MARXIAN CLASS ANALYSIS

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Concepts of Class

The concept of class poses profound problems for theory and practice. This is true across the academic disciplines and in the confused incoherence around “class issues” when concepts of class surface in economic, political and cultural discourses. Since 1945, the Cold War and its lingering effects prevented many discussions of social trends, events and crises from considering their class causes, components or consequences. For many, loyalty to capitalism and/or hostility toward its critics took the form of refusing to use concepts like class. The very idea of class when applied to the US or advanced capitalism anywhere was rejected with claims that it was outdated (since modern capitalism homogenized nearly everyone into a vast “middle class”). Many dismissed class analysis because it was “tainted by a lack of objectivity” (a quality that they located in the concepts they used instead of class). Only quite recently, following the 2008 global capitalist crash, have concepts of class resurfaced in many minds and therefore in much public discussion.

What might be called the return of the repressed discourse of class is problematic because there is no one concept of class. The word, like the concept, entails multiple, significantly different meanings among those who think and communicate using it. Only a small minority of users explicitly identifies and justifies which meaning it prefers. Most users think, speak and write as if the particular concept of class they use is the universally agreed concept. Because that is not the case, discourses using class categories are often confused and misunderstood. When the relation between class and social change arises as a practical matter, the problematic nature of class as a concept becomes historically urgent.

At least as far back as ancient Greece, people analyzed their own and others’ societies by dividing populations into social subgroups according to their wealth and/or incomes. Much as they classified populations for some purposes according to gender, height, weight and age, for other purposes, such as understanding social conflicts, they could and did classify by wealth or income. Classes were the nouns applied to the subgroups derived from applying the verb to classify. Economic classifications generated the rich and the poor, the two polar classes. It was then a small step to subdivide populations into further subgroups located in the middle between the rich and the poor. Such subgroups—middle classes—held more wealth and/or received more income than those designated poor, but less than those designated rich.
Classifications into rich and poor presupposed some notion of private property to provide a boundary between one person’s wealth and/or income and another’s (much as age classifications presupposed some accepted way to measure and thereby differentiate each individual’s age).

Ever since ancient Greece, many people analyzing societies have used that concept of class defined in terms of owned wealth and/or income to think, speak or write about social problems and to undertake actions for their solutions. Thus, for example, citizens, leaders, observers and so on might say that a society suffers from tension and conflict because of its particular divisions among rich, poor and middle classes. They might offer solutions entailing changed modes of distributing wealth and/or income or perhaps redistributing them after an initial distribution. Their class analyses and class-focused solutions—defined in terms of class qua property—represent what they believe to be useful, effective contributions to social betterment.

Another, equally ancient but quite different concept of class also still in wide usage defines it in terms of power wielded over others. People using this concept classify populations they scrutinize into those who give orders to others and those who take and follow orders from others. One is the powerful class while the other is the powerless class: the ruling class and the ruled. As with the property-based concepts of class, those who use power definitions of class also intersperse middle classes, members of society who took orders from some while giving orders to others. Now as for thousands of years many people make sense of the structures, changes, problems and solutions for societies by examining what they take to be their class structures: their organization into subgroups with more or less power over one another.

With two different concepts of class, class analyses could and did yield different understandings when applied to actual societies. Classifying populations according to who has and does not have property, including middle classes, yields different subgroupings from those resulting from classifications according to the power wielded (or not) over others. The social distribution of property is not identical to the social distribution of power. In any society, the individuals and subgroups who own the most property may or may not wield the most power, and so on. When thinkers and writers used the same term, “class analysis,” while defining it differently, confusion could set in. When they were unaware of definitional differences and so did not acknowledge, identify or justify which definition they used, confusion was certain.

Periodically in human history, social revolutions took “class” seriously. Revolutionaries then undertook to change a society’s class structure as a key, necessary component of the social transformation they sought. These transformations can be summarized as establishing equality and democracy. Revolutionaries committed to class-qua-property concepts focused on redistributing wealth and income or reorganizing how they were distributed initially. Their goal was a much more egalitarian distribution of wealth and income. In contrast, revolutionaries who conceived of class in terms of power rather than property focused on redistributing power and/or reorganizing how power was distributed initially. Their goal was a much more egalitarian distribution of power.

Not infrequently, class analyses worked with both property and power concepts, although rarely with much self-consciousness about the problems raised by two different definitions. Thus, for example, property theorists of class made the simplifying presumption that altering the social distribution of wealth and income would necessarily and correspondingly alter the social distribution of power. Similarly, power theorists of class could run the same determinist argument in the reverse direction: changing power distributions would necessarily alter the social distribution of property. Sometimes, analyses and activists made another, related and simplifying assumption, namely that those with wealth would also acquire power and those lacking either would likely also lack the other.
Across thousands of years of European history, class analyses rose and fell in their popularity and use for understanding social structures, changes, problems and solutions. Likewise the two basic definitions of class alternated in terms of which prevailed or, sometimes, how they were combined into composite definitions. Yet a certain insufficiency and failure dogged the class revolutions that punctuated European history, even when they “succeeded” in the sense that revolutionary forces defeated those who wished to avoid revolutionary change.

Despite the progress they achieved, their goals of egalitarian distributions of wealth and income and/or egalitarian distributions of power were never reached. For many, those failures provoked a fatalism that held the goals themselves as beyond human reach. Others questioned the thinking that had guided the revolutions. They asked whether something had been missed or misunderstood about social structures, changes, problems and solutions by successive revolutionary movements. If rectified, might that something enable revolutionaries finally to achieve their twin goals of equality and democracy?

Marx’s New Concept of Class

Marx was one who asked such questions. In producing his answer, Marx generated another new and different concept of class even as he also made frequent use of the ancient property and power concepts of class inherited from previous generations of revolutionaries.

Marx believed that those generations had not achieved their basic goals of equality and democracy because they had not understood a basic process in all societies. That failure to understand had worked to undermine their revolutionary projects. By not understanding and therefore inadequately transforming that process, their revolutionary projects failed. Even when their revolutions achieved significant and socially progressive changes in property and power distributions, those did not progress to the levels of equality and democracy they had hoped and worked for. Often, the progressive changes they achieved could not be sustained beyond a few years. For Marx, the personally transformative example of such limitedly successful revolutions was the French Revolution. It overthrew feudalism but its goals of liberté, égalité, fraternité were not achieved.

Marx’s Capital presented his analysis of the missed social process—basically the production and distribution of the surplus, as we shall show below. Capital explained how this class-qua-surplus process helped to shape the social distributions of property and power. The failures of previous revolutions (such as the French) to achieve genuine, sustainable equality and democracy emerge as consequences of their failure to recognize, understand and transform this class-qua-surplus process.

Even though Marx devoted much of his life to research and exposition of his new surplus conception of class, many readers and followers since have missed the originality of his new and different concept. They read his work instead as if it were an important new application of the old property and power concepts of class to analyzing capitalism. That is indeed one of Marx’s contributions. However, to see only that misses the crucial importance of his new class-qua-surplus concept to both understanding and getting beyond capitalism. Marx’s focus on the surplus thus carries over into our time too as a key component of critical social analysis demanding recognition and application.

Early in volume one of Capital, Marx identifies his new notion of class. He defines it as a distinct social process that occurs together with the physical labor process within the activity known as production. In production, workers labor—men and women use brains and muscle—to transform naturally occurring objects into useful products. They labor on raw
material inputs with tools and equipment inside buildings, etc., with their means of production. But the labor process is not the same thing as the class process. The class process refers to a connection among the people engaged with the production activity that is different from the labor connection that generates a specific product.

Class, for Marx, refers to how, in production, a surplus gets produced. All human societies produce such surpluses. However, societies differ in how they organize the production and distribution of their surpluses. In Marx’s view, there have always been subsets of populations in communities (from families through villages to whole nations) that have performed labor in the production of goods and services. Those subsets have always produced more output than they themselves consumed: the “surplus” output or simply the surplus. That surplus has then been distributed to other persons inside or outside the community.

The class structure of a community or society is, then, its distinct organization of the production and distribution of surplus. A specific subgroup of individuals is designated, consciously or unconsciously, by custom or deliberation, to produce the surplus (i.e., they produce more than they themselves consume). Those same or other individuals receive the surplus and distribute some or all of it to still others: recipients of distributed shares of the surplus. Each community or society designates which individuals can receive distributed shares of the surplus, consume them, and thereby live without themselves producing the surplus. Likewise, every society designates a subgroup to do work that does not itself produce a surplus but rather provides conditions for the labor of others who do produce the surplus. Such enablers of surplus production by others need to receive a distribution of the surplus produced by those others; that distribution provides the enablers with their own consumption and with the means for performing their enabling functions. For example, a person who keeps the necessary records of what surplus-producing laborers do is such an enabler; so too are the persons who clean up residues of production, who make sure the surplus-producers keep to their tasks, etc. Marx differentiated between “productive” workers (those who directly produced surpluses) and “unproductive” workers (the enablers who provided needed conditions for surplus production). Both productive and unproductive workers were needed for any class structure to exist and persist, but their relationship to surplus production was crucially different. One kind of worker produced the surplus while the other, the enabler, lived off distributions of that surplus.

The earlier pre-Marxian concepts of class (qua property or power distributions) had no place for such a surplus concept of class. When those pre-Marxian concepts were applied to understand and/or transform societies, the results were class analyses that did not recognize, know or use the surplus concept. Their social analyses and prescriptions did not take into account how the societies they scrutinized organized the production and distribution of surpluses. They were, in effect, blind to the existence and social effects of society’s class (qua surplus) structure.

Marx’s Capital introduced the class-qua-surplus analysis and advocated using it to transform society. He did so in the belief that past revolutionary projects for social equality, democracy and liberty were limited to pre-Marxian property and power concepts of class. Early revolutions could have done better and gone further had they also understood and applied the class-qua-surplus concept. Marx saw his own contribution to theory and revolutionary practice as precisely enabling that application.

Such application meant that revolutionary projects had henceforth to address and change how society organized the production and distribution of its surpluses. If the society’s class-qua-surplus structure were not transformed, then egalitarian reforms in the distributions of property and power, if won by revolutionary struggles, would be insecure. They would likely
be undone by the unchanged class-qua-surplus structure. To cite a modern example, the transformations of property and power distributions achieved by the 1917 revolution in Russia were eventually undone by the insufficiently changed organization of the surplus across the production sites of the Soviet Union.\(^2\)

In *Capital*, Marx spelled out the change he sought in societies’ class-qua-surplus structures, the change required to surpass the limitations of past revolutions. That change was from the past’s exploitative class-qua-surplus class structures to the non-exploitative class structure Marx advocated. By exploitative, Marx explicitly explained a class structure in which the people who produced the surplus were different from the people who received and further distributed that surplus. In slave economic systems, slaves produced while masters received and distributed surpluses. In feudal economic systems, serfs produced the surpluses received and distributed by lords.

Marx’s *Capital* explained that in capitalism, laborers in production—those whose brains and muscles directly converted raw materials and means of production into finished products—thereby added value to the values embodied in the raw materials and means of production used up in production. The “value added” by the direct laborers plus the value of used-up means of production equaled the value of the output. “Value” was the metric because, in the capitalist economy Marx was analyzing, products took the form of commodities, products that passed from their producers to their consumers by means of exchanges in markets. Exchange is what attaches value to the products of human labor if and when they pass from their producers to their consumers by way of markets.

For Marx and his value theory, the value of the capitalist product is simply the addition of two components. The first is the value carried over to—embodied in—the finished product from the used-up portion of the raw materials, tools and equipment. In effect, production relocated the values of the used-up means of production into the product. The second component is the value added by living labor as it worked, transforming raw materials by means of tools and equipment. Exploitation exists in capitalism, Marx showed, because the value added by direct laborers in their labor activity during production generally exceeds the value paid to the direct laborers for performing that labor activity.

In other words, a portion of the value added by labor in production is a surplus: the excess of the value added by the workers’ labor over the value of the wage they receive. The capitalist who appropriates that surplus is the employer in the capitalist system: a person or persons usually other than the direct laborers who produce the surplus. The capitalist employer also distributes that surplus after having received or appropriated it. Thus the capitalist exploits the direct laborer (proletarian) much as the master exploited the slave and the lord the serf.

Capitalism did NOT liberate slaves and serfs from exploitation. Rather, it merely changed the form, the particular social organization, of continuing exploitation.

**Equality and Democracy**

Capitalist exploitation negates social movements toward egalitarianism. The exploitation makes production a conflict-ridden tension between the worker and the employer. The former’s self-interest leads to demands for higher wages—to enhance and secure his/her standard of living—in exchange for the labor performed. The employer’s self-interest seeks to extract more surplus from the direct laborers and pay the least possible to enablers. Usually, the disparity in resources brought to their conflicts favors the employers over the employees. Surpluses appropriated by employers tend to rise faster than real wages. This
growing inequality ramifies throughout capitalist societies undermining whatever egalitarian tendencies might characterize their political and cultural aspects.

Of course, capitalism’s inequality tendencies can interact with its other dimensions (e.g., capitalist cycles) to provoke political and cultural backlashes that reverse capitalism’s inequalities. The reversals prove temporary because they are undone (reversal of the reversal) by capitalism’s underlying tendencies toward inequality.3 Thus, for example, the US left in the 1930s (CIO unionization drives, large socialist and Communist parties) forced a reversal of the extreme inequality built up in US capitalism before 1929. That reversal lasted to the 1970s, only to be then undone by capitalism’s usual underlying inequality tendencies. The latter reasserted themselves precisely because the underlying exploitative class-qua-surplus structure of US capitalism had not been transformed by the left’s social struggles and reforms of the 1930s or thereafter.

Similarly, capitalism’s organization of the surplus directly contradicts democracy and undermines it too when, temporarily, democratic moments occur. The direct contradiction lies in the organization of typical capitalist enterprises, large, medium and small. A tiny subset of the persons involved with the enterprise usually owns and directs the enterprise; in corporations, for example, this subset comprises major shareholders and the boards of directors they select. The tiny subset can and virtually always does exclude the mass of employees from genuine participation in ownership or direction of the enterprise. The democratic logic—that persons affected by decisions have the right to participate in making them—is denied entry into the capitalist enterprise. In the US, the democracy celebrated at least formally in the political sphere is banished from the economic sphere.

This absence of democracy from the workplace, where adults spend most of their waking lives, undermines the capacity and often the desire of individuals for democracy in politics. At the same time, the inequalities generated by capitalism provide employers with the disproportionate financial resources to shape politics and culture to their liking as opposed to that of the largely excluded masses. The result in the US is mostly formal but little real political democracy. Periodic upsurges of democratic demands and even the occasional achievement of democratic reforms fail to last because the unchanged class-qua-surplus structure of capitalism works systemically against them.

Across Capital, Marx elaborates his class analysis of capitalism. In the first volume, his goal is to show how capitalism’s surplus is produced and received/appropriated. In the second and third volumes, Marx explores how capitalists distribute the surpluses they appropriate from direct laborers. The surplus distributions are aimed primarily to secure certain conditions for the continuation of class exploitation and to provide means of production and consumption to the range of enablers of capitalist exploitation, its unproductive workers. These include supervisors who make sure direct laborers do their work, security guards who protect the enterprise, and an army of other enablers such as the secretaries, clerks, various managers, sales and purchasing personnel. This argument is spelled out in detail for the capitalist class process elsewhere.4

Capitalist production of the surplus positions and sustains the producing worker and the appropriating capitalist as its two poles. Capitalists’ surplus distributions to unproductive enablers thereby secure their capitalist positions as the surplus appropriators and distributors. The production of the surplus enables its distribution and vice-versa. For Marx, the class structure of the capitalist system refers to its unique organization of the production and distribution of the surplus.

Of course, the class structure’s reproduction is not assured or self-contained; it depends on its environment. The appropriators’ surplus distributions merely try to secure the class
structure’s conditions of existence and its reproduction by shaping as many of its environment’s dimensions as possible with the surplus available for those distributions. The surplus distributions may or may not succeed. Capitalists may not appropriate enough surplus to distribute the requisite quantities. There may be enough surplus, but the appropriators may divert too much to their own consumption or too little to secure one or another particular condition of existence of the class structure. How the surplus is distributed will shape the evolution of the class structure and thus the amount of surplus it generates. A class structure’s continual changes can and eventually do include its transformation into another, different class structure.

The Class Structure of Communism

Aspects of the capitalist class structure and of class qua surplus as a concept become clearer when applied to a non-capitalist class structure and, in particular, to the communist class structure as envisioned by Marx. The difference between the two class structures is simple and straightforward. Communist class structures are defined by the absence of exploitation. The producers and appropriators of the surplus in a communist class structure are the same people, whereas in the capitalist class structure, they are different people. In an enterprise whose class structure is communist, the productive laborers collectively are also the appropriators of the surpluses they produce. It then follows that they are also the surplus distributors. The productive laborers displace the capitalists who literally disappear from the communist class structure.

Of course, such communist producers/appropriators/distributors of the surplus need to sustain the enablers of the production of the communist surplus, the communist form of “unproductive” workers. The distribution of communist surpluses defines two positions at its poles: the “productive workers” who are also the appropriators and distributors of the surplus at one pole, and the recipients of distributed shares of the surplus, the “unproductive” workers at the other pole. As in all class structures, the process of distributing the surplus is the object of struggle between distributors and recipients. However, the key difference separating the communist from all exploitative class structures is this: in the latter, the exploiting classes (slave masters, feudal lords and capitalist employers) interpose themselves between the productive and unproductive laborers. In the communist class structured enterprise, the productive and unproductive laborers remove the interposers and negotiate directly with one another to determine together both the size and the distribution of the surplus.

The significance of this difference is huge. First, capitalists are in the position of distributing portions of the surplus to themselves (as owners, shareholders and/or as top corporate executives). These portions are often—and for obvious reasons—large. The deep tendency toward inequality exhibited in and by capitalism is closely linked to who distributes its surpluses. The small minority that decides the distribution in capitalism serves itself and thereby worsens inequalities over time. The distribution of the surplus decided by productive and unproductive workers democratically acting together and without any capitalist interposer would likely be much less unequal.

Second, consider the example of a technical change in the methods of production available to an enterprise, a change that both enhances profitability but is also ecologically dangerous or toxic. The capitalist enterprise will likely choose to implement the change because the extra profit means there will be more to distribute. The capitalists making the decision are few and can finance escapes from the toxic consequences in terms of their living locations, etc. The communist enterprise will likely choose otherwise, since its collective
decision-makers (productive and unproductive workers deciding democratically) will weigh the health risks and costs that they, their families and neighbors will have to bear if the toxic technology is used. One cause of ecological damage would be reduced by a class change from capitalist to communist class structures in enterprises.

Third, consider the example of moving production from a relatively high-wage to a relatively low-wage location. Capitalists have been doing that in large numbers for nearly half a century, leaving North America, western Europe and Japan for China, India, Brazil and so on. Capitalists made those choices for their enterprises because relocation enabled them to extract more surpluses. They used those additional surpluses to better secure their conditions of existence but also to pay themselves higher salaries, dividends, etc. Had their enterprises been instead organized as communist, their decision-makers (their productive and unproductive workers together democratically) would have evaluated relocation differently in terms of its impacts on them and on their communities. The alternative class structures with their different sets of decision-makers would have identified, counted and weighed costs and benefits differently. They would thereby have reached different conclusions and made different decisions. The massive relocation of capitalist enterprises since the 1960s would have been far, far less of a social phenomenon had communist class structures of enterprise played larger roles in our economies.

On a more general level, inside a capitalist enterprise, its governance—the process of defining and choosing among alternative courses of action in and by the enterprise—is undemocratic. In the corporate form of capitalist enterprise—the major form in our time—the board of directors makes the basic decisions of what, how and where to produce and what to do with the surplus. Boards of directors typically include twelve to twenty individuals elected by shareholders, or more accurately, by the few major shareholders (since elections assign one vote per share and share ownership is highly concentrated). The hundreds or thousands of corporate employees—the vast majority of persons working in those enterprises—are excluded from participating in the decisions made by the board of directors. Those employees depend on and live with the consequences of board decisions but have no role in making them.

The opposite is the case in a communist enterprise. There, the combined productive and unproductive workers collectively and democratically make the decisions assigned to boards of directors in capitalist enterprises. The democracy of enterprise governance intrinsic to the communist class structure supports and reinforces democracy in the politics of the larger society. Democratizing the enterprise—in class terms, converting it from a capitalist into a communist class structure—is a way of converting formal into real political democracy.

The Varieties of Class Analyses

The basic logic of class-qua-surplus analysis entails asking the same basic question wherever and whenever production occurs in any society. If, at any site in a society, human beings are using their brains and muscles to transform objects given in nature into what they or other human beings deem useful objects, then production is happening there. The following question then applies: is a surplus being produced at that site? If the answer is yes, class analysis follows. That is, the specifics of the production and distribution of the surplus are investigated to determine how they participate in shaping the economic, political and cultural aspects of the society in which the production occurs.

We may answer the class analytical question with a simple “no.” Production can occur without the production of a surplus being involved. When someone walks through the woods
and carves a piece of wood into a figurine that the carver gives to a nearby child, no surplus—and hence no class process—is involved. If, however, the carving in the woods is by a wage-receiving carver with a knife and raw wood provided by an employer who receives and sells the resulting figurines, a surplus is involved. Class analysis does then apply.

So far—and in the tradition of most economic analyses—we have limited discussion to the enterprise as the social site of production. Now we can relax that limit. Production occurs elsewhere at social sites such as the household and the state, among others.

In households over the last two centuries, as capitalist class structures have spread across enterprises, capitalist class structures have NOT similarly prevailed among households. Households certainly are sites of production. Raw foods are transformed by labor, tools and equipment into finished meals; unclean rooms and clothing are transformed into neat and clean residences and outfits, and so on. Moreover, the direct performers of the labors of cooking, cleaning, etc. produce more output than they themselves consume, a household surplus. It is possible to identify the appropriator and distributor of that surplus and hence to pinpoint the class structure of the household.

Across most US history, the traditional household displayed an internal class structure quite different from the capitalist class structure of most enterprises. Inside households, no wages or market exchanges or profits existed. Rather, elaborate customs and traditions, often sanctified by religious doctrines and rituals, specified who produced the surplus, when, where and how, and likewise who received/appropriated it. Traditional rules of home and family life likewise governed to whom (to which enablers) the appropriator distributed what portions of the household surplus in order to secure the conditions of existence of the household’s class structure.

In traditional US households, the adult wife produced the household surplus, often helped by children when old enough to work. The husband appropriated the surplus and distributed it to others inside and outside the household in ways likewise sanctioned by traditions and religions. In these households, the surplus-performing wives were neither the slaves of their husbands nor their wage-earning employees. The wives were not equals in a communist class structured household sharing the surplus producing but also surplus appropriating positions inside households. Rather, the typical household class structure in the US most resembled the feudal class structure of medieval Europe.

It follows that modern “capitalist societies” have a much more complex and variegated class structure than economic analyses and the adjective “capitalist” have usually recognized. Their households have often been the sites of very different, non-capitalist class structures. That means that individuals in those societies were engaged with, participated in and were shaped in part by multiple, different class structures. Class-qua-surplus analysis generates a much more complex, nuanced analysis of individuals and groups than merely locating them in relation to property and power distributions or locating them solely in relation to the particular surplus organization of enterprises.

The state may also be a social site of production and class. This occurs, for example, if and when officials of the state establish—as their state function—productive organizations in which surpluses are produced, appropriated and distributed. Popular language has often depicted these organizations as “state enterprises” precisely because they do what enterprises outside the state do. Thus state enterprises have become differentiated from “private” enterprises in recognition of what we here describe as production and class occurring in the state. In the US, for example, state governments own and operate state institutions of higher learning that produce and sell college and university credits to students; the federal government sells postal services and train services to the public; local governments sell...
transport services; and so on. In such state institutions, surpluses get produced, appropriated, and distributed. Such institutions include productive and unproductive workers. Unlike households, the class structures at the site of the state—in state enterprises—do largely replicate the capitalist structures found in private enterprises.

Class-qua-surplus analyses of the state have some provocative implications. For example, increasing the size and productive role of state enterprises, say at the expense of private enterprises, has nothing to do with any change in the society’s class structure from capitalist to something non-capitalist, say “socialist.” Such an argument misunderstands what class means or defines it in terms other than the organization of the surplus. Government enterprises can be, and in modern times often have been, capitalist in their class structures just as private enterprises have been. More government and less private production merely changes the site of capitalist class structures; it has not been a displacement of capitalism for an alternative system—at least so far as class qua surplus is concerned.

Only if the state enterprises were organized to produce and distribute surpluses in a different, non-capitalist way would the shift from private to state production also entail a shift from capitalist to non-capitalist class structures of production. If state enterprises were required to operate as communist class structures, for example, such that their productive workers would also function, collectively and democratically, as appropriators and distributors of the surpluses they produced, then the shift from private to state would coincide with a shift from capitalist to communist class structures of production.

**Class and Income**

The class-qua-surplus analysis of income is simple and straightforward. An individual obtains income by being a performer of surplus labor (and therefore paid a wage or salary for that performance) and/or by being a recipient of distributions of the surplus. The capitalist is merely a middle-person, someone who appropriates the surplus and then distributes it. Little income accrues to the capitalist per se (indeed, corporate boards of directors typically receive little pay for their services on such boards).

Productive workers who produce surpluses get wages, the non-surplus portion of the value added by their labor. Unproductive laborers also get wages, but those are portions of the surplus appropriated by capitalists from productive laborers. Capitalists then distribute such portions to unproductive laborers for securing certain conditions of existence of capitalist production. Class-qua-surplus analysis thus differentiates productive from unproductive wages. These are different payments for very different things, either for producing surplus or else for enabling others to produce surplus. Productive and unproductive laborers may or may not recognize, be conscious of their differences. They may think of themselves as nearly identical, say by focusing on their shared experience of being paid wages. Or they may differentiate themselves by the specific tasks they do such as white collar versus blue collar.

Class-qua-surplus analysis differentiates them otherwise, according to their very different relationship to the organization of the surplus. One produces it while the other enables that production in exchange for a distributed portion of the surplus. From the standpoint of class-qua-surplus analysis, concepts such as “the wage-earning class” or “the working class” are problematic. All wage-earners or workers are not occupants of the same class position. They divide into two different class positions that often generate different perspectives on how the economy and society function, different notions of what is to be done to improve and change the economy, and different social change strategies.
Of course, if the goal is to unify productive and unproductive workers into a combined social force, then class-qua-surplus analysis would entail the need to recognize and accommodate their class differences to construct and sustain that unity. Assuming the unity because they are all wage-earners, working class, etc. would not be strategically appropriate or likely very effective. Indeed, to head off such unity, capitalists and their ideological supporters have long stressed other differences among wage-earners (age, gender, race, skills, education, ethnicity, white versus blue collar, etc.). Just as constructing unity among them has required learning to recognize and accommodate the reality of those differences, it also requires doing likewise for their class-qua-surplus differences. Otherwise, efforts to build unity risk failure.

Relatively few individuals become rich from the wage or salary payments they earn as producers of surplus. Wealth accrues chiefly to those in a position to secure large portions of distributed surpluses from the surplus appropriators. Major shareholders thus secure wealth by receiving dividend payments. Top managers secure huge salaries and pay packages that are surplus distributions. Lenders and landlords obtain interest and rentals from appropriators of the surplus who secure access to money and land—conditions of their surplus appropriation—by distributing such portions of the surpluses they appropriate. Here lies another importance of private property, since that is what allows the owners of means of production (land, money, etc.) to withhold it from production. Those owners enable access to their means of production—so that production can occur—only if they get interest and rental payments from the surpluses appropriated and distributed in capitalist enterprises.

Because a communist class-qua-surplus structure effectively democratizes the enterprise, the productive laborers appropriate and distribute the surplus they produce. Who will receive what distributed shares of the surplus and for what purposes will be decided by negotiations between the collectives of productive and unproductive workers respectively. Far less unequal distributions will result than those that flow from the undemocratic surplus distribution decisions of major shareholders and boards of directors (who tend to give themselves the largest distributions).

Class Struggles

Marx’s class-qua-surplus analysis crucially differentiates class struggles. First of all, the major focus is upon class as the object of struggle, not its subject. Given the complexities of class analysis discussed above, the notion of a “class” as a social actor is very problematical. Class-qua-surplus as the object of social struggles has a quantitative and a qualitative dimension. The quantitative dimension concerns (1) the size of the surplus produced and appropriated, and (2) the sizes of the portions of the surplus distributed to its various recipients. Social groups struggle over those quantitative dimensions. For example, productive workers struggle with capitalists over the size of the wages paid to them, the length of the working day, and other aspects of the production and appropriation of the capitalist surplus. To take another example, capitalists struggle with governments over the size of the portion of the capitalist surplus delivered to governments as taxes on profits. Class struggles over the quantitative dimensions of surplus production and distribution are a more or less constant feature of class structures, slave and feudal as well as capitalist.

Sometimes, accumulated political and cultural conflicts coalesce with economic conflicts to provoke struggles over the qualitative dimensions of class qua surplus. Then the object of struggle is, for example, a capitalist class structure for enterprises versus a non-capitalist class structure. In the United States today, a social movement embraces worker cooperatives as a preferred alternative to capitalist corporations. Much of that movement does not yet
grasp the relationship between such a movement and Marx’s definition of the class differences between these two alternative organizations of an enterprise’s production and distribution of surpluses. Nonetheless, it represents an early stage in a class struggle over the qualitative dimensions of class.

**Property, Power, and Surplus Conceptualizations of Class Today**

Marx’s class analytical focus on organizations of the surplus still contests with formulations that stress the alternative property and power concepts predating Marx. Countless definitions of class, often attributed to Marx or Marxism and stemming from left and right perspectives, are variations of the classic property and power definitions. These prevail in most statements by politicians, journalists and academics. Rarely do they exhibit much awareness of the multiplicity of class definitions; equally rarely do they bother to justify the particular definitions they use. Capitalism continues to be conceptualized chiefly as “private enterprise plus free markets” and differentiated from “socialism” or “communism” defined as “state-regulated or state-operated enterprises plus state-regulated or state-planned distributions of resources and products.” The key dimensions of class are thus property (who owns enterprises) and power (who/what distributes inputs and outputs). The internal organization of the enterprise drops out of the prevailing public discussions altogether.

However, an increasing number of new and different conceptualizations of class closer to Marx’s surplus concept are also emerging. They have been stimulated by two social changes. The first was the collapse of so many of the socialist economies built upon property and power definitions of class. Perceptions that they lacked genuine democratic participation eventually deepened into a recognition that the prevailing definitions of capitalism and socialism were lacking in fundamental ways. Rethinking those definitions returned many to Marx’s writings and to the discovery there of class-qua-surplus arguments of the sort discussed above.

The second social change has been the global capitalist crisis of 2008 and its aftermath. Perceptions have grown that the old centers of capitalism in western Europe, North America and Japan are increasingly dysfunctional for most residents and that they are economically divided and decreasingly democratic. Criticisms of the neoliberal versions of private and market capitalism have proliferated. Such criticisms too have worked their way back to the Marxist tradition.

One interesting result of both social changes has been the rediscovery of cooperative economic forms. Cooperatives and theories and theorists associated with them were marginalized in popular and academic discourses during the Cold War. Cooperatives and their supporters, fearing to be associated with a demonized anti-capitalism, socialism, etc., kept very low profiles. Now they are resurfacing. Cooperative worker ownership of enterprises, cooperative worker self-management, workers’ self-directed enterprises and still other pointedly non-capitalist firm organizations have become major organizing principles of critiques of contemporary capitalism and the construction of non-capitalist enterprises. Writers such as Gar Alperovitz and David Schweikart, while they make little direct use of or reference to Marx’s class-qua-surplus theory, have focused their critiques of capitalism on the undemocratic internal workings of capitalist firms far more than traditional socialists did. Similarly, Michael A. Lebowitz’s work on Cuba’s turn of its economic development strategy to focus far more than ever before on worker cooperatives reflects a rethinking of socialism that is also wending its way toward class-qua-surplus theory and practice.
The group gathering around the website democracyatwork.info has been producing a growing body of work that uses and explicitly extends Marx’s theory of the surplus and the class definition based thereon. It engages both the systemic critique of global capitalism’s recent development and the formulation of an alternative to capitalism focused on transforming capitalist enterprises into workers’ self-directed enterprises. Its goal is to return worker cooperative enterprises—understood in Marx’s surplus-focused way—to center stage in strategies of social change. Marx’s new and different concept of class, like so much of Marx’s work, is returning to the forefront of critical thinking as yet again capitalism hits the fan.

Notes
1 Revealingly, at the same time inside the USSR applications of class analysis were likewise banished on the parallel grounds of their irrelevance to the post-class structure of Soviet society.
2 See this argument made in detail for the entirety of Soviet history, in Resnick and Wolff 2002.
3 See Piketty 2014.
4 See Resnick and Wolff 1987, Chapter 3, and Wolff and Resnick 2012, Chapter 4.
5 See the detailed class analyses of households gathered in Cassano 2009. Note that if households were reduced to sites where no production was undertaken, where only consumption occurred, class-qua-surplus analysis would not apply.
6 See Alperowitz 2011 and Schweickart 2011.
7 See Lebowitz 2014.
8 See Wolff 2012 and Mulder 2015.

References