

MANAGERIAL CLASS

The idea of a distinct managerial class with interests that diverge from those of both the capitalist class and the working class is associated with three broad theoretical agendas in the social sciences: (1) the explication of the historical and sociological significance of the rise to power of a layer of intellectuals and state bureaucrats in socialist (communist) countries ostensibly committed to achieving a "classless society"; (2) the analysis of a putative separation of ownership and control within the modern capitalist corporation; and (3) the attempt to delimit and more rigorously define a "middle class" occupying a mediating position between capital and wage labor in advanced capitalist societies. The concept is closely associated with the notion of a rising "new class" of technocrats and intellectuals whose class project is to subordinate modern society to the rules of bureaucratic rationality and the imperatives of science and technology. It is also linked to the idea of a "managerial revolution," which has rendered obsolete the Marxist theory of the centrality of the capital-labor struggle to the social dynamics of modern or postmodern societies.

Speculation regarding the global ascendancy of a "new" managerial class reached its high point during the early to middle phases of the cold war, finding expression in the thesis that modern, industrialized societies, whether nominally socialist or capitalist, were "converging" toward a unitary (technocratic) model of social and economic organization, one dominated by the requirements of efficiency, productivity, and social responsibility. According to this convergence thesis, the movement of Western capitalist societies toward greater government intervention in the economy and the expansion of state power

countries. In East and West alike, these processes would be guided by an increasingly self-conscious class of technocrats and intellectuals seeking a middle ground between the freewheeling, individualistic capitalism of a bygone era and the stultifying authoritarianism of "actually-existing socialism."

The demise of "real socialism" in Eastern Europe and the Soviet Union in the 1990s and the growing influence in the capitalist West of neoliberal policies and ideological nostrums following the profitability crises of the 1970s called into question the continuing theoretical salience of the idea that capitalists and wage workers alike were being eclipsed by a rising new class of "managerial experts." Indeed, it is arguable that these developments have combined to reduce significantly the influence and relative weight of managerial and technocratic strata in the post-Soviet era, encouraging the revival of a more traditional capitalism, one that "can—and must—manage with a substantially smaller buffer between capital and labour than it did during the more economically prosperous, but also more politically perilous, days of the Cold War" (Smith 1997).

THE MANAGERIAL REVOLUTION

In *The Modern Corporation and Private Property* (1932), Berle and Means sounded an early alarm concerning the centralization of economic power in the hands of large-scale corporations and the usurpation of power within them by a class of professional managers whom they saw as increasingly unaccountable to shareholders and the general public alike. The immediate impact of this thesis in the crisis-ridden 1930s was to encourage the notion of a "managerial revolution" among many socialist intellectuals disillusioned by the experience of Stalinism in the Soviet Union. This idea found inchoate expression in Lewis Corey's *The Crisis of the Middle Class* (1935) and a more fully blown elaboration in Bruno Rizzi's *The Bureaucratization of the World* (1939) and especially James Burnham's *The Managerial Revolution* (1941). Theorists of a managerial revolution argued that capitalism was in the process of being replaced, not by working-class socialism, as Marx had anticipated, but by a new "collectivist" social formation ruled by a new class of bureaucrats and technocrats.

The Berle-Means thesis of a "separation of ownership from control" was to be given a decidedly positive inflection by many institutional economists and sociologists in the postwar era (notably Talcott Parsons, Neil Smelser, Ralf Dahrendorf, Daniel Bell, and John Kenneth Galbraith) who saw this separation as conducive to an attenuation of conflict between socially irresponsible capitalists and socialist-minded workers, as well as to the tri-

umph of meritocratic, democratic, and technocratic principles over the prerogatives of property ownership.

MARXISM, THE MIDDLE CLASS, AND THE IDEA OF A MANAGERIAL CLASS

The revival of interest in Marxist class theory and socialist politics in the 1960s and 1970s brought to the fore a new set of concerns pertaining to the character and role of the professional, managerial, and other "middle" strata of the advanced capitalist countries. In Europe, in particular, concrete questions of socialist political strategy compelled many left-wing intellectuals to confront the issue of the numerical decline of the industrial working class and the class position of new layers of waged and salaried employees in corporate bureaucracies, service industries, and state apparatuses.

The specifically professional or managerial elements of these new strata were often seen as belonging to a "new middle class." Reprising in some ways the earlier ideas of Corey and Burnham, Alvin Gouldner (1979) suggested that a "New Class" of technical intelligentsia was arising in the bureaucratic organizations of such societies; but unlike the earlier theorists of "managerial revolution," he saw this class as in conflict with other bureaucratic elements and as comprising nonmanagerial intellectuals as well. For Gouldner, New Class intellectuals had come to monopolize the "culture of critical discourse," emerging as a somewhat flawed "universal class" with its own specific project of social reconstruction and domination.

Most Marxists, however, denied that the new middle class of unproductive but "socially reproductive" salaried workers possessed a determinate set of homogeneous interests or was capable of articulating a coherent class project distinct from the bourgeoisie and the working class. In one influential and controversial formulation proposed by Barbara and John Ehrenreich (1978), such elements constituted a "Professional-Managerial Class ... consisting of salaried mental workers who do not own the means of production and whose major function in the social division of labor may be described broadly as the reproduction of capitalist culture and capitalist social relations." But this class was seen as extremely diverse, and the Ehrenreichs did not regard it as a truly independent factor in the class dynamics of modern capitalist or post-capitalist societies. Other Marxists denied that the professional and managerial strata constituted a class at all, insisting instead that they occupied "contradictory locations" within class relations (as in the formulation by Erik Olin Wright). It was commonly assumed that in the course of class struggle between capital and labor, this new middle class would tend to polarize in terms of their allegiances to the more fundamental social classes defining capitalist society.

Marxist theorists of this persuasion also typically denied that the ruling bureaucratic oligarchies within the communist states constituted a new managerial ruling class, regarding them either as remnants of the old class society within social formations in transition to classless communism or as a "state capitalist" ruling class. Many reasserted the thesis of Russian revolutionary leader Leon Trotsky in *The Revolution Betrayed* (1936) that the Stalinist oligarchy was a brittle and dysfunctional stratum lacking the attributes of a fully formed social class and destined to fragmentation as the Soviet Union either moved forward to socialism (through an international extension of the socialist revolution) or backward to capitalism (the inevitable result of a too-prolonged isolation of the Soviet "workers state" from the international division of labor).

THE FUTURE OF THE CONCEPT

The idea of an ascendant managerial class capable of exercising a class hegemony over advanced, industrialized societies lost favor in the new era of corporate downsizing, neoliberalism and capitalist globalization that opened in the 1980s. Nevertheless, the role of intellectual, managerial, and technocratic elements in assuring the continuous reproduction of capitalist culture and social relations remains a vital one. In particular, since the advent of Frederick Taylor's project of "scientific management," capital has been reliant on a special stratum of salaried "hired guns" to safeguard its interests against the demands and struggles of the wage-earning class. However, with the shift of radical social analysis from capital-labor relations to "identity politics," increasing attention has been devoted to the persistent obstacles to entry into the intellectual elites and upper management experienced by women, racial minorities, and others designated as "undesirables" (see, for example, Darity 1996). The intersections of class, race, and gender provide a rich new field of inquiry for a concept that has proven to be both resilient and acutely susceptible to the vagaries of ideological fashion.

SEE ALSO *Bureaucracy; Capitalism; Class; Class Conflict; Class Consciousness; Culture; Hierarchy; Institutionalism; Knowledge Society; Managerial Society; Marxism; Middle Class; New Class, The; Oligarchy; Parsons, Talcott; Socialism; Stalinism; Stratification; Trotsky, Leon; Union of Soviet Socialist Republics*

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MANAGERIAL SOCIETY

SEE *Managerial Class*.

MANDEL, ERNEST 1923-1995

Ernest Mandel, a professor at the Free University of Brussels, was a renowned Marxist scholar and one of the best-known Trotskyists of the second half of the twentieth century. In the 1960s he emerged as a leading figure of one of several organizational contenders to the mantle of the Fourth International, the "world party" founded by the exiled Russian communist leader Leon Trotsky in 1938 with the dual aim of overthrowing world capitalism and combating the Stalinist "bureaucratic degeneration" of Russia's socialist revolution of 1917.

Mandel's commitment to achieving a worldwide socialist democracy profoundly influenced all aspects of his scholarship. He wrote some thirty books and about two thousand articles, including such major works as *Marxist Economic Theory* (1968), *From Stalinism to Eurocommunism* (1978), *Late Capitalism* (1975), *Trotsky as Alternative* (1995), and *Power and Money: A Marxist Theory of Bureaucracy* (1992).

Mandel's economic works were centrally concerned with demonstrating the continuing relevance of Karl Marx's critical analysis of the capitalist mode of production to both the postwar boom of the 1950s and 1960s and to the subsequent period of stagflation and declining profitability that had begun in the early 1970s. In *Late Capitalism*, he sought to show how the inexorable laws of motion of advanced capitalism must eventually result in severe economic crises, which in turn would give a major impetus to the global class struggle between capital and labor. While advocating a multicausal explanation of capitalist economic crisis, he also defended Marx's view that the average rate of profit was the key variable determining