useful unit of analysis, not only for disclosing the 'territorialization' of social control by the capitalist State epitomized by the notorious 'Sus' laws and 'community policing' in Britain, but also for the theoretical relations it posits between racial conflict and the surplus population, and Third World liberation struggles, for a class conflict analysis.

6.5.iii Labour migration and liberatory movements

The main contribution of world systems theory is to place the analysis of racial conflict in the context of developing global capitalism, and the role of the State. It focuses on the relations between the imperialist 'centre' and colonized 'periphery' states in the creation of a world division of labour which has historically coincided with a racial division of labour. Although the assumption that racial oppression is merely a means of imperialist or comprador exploitation tends to blur the distinction between racial and class forms of domination, it does serve to highlight the complex intermeshing of racial, class, national and religious struggles in the liberatory movements of the periphery, and their relationship to class struggle and class formation in the centre.

A class conflict approach might accept the premise of centre-periphery relations in a world capitalist system, but would analyse the relations between class and community-based struggles in the centre, and liberation struggles in the

periphery in terms of their effects on class and state formation, and the racial division of labour in the system. Some preliminary work along these lines has already commenced, but it remains fragmentary and theoretically undeveloped. Recent scholarly work attempts to integrate a world systems perspective with radical labour market theory and a theory of the capitalist State into a model to account for the emergence of international migration as a labour supply system, and for the role of cheap labour that immigrant groups have traditionally played in the labour processes at the centre (Miles, 1982; Frobel et al., 1980; Sassen-Koobe, 1980; 1981; Portes and Walter, 1981; Piore, 1979; Portes, 1978; 1979; Jenkins, 1978; Burawoy, 1976; Castells, 1975).

Drawing from this literature, Bonacich (1980) presents a simplified model of 'ethnic' relations in an imperialist world system which maps the social relations within and between imperialist and colonized states, structuring forms of national struggle in the periphery. She concludes that nationalist movements evolve from

"class relations generated by the development of capitalism and imperialism, and represent efforts to create alliances across class lines, or, alternatively, to prevent alliances from developing within major classes across national lines" (Ibid: 21).

As a counterpoint, in his analysis of 'imperialism in the silicon age', Sivanandan (1982) argues that imperialist penetration of the periphery has produced "disorganic development: an economic system at odds with the cultural and

political institutions of the people it exploits", and hence that liberationary movements in the third world are often 'mass' movements, but rarely 'class' movements.

"Revolutions in these countries are not necessarily class, socialist, revolutions--they do not begin as such anyway. They are mass movements with national and revolutionary components--sometimes religious, sometimes secular, often both, but always against the repressive political state and its imperial backers" (Ibid: 159).

6.6 Conclusion

This study was intended as a critical, expository treatment of two fundamental issues arising from the race - class debate within contemporary Marxism; the feasibility of a non-reductionist class theory of racial, inter-group conflict, and the appropriate focus for such a theory. The purpose was not so much to provide a critical overview of the field, as to promote a class conflict mode of class analysis, as opposed to a group power approach, and to encourage more dialogue within the Marxist wing of sociology.

To summarize, the critique of three important types of race and class theory adumbrated some serious flaws in the Marxist approach to racial conflict. The critical review of neoclassical, dual and radical labour market theories highlighted the social relations between groups and classes, class struggle and racial conflict, exploitation and discrimination in the historical processes of market and class formation. An evaluation of the theoretical and methodological implications of radical labour market theory yielded some directives for Marxist theories of class and the State, and a

class conflict analysis of racial conflict that could be extrapolated beyond the labour market to include community-based and Third World liberation struggles. Regarding the first issue, it was argued that Marxist class analysis could be fruitfully applied to racial conflict, without resorting to reductionist or functionalist explanations. On the second issue, it was resolved that the labour market constituted a necessary, but not sufficient focus for a Marxist theory of racial conflict.

The abstract, class conflict model of racial conflict was proposed as conceptual scaffolding for a Marxist theory of inter-group conflict that would situate racial, ethnic and gender conflict within the historical context of global class formation. Further theoretical development in several areas is prerequisite to parlaying this model into a unified theoretico-methodological framework for research on inter-group conflict. To note but a few, the linkage between the concrete struggles of collective agents, and the economic, political and ideological relations that shape and limit them, could be more adequately specified by, perhaps, incorporating a concept of 'contradictions' in the mode of production. Concomitantly, the contradictory roles of the State, and the state system in racial conflict and class formation call for more attention than they are accorded here. And finally, more theoretical refinement of the historical relationships between capitalism, colonialism and racial conflict would help to expedite this project.

This study was also conceived as a bridge-building exercise to promote dialogue between 'black' and 'white' Marxism, and to demonstrate that racist, sexist and ethnocentric interpretations are more often the products of inadequate theoretical and methodological bases, than the race, sex or ethnicity of the analyst. The need for cross-fertilization within Marxism, such as between Marxist feminist writings and race - class theory is manifest, and may provide fertile seeds for political and ideological practice.

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