

# Lifemodes in the New World Order

The neoculturation of lifemodes in a state-system under transformation

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## ***Rethinking the capitalist mode of production and its lifemodes***

### ***Introduction***

Even if the fission theory transcends historical materialism, Marx's *Capital* is still our fundamental scientific source for understanding capitalism as a distinct economic culture. Hence, we will test whether it is possible to continue the specification of its concepts based on the first two steps of specification that Marx managed to elaborate in his lifetime. First, we will scrutinize the background of theoretical ruptures and negations that became fundamental for the two basic steps of specification of the capitalist mode of production, those ruptures and negations that made it possible to understand capitalism as a distinct economic culture. Next, we will describe how it is possible to develop three successive steps of specifications in order to elaborate more fundamental and detailed features of the basic lifemode concepts of the capitalist mode of production. It is these three features that will help us better understand those aspects of the paradox of temporariness and neoculturation not directly determined by the struggle for recognition between the states.

Seen from the perspective of scientific temporariness, Marx and Engels employed a Hegel- inspired dialectical enquiry to transcend the contradictions inside Hegel's own (logical and culture historical) theory of the state.<sup>1</sup> Their disclosure and intended solution of the dominant contradictions in Hegel's theory turns the relation of determination between civil society and the state upside down. Historical materialism means that society – in theoretical terms: the social formation – is the durable *whole*, whereas state and family are possible and necessary *parts* of distinct variants of the totality, thus implying the temporariness of their empirical existence.

### ***Scientific temporariness: why Marx had to turn Hegel's theory upside down***

In Hegel's *Philosophy of Right*, the concepts of family and civil society are dialectical parts of distinct form variants of the state. The state, meanwhile, is the complete whole, able to struggle for its recognition as a unitary will in a particular world. The struggles for recognition forge the original state formation and the subsequent ongoing formation and transformation of the state system. At the global level, this process entails what Hegel calls the world history's "shambles" of cultural worlds. Based on the struggle for recognition, the rise and fall of dominant cultural worlds implies - at the macro level of cultural history - the formation of conceptual conditions of possibility for a development of the self-awareness and self-consciousness of man as a cultural being. Man is a being who develops a consciousness about how the development of this consciousness itself has become possible through the self-transcending culture history from instinctive substantial freedom (subjectivity) to the subjective freedom of the modern world.<sup>2</sup> In a movement from East towards

West, Hegel (inspired by the diffusion of Indo-European languages) finds that this self-transcending historical process materializes itself in the development of coexistent or successive cultural worlds that change dominance in a spatial succession around the Globe. Step by step, through evolving contradictions and ruptures, this world historical process generated the temporarily dominant modern European states, with their respective cultures of subjective freedom at the basis of the long sequence of old (still perceptible) Asian high cultures dominated by substantial freedom. To be conscious of the dialectic between substantial and subjective freedom is a scientific problematic that becomes possible to set out explicitly when European philosophy reflects on the stage and evolution of the World Spirit in the wake of the dominance of the European world. Hegel envisages the next transitory step and dominant cultural world emerging in a possible future flowering of the United States. Following Hegel, the scientific temporariness is embedded in the culture historical temporariness. The conceptual development may continue the grand developmental story (explicated by nineteenth century European scientific advances in geology, biology, philosophy, anthropology, archeology, ethnology) about how life on Earth developed and became conscious about itself as life. The latest ethnological chapter of this self-transcending process develops the Idea about how man (the “World Spirit” or the “Arts and Humanities”) became conscious about himself as a natural and cultural being. As Hegel phrased it: The owl of Minerva spreads its wings only with the falling of the dusk.<sup>3</sup>

In contradistinction to Hegel’s Idea and cultural totality, but continuing the inner connection to the other developmental sciences, Marx and Engels developed the concept of social formation as a totality of modes of production and their prerequisites. Particular variants of this whole contain (distinct forms of) state and family as important parts, because specific modes of production presuppose particular types of political organization and family in the social formation. The capitalist mode of production presupposes a state, because this kind of superstructure is the condition of possibility for the legal system of property rights to means of production. Paving the way for the *enclosure of the commons* and privatization processes, these rights and the practice of entering into contracts make possible the system of private ownership of land, raw materials and many other kinds of natural resources, which in other social formations are commons possessed collectively by the producers. Marx sets out the contradistinction explicitly by phrasing the enclosure of the commons as the *original or primitive accumulation* from which the divide between owner and non-owner and the ceaseless capital accumulation originates.<sup>4</sup> In parts of Europe, the enclosure processes stripped the copy-holding peasant communities of access to their land and revealed the state’s role in the formation of the class of “free” wage laborers. The explication of the enclosure processes challenges and contradicts the idea that the bourgeois state improves subjective freedom and self-consciousness, especially for the common people of direct producers and laborers.

Nevertheless, the Hegelian nation state, civil society and nuclear family appears in the theory of historical materialism as a *limiting case* of the social formation theory in the same way that in the science of physics, classical kinematics and dynamics appear as limiting cases of the special theory of relativity, which transcends the classical theory. Seen from the theory of historical materialism, Hegel developed a theory that was able to describe the essential cultural features of the European

bourgeois ideology and through it, the bourgeois state, the bourgeois society and the bourgeois family. It is a limiting case of the social formation theory in the sense that the scientific praxis of social formation theory is able to explain these concepts as the particular set of prerequisites of the simple commodity and the capitalist modes of production. However, without a logical rupture capable of introducing and breaching the scientific question, “How do we disclose and specify the necessary ‘basis’ of the ideological features of the bourgeois state and lifemodes,” it was not possible to elaborate the mode of production concepts and inquire into precisely how the forces and relations of production and appropriation of profit presuppose the state and family structures. The self-contradictions of the classical economists’ *law of value* was one of the main conceptual barriers and at the same time the theoretical point of departure for the scientific rupture, with which Marx and Engels became able to elaborate the mode of production and social formation theory.

### ***How scientific temporariness may imply a cumulative scientific development***

In this chapter, we will enquire whether it is possible to extract more appropriate conditions of possibility for lifemodes from the concepts of the capitalist mode of production than those hitherto explicated. From Chapter 2,<sup>5</sup> we know that the exploration needs a more exact and appropriate contradistinction between the praxis and conditions of possibility of the wagedworker lifemode and the career-professional lifemode – if we want to be sure that we have to do with two distinct modes of life. Apart from that, we need to explore whether it is possible to produce a capitalist profit based upon extraction of surplus value without the well-known employment of labour power. To do this, we will take a closer look at the way in which Marx’ elaboration of the capitalist mode of production took its point of departure in a disclosure and solution of the contradictions between the classical economic concepts of *profit* and *law of value*. However, in delving deeper into this problematique, we have to take into consideration the way in which our starting point is another than that of Marx and Engels. They saw it as the task of their late writings to specify the concept structure of the capitalist mode of production and of the social formation that includes all the prerequisites of this mode of existence. In relation to this ambition, they conceived, as mentioned above, Hegel’s theory of the modern person, family, society, and state as a limiting case, because the scientific praxis succeeded to transcend it by elaborating the historical materialist theory.

By means of his epistemological rupture with the thinking of Enlightenment philosophers (not least Kant), Hegel - in contrast to the classical economists and romantic thinkers - succeeded in revealing the dynamic forces and contradictions of the commodity market as a necessary moment of the development and an indispensable part of the totality of the modern state’s subjective freedom. The recognition and self-consciousness problematique became decisive at two levels: the self-defense is the prerequisite for recognition and self-consciousness of an independent state. To be self-supporting on the market is the prerequisite for being a self-conscious citizen (or family) in the modern state and society. The modern state guaranties the right of property and puts the legal possibility of making contracts at its citizen’s disposal. It is the responsibility of each single person and nuclear family to make use of this possibility. Self-responsibility and ability to maintain one’s life as self-supportive is

decisive for being a recognized subject. The commodity market offers this possibility at the same time as it constantly puts every self-supportive praxis at risk in the competition struggle, with the (involved subjects') loss of self-esteem as an unintended consequence for all those, who are squeezed out of the market. These relations, which are the prerequisite of self-consciousness, at the same time undermine the self-consciousness of the modern person. Hegel saw the migration to the New World, where it was possible to settle down on conquered land and make a plot of it your private property as a consequence of and solution to the loss of self-consciousness. In the eyes of Marx, however, it was no appropriate scientific solution to the internal contradiction of bourgeois society to let the unpropertied migrate out of the theory!

Marx undertook a rupture with the struggle for recognition concept, looking for a more coherent description and "sublation"<sup>6</sup> of the contradiction inherent to the market-based modern society. A *sublation* is not simply a descriptive explanation of a concept. Following Hegel, "sublation" applies only to those concepts that have inherently contradictory elements. Sublation aims to transform the contradiction into a complementarity that improves the understanding of the concept.<sup>7</sup> Instead of the migration-solution, Marx turned the question upside down and proposed to conceive the contradiction as an essential part of the bourgeois society's relations between owners and non-owners of the social means of production. The consequence of this "move" was the formation of a non-Hegelian dialectic of struggle, in which the class struggle (between owners and non-owners) replaced the struggle for recognition as the most fundamental concept relation of the theory. The non-Hegelian theory (in the sense of Gaston Bachelard) paved the way for the elaboration of the mode of production concept, which Marx developed as an articulation of relations and forces of production. This concept became foundational for the Darwin-inspired class concept and – a hundred years later -- for our further elaboration and transformation of class into the present lifemode concepts. Nevertheless, as explained in the chapter above, the stateform and lifemode theory transcends the status of the mode of production concept as the point of departure of the theory's sequences of concept specification – i.e. its role as "determining in the last instance" as Althusser phrased it. This rupture marks how the mode of production concept's own scientific temporariness may be a transitory path towards a more coherent theory. Viewed from the theory of survival of the superior defense, the social formation theory becomes a limiting case of the fission theory of stateforms and lifemodes based on the struggle for recognition.

This non-materialist theory of stateforms and lifemodes transforms the modes of production into essential parts of the economic level of the state concept, and it transforms the states into essential parts of the state system concept. Whereas the social formation is the totality concept of historical materialist theory, the state system is the totality concept of the fission theory. Within this totality concept, the struggle for recognition and its D>O concept is the point of departure for the elaboration and recurrent revision of the sequences of concept specification that form and reform the new root-structure of concepts. Because the mode of production is of fundamental importance for the ability of a state to defend its domain of sovereignty, it becomes understandable why it obtained the role as the "prime mover" of history in social formation theory. States are preoccupied with the formation and reformation of the political, legal, ideological, economic and other important conditions of existence

for (the features described by) modes of production because these conditions are decisive for the production of the means by which the states defend their domains of sovereignty vis a vis each other. The defense modes do not require a certain quantitative output of production that can be applied only as an amorphous mass of abstract forces. A strategic defense requires a discrete and coherent plan for the deployment of distinct forms of force, as determined by the formation of a center of gravity, the intent of which is to force the potential opponents to attack the defense where it is most powerful. The distinct defense modes determine the way in which the lifemodes of lineage warriors or polis hoplites, of slave-owners or noble knights, of serfs or lords and vassals, are crucial to the necessary defensive capability. Other defense modes depend on peasant soldiers and patriotic capitalists, on oligarchs, independent producers or middle class, on nationalist or socialist workers, on communist cadres or highly skilled professionals, etc.<sup>8</sup> In terms of the defense mode, it is the distinct ways in which the lifemodes are able to contribute to the defense of a domain of sovereignty that determine their necessity as distinct means for the state. Their function in a specific mode of production reflects the way in which they are reproduced. From the perspective of the bearers of each lifemode, its own reproduction is the supreme end, i.e. “the good life”.

Because of this negation, only a critical mode of analysis and synthesis can reveal if a particular lifemode’s argument of being necessary for the general interest of the state and society in question contradicts the demands from the state system, defense mode and state form or whether it instead contains some credibility. This will be the crucial question of the “World Spirit” (as embodied in the UN, social media, global movements etc.) of today. In contradistinction to the World Spirit of other epochs, the dominant transnational discourse of today realizes and intervenes if a lifemode tries to reproduce itself or expand its appropriation of surplus values by threatening or destroying the established inter-state relations of mutual recognition based on the superiority of defense in the state-system. For the time being, the global opinion does not recognize the legitimacy of waging a war with the aggressive aim to conquer the recognized geographical domain of sovereignty of another state. The war between the fragile (if not failing) states of Syria and Iraq, the new Islamic State, the Kurdish army, and their temporary groups of allies in the global state system demonstrates the difficulty of achieving global governance in a world of non-state actors and multiple sources of conflict.

A defense mode is a distinct force formation entailing the coherent sovereignty strategy of a state that reflects the strategic praxis of its potential or actual opponents in the state system. These strategies require distinct kinds of praxis that in turn determine which particular (set of) lifemodes are necessary and decisive for a state to have at its disposal within its domain of sovereignty to be able to defend the recognition of that domain in a particular state system. However, the astonishing dynamic of capital accumulation, the industrialization of production and the huge potential for expansion of industrial capitalism transcended borders and old limits for pre-capitalist modes of production. This is why the introduction of modern capitalism first set in motion in the Low Countries and England makes it understandable that Marx replaced the state and spirit of a people as the scientific starting point with mode of production. Moreover, he replaced them with a theory that

took its point of departure in the dynamic laws of the motion of commodities, processing values and accumulating capitals.

Viewed from the state-form perspective, Marx elaborated a coherent, scientific specification of social formations based on commodity production, whose *differentia specifica* is its productivity drive. Every producer who is able to lower the value of a commodity (the amount of labour power necessary to its production) can appropriate a temporary surplus that equals the difference between the average value and the lowered value. He can do this until the average productivity has reached the new level of productivity in the social formation as a whole, and the prices thus reflect the lowered value of the commodity. If -- and as long as -- he is able to monopolize his distinct means of production and possess the production process, he may also be able to employ the labour power of other people who do not possess these means of production. By means of this, he may be able appropriate a surplus value from the difference between the value of the labour power and the value produced by the labour power he has purchased. However, every monopoly of this kind is under constant potential attack from competitors who strive to conquer the temporary monopoly by elaborating a new, lower level of value that undermines the existing margin and monopoly. By means of this carrot (the conditions of possibility of commodity production), a state may be able to improve the capitalists development of productivity in its social formation. This maximization of productivity can be difficult to maintain in times of peace by means of other kinds of division of labour and modes of production prevalent in the state system of our times. Even dogmatic religious regimes and states ruled by modern communist governments have applied these features – for longer or shorter periods – as a means of increasing commercial innovation, wealth and productivity in selected sectors of their social formations. A communist government may even be able to apply the advanced theory of Marx on commodity production and capitalism when dealing with the deliberate introduction, interpellation, elaboration, and limitation of bourgeois lifemode features in selected sectors of the social formation of the state.

In contradistinction to the classical economists of his time, Marx sought to distinguish between fundamentally different economic cultures instead of trying to discover universal economic laws across time, space and societies. It is because Marx focused on different types of economic systems, thus associated with different ways of life, that Marx remains important for the ethnological exploration and elaboration of the lifemode concepts. This focus is an essential part of *Capital*, where he elaborates two distinct modes of production – the simple commodity mode of production and the capitalist mode of production – as distinct concept structures. These two modes of production contain their own unique features that are preconditions for those modes of life that (could and do) coexist in modern social formations. This co-existence may appear to be messy or chaotic. Our task here is to reveal the logic of their internal relations. Part of this messy appearance is due to the work of the classical economists. Marx scrutinizes the self-contradictions of classical economics in *A Contribution to the Critique of Political Economy*, a critique based on which *Capital* elaborates the mode of production theory that transcends the classical economic theory of Smith and Ricardo.

***Fundamental questions and epistemological ruptures from the Aristotelian to the Ricardian theories of value and exchange***

It was the merit of classical economic theory to transcend the physiocratic way of explaining how wealth is generated. In opposition to the mercantilist focus on the king's acquisition of precious metals (the important world money in times of war), the physiocrats elaborated the theory of good housekeeping (mastering *oikos*/economy) into a theory of how production is the real source of wealth. They did it by distinguishing between the productive and the sterile trades. The productive trades are the agrarian ones, where nature gives manifold yield in return for every grain sown and cultivated. The labour of agriculture, forestry, mining and fishing is the productive source of all wealth. In opposition to this, the sterile trades consist of the artisan's work, processing of the raw materials from the productive trades without being able to add further value in the sense of a manifold yield as does cultivation and harvest of nature. In this way, physiocratic theories gave an answer to the question of where to find the source of wealth. With this answer, it became possible for reformers and governments to argue for the importance of specific kinds of agrarian policy (inspired by Chinese agricultural policy), the taxation of agriculture, etc.

The question of the source and appropriation of wealth, however, became important for another question with ancient roots: that of how the exchange of commodities can take place. Aristotle discusses the question in the *Nicomachean Ethics*, where it is important for the integrity of the *polis* that the citizens are able to exchange goods with each other at the *agora* in a just manner. His problem is that the manifold kinds of artisan work, the cultivation of crops and rearing of cattle, practicing medicine, teaching, mining, rowing, sailing and fishing are performed by people with very different legal and political status in the polis: slave laborers, house-slaves and debt-slaves, serfs, strangers, free men, citizens and full citizens. Because of this,

it may happen that the product of one of the parties is worth more than that of the other, and in that case therefore they have to be equalized. (...) for an association for interchange of services is not formed between two physicians, but between a physician and a farmer, and generally between persons who are different, and who may be unequal, though in that case they have to be equalized. Hence, all commodities exchanged must be able to be compared in some way. It is to meet this requirement that men have introduced money.<sup>9</sup>

Aristotle is able to set up the problematique of commodity exchange, but the distinct lifemodes of the polis do not make it possible to find a "natural" source of equality between the commodities, because they are so different in origin, incommensurable demand and different use. He points to the fact that exchange makes no sense without the differences between the commodities because one cannot ignore the reason why people want to exchange them with each other. Instead of (discovering) a scientific solution, he settles the unsolved contradiction by observing that people have invented an "artificial" standard. It means that

demand has come to be conventionally represented by money; this is why money is called *nomisma* (customary currency), because it does not exist by nature but by custom (*nomos*), and can be altered and rendered useless at will. (...) Money then serves as a measure, which makes things commensurable and so reduces them to equality.”<sup>10</sup>

It was not until large urban sectors of trades and industries in 17<sup>th</sup> and 18<sup>th</sup> century Western Europe based themselves on market exchange that physiocratism was confronted by a new economic theory that had to deal with a profitable *production of commodities by means of commodities*, thus requiring a new understanding of the sources of wealth and profit. The expansion of the market economy brought together the two old questions of wealth and exchange and removed the narrow approach to equalization and commensurability characteristic of Aristotle’s approach. The ancient Greek polis culture was characterized by the full citizen’s disdain of productive work (*poiesis*) and drudgery (*ponos*) - which they conceived as the task of unfree people of distinct legal status. In contrast to the narrowness of equality principles, the modern market economy in Western Europe began to base itself on incipient equalizing forms of legal recognition and political improvement of the industrious citizens’ property rights and an increasing population of independent artisans, merchants, skippers and family farmers. This development paved the way for the theoretical elaboration of *the law of value*, according to which commodities are, on the average, sold at their values, that is, at prices corresponding to the amount of necessary labour contained in them. The labour used to produce a commodity necessarily adds value to the existing value of the used tools and raw materials, even if the physiocrats would conceive the production in question as part of the “sterile” sector. Adding value to the value of (the labour already used to produce - and therefore contained in) the applied raw materials and tools, results in a product that is the result of several successive labour processes. The aggregated value of this product represents the total value of all that labour, which is necessarily used in the production of the commodity. In this way, the classical economists introduced a method that made it possible to analyze the value of any commodity produced for the market. It was simply the sum of all those successive amounts of labour used in the total value-chain, the end of which is the value of the commodity in question. At each step in the total chain of the labour processes, the materials and tools used represents the value of the labour, which at the prevalent and general level of productivity is necessary for their production.

This method of analysis addresses two questions. The equalization and commensurability question finds its answer in the pure concept of labour, i.e. labour emancipated from the physiocratic confusion of sterility versus productivity. The prevalent generally necessary labour is set out explicitly as a measure of equivalence by which the value of all commodities can be compared at the market and be exchanged – despite the fact that the use values of the commodities are incommensurable. The source of wealth and value question is answered by the same concept because the value successively added by labour aggregates into the total value of every particular kind of commodity, which is repeatedly produced for and exchanged at the market. The sum of values of all commodities produced represents the totality of the wealth of a market-based society.

***Marx introduces the transcendence of modern universalist economic thinking***

Conceived from the perspective of historical materialism, the theory of labour and its law of value in classical economic thinking is a limited, but on its own ground approximately coherent, conceptual structure that describes the essential principles of a totality based on production of commodities by means of commodities under the specific conditions of simple commodity production by independent, self-employed producers. From the perspective of classical economic theory itself, the theory of labour and its law of value are the universal foundations of market economies. They are not specific to any distinct economic culture. In using the term “economic culture” here, we aim to highlight the particularity of economic systems in universalist economic theory. What we will call “economic culture” here is equivalent to what Marx called the “mode of production”. In contrast to the universalist kind of theory, an economic culture, is a self-contained system of relations and a whole of economic processes that entails its own conceptual universe, its own theories (e.g. classical economic theory) and a distinct set of lifemodes. This wholistic approach entails that an economic culture has a logical contrast, or even opposition, to other particular cultures or modes of production at the economic level of a social formation. Hence, the limitations specified by the particular kinds of market implied by the simple commodity mode of production concept (of historical materialism) is not visible inside the problematique of classical economic theory. On the contrary, it tempts us to conceive of labour and capital as commodities as well, the consequence of which is that the theory is applied to industries and trades, where labour markets and capital markets are essential parts of the economy, thus apparently confirming the applicability of the theory of labour and its law of value to capitalist societies.

Marx attempted to explicate the difficulties that faced Ricardo’s approach when it was generalized and applied to the social formation dominated by capitalist relations of production:

As soon as the economists applied (the) determination of value by labour to the commodity “labour”, they fell into one contradiction after another. How is the value of “labour” determined? By the necessary labour contained in it. But how much labour is contained in the labour of a worker for a day, a week, a month, a year? The labour of a day, a week, a month, a year. If labour is the measure of all values, then indeed we can express the “value of labour” only in labour. But we know that it is equal to an hour of labour. This brings us not a hair’s breadth nearer the goal; we keep on moving in a circle.<sup>11</sup>

Adding the question of what constitutes the source of wealth and profits, still more hitherto implicit contradictions become visible. Following the landowner and the capitalist, their rent and profit are payments for the value-added by land and capital in the production process, which makes use of the land and capital and therefore has to pay for the value of their presence in the process. Rent and profit are payments for the value added, just as the capitalist (thinks he) pays the worker an amount of money that equals the value of his labour. However, if the social necessary labour is the source of all value, that is if it is the value added to a commodity through the value-chain (of its successive

production), then there is either a contradiction in terms, or worse: a necessary part of the labour that is not paid to the worker but extracted by the landowner and the capitalist as “rent” and “profit”. The consequence is that when (the source of) wealth is specified into the (sources of) rent and profit, the concept contradicts the theory of labour’s own law of value. Alternatively, as Marx concludes: What the classical economists had regarded as the value of *labour* was the value not of labour but of the *living worker himself*. What the worker sold to the capitalist on the market was not his labour;<sup>12</sup> for

as soon as his labour actually begins, it has already ceased to belong to him; it can therefore no longer be sold by him. (...) At the most, he might sell his *future* labour, that is, undertake to perform a certain amount of work in a definite time. In so doing, however, he does not sell labour (which would first have to be performed) but puts his labour power at the disposal of the capitalist for a definite time (in the case of timework) or for the purpose of a definite output (in the case of piecework) in return for a definite payment: he hires out, or sells, his *labour power*.<sup>13</sup>

It is at this point that Marx transcended the hitherto unresolved contradiction of the Ricardian law of value determination by labour. Labour power (as distinguished from mere labour) is the concept of a commodity that has two values: the first one rests on the mental and physical capabilities existing in a human being, which he exercises whenever he takes part in the production of a use-value, i.e. exercises his labour. This is the potential use-value of labour power, the value-producing property that the worker sells to the capitalist, who then applies it to a labour process and appropriates the productively added value of its product. The second value is the value of labour power that is determined by its own costs of production, from which it is possible to go back and determine the amount of labour that (under prevalent conditions) is socially necessary for the production and reproduction of this commodity. Having purchased labour-power, it is the task and responsibility of the capitalist to set up a production process in which the worker exercises the necessary labour to produce a value that equals the value of his labour-power plus the surplus labour to produce the surplus value, which is necessary for the valorization of the capital. The distinction between the use-value and the exchange-value of labour-power clarifies the concept of labour-power as a commodity. Unlike other commodities, labour power follows the law of value and, when sold, purchased and employed as variable capital, is at the same time able to *add value to itself* in a production process. As exercised labour, it is (converted into) a part of the capital, which is consumed and used in an act of capitalist *production* of commodities. Labour-power and capital are two moments or aspects of the process, whose *differentia specifica* is that its reproduction demands that it is able to produce a value that covers the value of the labour-power as well as the surplus value during the purchased labour-time. The contradictions on which Ricardo’s theory of labour and law of value wrecked, when applied on capitalist relations, are solved by replacing the one-dimensional concept of labour with the two-dimensional concept of “labour-power”. Labour-power is itself a commodity, which is purchased and sold at a specific market for labour-power and consumed productively as variable capital in the valorizing process. The reproduction of the production of the necessary value and the (necessary) surplus value is the essence of the concept of capitalist commodity production.

As a result, this epistemological rupture with the classical theory of commodity production generates the theoretical point of departure for the specification of the capitalist mode of production.

***The first step of specification. The use value of unpaid labour is the source of surplus value.***

Like Clausewitz, Marx is fully aware that his elaboration of specifications stepwise transforms the basic concepts of the point of departure. This mode of analysis and synthesis is a necessary means to sublimate the contradictions inherent the basic concept relations that determine the subject matter. Basic concepts are intended to describe the most general features of the subject, whereas the task of the succeeding concept specifications is to develop modifications of these features in a way that make it possible to systematically explore more detailed, specific and distinct features.

The *first step of specification* of the capitalist mode of production sets out explicitly the dialectical relation between the concepts of “capital” and “labour-power”. They imply each other and mutate with each other in the cyclical process of valorization, the prerequisite of which is the repetition of the formation of surplus value that determines the concept of productivity in the capitalist praxis. At this step of specification, the surplus value is determined by the difference between the necessary labour and the labour exercised during the working day as a whole. If the necessary labour-time equals the total labour-time, there is no time left for surplus-labour. Necessary labour-time *plus* surplus labour-time determines the total length of the working day, which is necessary for the valorization of capital, i.e. implied by the law of valorization. This relation between necessary labour-time and surplus labour-time is contained in the abbreviation that Marx terms *the production of absolute surplus value*. This concept describes the way in which the capitalist seeks to extend the total labour-time so that the worker’s labour-power can be utilized to extract surplus-labour. After that, Marx uses the concept of *absolute* surplus-labour to form a contrast that makes it possible to set out explicitly the production of *relative* surplus-labour, a concept that describes the means by which the surplus-labour time can be extended at the expense of the necessary labour time. How is this extension possible? The answer is that by increasing the productivity of labour, the value of labour-power will fall because the portion of the working day necessary for the reproduction of that value will be reduced.<sup>14</sup> Keeping the total labour time constant, this makes it possible to extend the time spent on surplus-labour. “The production of absolute surplus-value turns exclusively on the length of the working day, whereas the production of relative surplus-value completely revolutionizes the technical processes of labour and the groupings into which society is divided.”<sup>15</sup>

At this first step of specification, seeking to extend the working day and to increase productivity are the two ways in which the capitalist can increase the production of surplus-labour, i.e. they are the first decisive features of the capitalist praxis – formed at the basis of the law of valorization. Viewed in terms of the relations of production, the resistance against the lengthening of the working day and the workers’ response to the pressure to increase productivity are two complementary features that necessarily characterize the praxis of the workers. The concept-relations of absolute and relative

surplus-labour thus, specify the first intensional features of the lifemode-concepts of the capitalist and the waged worker.

The concept of relative surplus labour describes the prime mover behind the productivity drive that revolutionizes the production processes and historically transforms the prevalent mode of operation of individual (family-owned) artisanal workshops into the mode of operation called "manufacture". This mode of operation is termed the *formal subsumption* of labour, because the artisans' labour-power is purchased by the capitalist, who assembles and concentrates its work in his large workshop and may introduce a division of labour between specialized functions, which remain based upon each journeyman's possession of the artisanal skills. In manufacture, the capitalist owns the capital, but the journeymen still possess the production process in a way that makes it possible for them to start up their own production if they can collect or borrow the required capital. The next step is the formation of large-scale industry that elaborates the highly skilled qualifications of the labour-force and moves it into the mode of function of the single machine and into the integrated system of power-machine, transmission-machinery and working-machines. The mechanization -- and later automation -- transforms the labourer into an appendage to the machine, into an operator and controller of their operation. This mode of operation is termed the *real subsumption* of labour, because the individual worker is now allocated a narrowly limited function, without any possibility to control the labour process as a whole. Under the dominance of large-scale industry and the assembly line, the labourers possess neither the capital nor the qualifications to control the entire production process.<sup>16</sup> Labour now requires something else: management and engineering.

Even if these modes of operation describe an epoch of capitalist industrialization driven by the increased production of relative surplus value by means of the accumulation, concentration, and centralization of constant capital, they should not be seen as a unilinear development. Rather, the epoch specifies a multiple cycle or spiral of processes, which develop into each other. The application of science and the mechanization and subsequent automation of large-scale industry, while reducing the need for unskilled workers, have also made certain aspects of production dependent on a group of workers with highly skilled qualifications (engineers, IT staff, etc.). In addition, science and mechanization have made it possible to create, elaborate, sub-divide and sub-contract the production processes in ever more complex ways. These industries produce finished products or services (consulting, financial services, technical solutions, invention of advanced instruments and steering systems, etc.) while participating in the competitive struggle to sell their products on the market. The potential of these new technologies paves the way for the formation of start-ups, family firms and networks of small businesses that are the research- and development-based, skilled artisanal workshops of our time. Post-industrial capitalists obtain the possibility to buy up the ideas, knowledge and brands of the surplus-producing start-ups, to concentrate their personnel and to revitalize the mode of operation of "manufacture" in new forms. These new forms of manufacture -- often called the "knowledge economy" -- are the potential object of interest of big capital groups, whose huge corporations get the possibility to buy up these companies and to integrate their surplus-creating production into advanced large-scale industries. The further development of these may continuously cleave off functions ... and so forth.

As the concept of formal subsumption demonstrates, the ability to monopolize the ownership to the means of production – e.g. buildings, installations, machines, tools and raw materials as well as the innovation capability and knowledge complex of a production in its entirety – is the prerequisite that makes it possible for the capitalist to buy labour-power, to apply it in the production process and to extract surplus value from its productive application. In itself, the *constant capital* transfers its value to the produced commodities concurrently with its application and depreciation. It makes the appropriation of surplus value possible. Without this kind of monopoly, it is not possible to force the direct producers to sell their labour-power, nor is it possible to extract their surplus-labour without the use of direct coercion. The monopoly is – at this stage of specification -- the prerequisite of the lifemode of wagedworkers. To set out explicitly the negation of the constant capital ( $c$ ) makes it possible to specify its opposite, the *variable capital*, i.e. the value producing labour ( $v$ ). Surplus value ( $s$ ) is produced by means of applying the labour-power to that portion of the labour time that exceeds the time spent on producing a value equalizing the exchange-value of the labour-power itself. When purchased by the capitalist, this labour time appears as variable capital, i.e. the value that can be added to itself. Marx concludes the first step of specification by saying: “The value of any commodity  $C$  produced in the capitalist manner can be depicted by the formula:  $C = c + v + s$ ”.<sup>17</sup> The equation should best be read backwards. The necessary value of the capitalist commodity contains  $s$  (the prerequisite of capital valorization) +  $v$  (the prerequisite of the production of  $s$ ) +  $c$  (the prerequisite of the appropriation of  $s$ ). The three features determine each other and are expressed as  $C$ .

This first step of specification, then, sets out explicitly the inner connection of features, with which it is possible to describe those general traits of capitalist commodity production that determine the *differentia specifica* of the capitalist mode of production, i.e. the scientific concept of this particular economic culture and its (abbreviation in the terms of its) two first lifemode concepts. Nevertheless, it also exposes a hitherto implicit contradiction within the capitalist economic system. To do this, you must be able to sublimate this contradiction, if one seeks to understand how the capitalist mode of production is able to reproduce itself. The contradiction concerns the relation between constant capital and variable capital. Because surplus value is produced by the variable capital, it follows that the greater the portion of employed capital spent by the capitalist on purchasing labour-power, the more potential surplus value can be produced and extracted. However, this equation may contradict the endeavor of capitalists to introduce labour-saving machinery. To decrease the value of labour-power and increase the surplus value produced by labour (the proportion between them is termed the *rate of surplus value*) the capitalist looks for every possible way to improve the efficiency and productivity of the production process. Hence, capitalists constantly introduce and use innovations to increase what the first step of specification describes as the relative surplus-labour. More efficient machinery and all other kinds of new technologies and performance accounting methods are utilized in this economic culture so long as they save labour costs in the total value-chain of a commodity.

When we insert the logic of this first step of specification into the empirical experiences -- i.e. the experiences that are decisive for its appropriateness -- we recognize that capitalists use the constant capital to increase the rate of surplus value. Nevertheless, the foundation and explanation of this is

not evident when we compare different branches of industry. If we compare distinct branches with equal rates of surplus value, it is the implicit consequence of  $C = s + v + c$ , that a branch which requires a high ratio of constant capital (a high organic composition of capital), such as automobile production, may produce less surplus value in proportion to the total capital employed, than a branch with a lower necessary ratio of constant capital (e.g., software design). Empirically, it is evident that some branches demand much more capital invested in machinery, raw materials, infrastructure or energy in proportion to the necessary labour-power than do others. However, the logic of the first step of specification implies that the more surplus-labour employed in proportion to the necessary constant capital, the more surplus value can be produced and appropriated. What then, makes it attractive to invest capital in a branch of industry that demands an organic composition of capital above the average? Capitalism seems to be an uneven and endless accumulation of constant capital, fixed in physical, digital and virtual structures of a still larger and/or micro scale, saving and excluding huge amounts of labour power. The contradiction is manifest and the different demands of investments in fixed capital are recognizable when we analyze the empirical realization of capitalist production. The contradiction cannot find a solution at the first step of specification, based as it is on the terms of value, surplus value and rate of surplus value. It requires a further, second step.

***The second step of specification: The rate of profit redistributes the globally produced surplusvalue.***

The scientific need to be able to sublimate the contradiction inherent the first step of specification causes Marx to select certain features of Step One, from which he proceeds to elaborate a second step of specification. At this step, he calls attention to the implicit features of supply and demand implied in the concept of competition. Applied to the commodity market, these features make it possible to elaborate the concept of price. The sum of  $c + v + s$  determines the *value*, which is necessary for the durable reproduction of the production of a capitalist commodity. The relation of supply and demand on the market determines *the price* obtainable for a singular commodity on a random day. If the prices, on average, fall below the necessary value of the capitalist commodity, the reproduction of its production decreases, causing a reduction of the supply. Prices may fluctuate above or below the necessary values, and the logic of these fluctuations ensures the equation of values with a level of price movements, which opens the way for the specification of their significance for our understanding of the movement of capital and labour power. This triangle of supply, demand and prices forms the conceptual foundation that makes it possible to divide the concept of capital into a plurality of capitals engaged in circulation and competition with each other. The basic transformation from *value* concepts into *price* concepts paves the way for the elaboration of concept specifications from the *value of labour power* into the *cost price of labour power*, from *surplus labour* into *profit* and from the *rate of surplus value* into the *rate of profit*. By means of these specifications, it becomes possible to sublimate the contradiction set out explicitly at the first step of specification.

*The second step of specification* elaborates these transformations:

The total capital  $C$  is divided into constant capital  $c$  and variable capital  $v$ , and produces a surplus value  $s$ . The ratio between this surplus value and the variable capital advanced, i.e.  $s/v$ , we call the rate of surplus value, and we denote it by  $s'$ . Since  $s/v = s'$ ,  $s = s'v$ . If this surplus value is related to the total capital instead of just the variable capital, it is called profit ( $p$ ), and the ratio between the surplus value and the total capital  $C$ , i.e.  $s/C$ , is known as the rate of profit,  $p'$ . We therefore have:  $p' = s/C = s/c + v$ .<sup>18</sup>

By means of this specification, it becomes possible to explicate the ways in which individual capitals circulate between branches of industry in the search for profit and, because of this, the ways in which the flows of capital and labour power move around as competing and struggling parts of the society's and the world system's capital as a whole.

The concept of profit makes it possible to sublimate the contradiction emanating from the triangle of variable capital, constant capital and rate of surplus value. The sublation is as follows: Production processes that employ a large amount of variable capital and produce a high level of surplus value will attract capital, whereas production processes that employ less variable capital and produce a low level of surplus value will be less attractive. Consequently, the volume of produced commodities of the first kind of processes will increase, whereas the volume of the second kind will decrease. On the commodity market, the supply of the first kind of commodities may reach its top price and (when supply exceeds demand) begin to fall, whereas the supply of the second kind of commodity may reach its rock-bottom price and (because demand exceeds supply) begin to rise. The two price trends will meet when the pressure of competition has compensated for the differences in the necessary organic composition of capital. This process may continue to compensate for the differences in produced surplus value, until the totality of surplus value produced is redistributed between the two kinds of production, tending to reach the level at which both of them receive a comparable and equalized profit related to the totality of necessary capital invested. The specification of the redistributing process explicates the principle of the rate of profit. Based upon this contradiction-sublating concept, we arrive at the abbreviated concept of *production prices*.

The prices that arise when the average of the different rates of profit is drawn from the different spheres of production, and this average is added to the cost prices of these different spheres of production, are the *prices of production*. Their prerequisite is the existence of a general rate of profit, and this presupposes in turn that the profit rates in each particular sphere of production, taken by itself, are already reduced to their average rates. These particular rates are  $s/C$  in each sphere of production and are to be developed from the value of the commodity (...). In the absence of such a development, the general rate of profit (and hence the production price of the commodity) remains a meaningless and irrational conception. Thus, the production price of a commodity equals its cost price plus the percentage profit added to it in accordance with the general rate of profit, its cost price plus the average profit.<sup>19</sup>

This step of specification elaborates the features of the praxis of the single productive capitalists as they are conditioned by the equalizing features of the totality of capitalist production and circulation

as a whole. We reach a new and more specified level of structural traits of the capitalist mode of production and its two lifemodes – including an understanding of core features of their ideologies:

At a given level of exploitation of labour, the mass of surplus value that is created in a particular sphere of production is now more important for the overall average profit of the social capital, and thus for the capitalist class in general, than it is directly for the capitalist within each particular branch of production. It is important for him only in so far as the quantity of surplus value created in his own branch intervenes as a codeterminant in regulating the average profit. But this process takes place behind his back. He does not see it, he does not understand it, and it does not in fact interest him. The actual difference in magnitude between profit and surplus value in the various spheres of production (and not merely between rate of profit and rate of surplus value) now completely conceals the true nature and origin of profit, not only for the capitalist, who has here a particular interest in deceiving himself, but also for the worker. With the transformation of values into prices of production, the very basis for determining value is now removed from view. The upshot is this: in the case of a simple transformation from surplus value into profit, the portion of commodity value that forms this profit confronts the other portion of value as the commodity's cost price, and the concept of value thus already goes by the board as far as the capitalist is concerned, because he does not have to deal with the total labour that the production of the commodity costs, but only the part of the total labour that he has paid for in the form of means of production, living or dead, so that profit appears to him as something standing outside the immanent value of the commodity. But what happens now (with the establishment of a general rate of profit) is that this idea is completely confirmed, reinforced and hardened by the fact that the profit added to the cost price is not actually determined, if the particular spheres of production are taken separately, by the value formation that proceeds within these branches, but on the contrary established quite externally to them.

This inner connection is here revealed for the first time. But as we shall see from what follows, (...) all economics up till now has either violently made abstraction from the distinctions between surplus value and profit, between rate of surplus value and rate of profit, so that it could retain the determination of value as its basis, or else it has abandoned, along with this determination of value, any kind of solid foundation for a scientific approach, so as to be able to retain those distinctions which obtrude themselves on the phenomenal level. This confusion on the part of the theorists shows better than anything else how the practical capitalist, imprisoned in the competitive struggle and in no way penetrating the phenomena it exhibits, cannot but be completely incapable of recognizing, behind the semblance, the inner essence and the inner form of this process."<sup>20</sup>

The second step of specification thus reveals how and why economists' theorists and practical capitalists understand the economic relationships and laws at this level. Their understanding includes the way they understand their own decisions and practices. From step two of specifications, these kinds of understandings are limited cases of the scientific theory that transcends them with the help

of an ordered sequence of specifications that takes its point of departure in the concept of surplus-value, which describes the most simple, general and in this sense basic features of the capitalist mode of production. These features can then help elaborate the more specific features of ways of life under capitalism. One may ask whether these features are the most appropriate to start the sequence of specifications, or whether it would be more appropriate to start the other way round? The answer depends on the coherence it yields in the concept formation and on the ability of the sequence of specifications to enable us to understand and explain those ideologies and theories that are connected to the praxis of capitalists and workers as well as to theorists whose practices are anchored in the capitalist economic culture.

The theoretical opinion regarding the first transformation of surplus value into profit, i.e. that each portion of capital yields profit in a uniform way, expresses a practical state of affairs. However an industrial capital may be composed, whether a quarter is dead labour and three-quarters living labour, or whether three-quarters is dead labour and only a quarter sets living labour in motion, so that in the one case three times as much surplus labour is sucked out, or surplus value produced, as in the other (...). The individual capitalist (or alternatively the sum total of capitalists in a particular sphere of production), whose vision is a restricted one, is right in believing that his profit does not derive just from the labour employed by him or employed in his own branch. This is quite correct as far as his average profit goes. How much this profit is mediated by the overall exploitation of labour by capital as a whole, i.e. by all his fellow-capitalists, this interconnection is a complete mystery to him, and the more so in that even the bourgeois theorists, the political economists, have not yet revealed it.<sup>21</sup>

Whereas step one specifies the necessary core features of capital and of labour-power as such, step two makes it possible to specify the first core features of the praxis of the individual productive capitalist and the wageworker as necessarily connected parts of the capitalist mode of production, here understood as a whole of surplus-extracting and profit distributing processes determined by the competitive struggle. It widens the intensional basis of our search for features with which it is possible to explore the foundations of possible and necessary lifemodes. Based on the specified concepts of profit (as opposed to the pre-scientific use of the word) and of production price, we can now modify and set out explicitly the equation (the abbreviation of the inner connection of productive and redistributive relations) to grasp the basic conditions of calculation of the productive capitalist. The production price  $P$  (replacing  $C$ ) involves the rate of profit  $p'$  (replacing  $s$ ) of the average wage  $w$  (replacing  $v$ ) and constant capital  $c$  plus the price of wage and constant capital:  $P = p'(w + c) + I(w + c)$ .

A productive negation of general versus individual features drives the formation of the second step of specification: Marx introduces the modification of the first step of specification by dividing the totality of capital into a plurality of competing individual capitals. This implies the formation of a more specified and complex concept structure capable of describing the general redistribution principles of the rate of profit, generalized productivity, average wage levels and average profit:

By profit we always mean the average profit, since the divergences therefrom of either individual profit or profit in different spheres of production – i.e. the variations in the division of the average profit or surplus-value that swing back and forth with the competitive struggle – are quite immaterial to us here. This applies throughout the present investigation.<sup>22</sup>

Nevertheless, these general features specify conditions on the capitalist markets by means of which, we at the next step of specification will be able to understand more particular features of the individual calculations of the capitalists. Decisive here is the way in which the contradiction and competition between capitals implies the formation of the concept of the individual capitalist enterprise. The enterprises are the means by which capitals hold their own in relation to each other. Every capital needs the largest obtainable return from its own enterprise to be able to stay in step with the accumulation of competing capitals. These considerations point toward the need for a third step of specification where the focus on the praxis of the single owner-capitalist in each individual enterprise transforms the terms of the second specification step into a still more specific concept structure.

Seen from the scientific perspective, the individual capitalist praxis calculates how it is possible to appropriate its individual part of the surplus value produced by the labour force as a whole employed in the totality of branches structured by the capitalist mode of production. Even if surplus-labor is produced by applied labour-power, the number of employed labourers in the individual enterprise does not determine the amount of profit the enterprise can yield the applied capital:

By the concentration of workers and their cooperation on a large scale, constant capital is spared. The same buildings, heating and lighting equipment, etc. cost relatively less for production on a large scale than on a small scale. The same holds for power and working machinery. Even if its value rises absolutely, it falls relatively, in relation to the increasing extension of production and to the size of the variable capital or the mass of labour-power that is set in motion. The economy that a capital makes in its own branch of production consists firstly and most directly in economizing on labour, i.e. in reducing the paid labour of its own workers; the economy previously mentioned, however, consists in the greatest possible appropriation of unpaid alien labour in the most economical fashion; i.e. in operating at the given scale of production with the lowest possible costs.<sup>23</sup>

The level of the exchange-value of the labour-power is at this step of specification overdetermined by the way in which the sale and purchase of the work force is organized, i.e. the cultural level at which the reproduction of the life as a worker family can be defended as a necessary condition of possibility for the supply of work-force on a particular labour market. The rate of extraction of labor-power will tend to be uniform because firms will seek out the cheapest labor, while conversely, workers will seek out those firms that pay the highest wages within their sector. This means that the workers, helped by their trade unions, can organize monopolies on the sale of their labor-power, and that those firms not sufficiently productive will disappear. On the other hand, it also means that the capital placed in firms that create a lower production price than their competitors will either absorb the others or force them to create the same productivity. All this helps to specify the conditions for

the praxis that is necessary to operate a successful firm.

Seen from the perspective of labor, a newly industrialized state with a resident population that is larger than its need for labor in the agricultural sector can use its low wage level and other low costs to attract foreign investment, attract capitalist enterprises to set up in the country and form local subsidiaries and establish a profitable industry with the help of domestic (national) capital. The Chinese Communist Party's control and use of relatively low-wage, disciplined, apt, and quick Chinese laborers to attract foreign capital and accumulate its own capital in the country is a large-scale example of this. After China, it may be India's turn to do something similar.

The division of the concept of capital into a plurality of individual capitals implies that these will be placed in firms with *different* locations, organic composition and productivity, while the market prices for their commodities, due to developments in transport and logistics, will become steadily more *similar*. This means that the individual firm, by bringing the production price of its products below market price, can appropriate an individual surplus-profit. When this succeeds, the individual capital's individual profit will be neither identical to the surplus value (based upon the employed workforce) generated in its own firms, nor will it be identical with the average rate of profit.

Nevertheless, this formulation of the problematic of the single capitalist is hiding another contradiction, because you cannot just lower the price of production as an unquestioned means to raise the individual profit. The reason is that the production price contains the cost price as well as the rate of profit and it is meaningless to strive for obtaining a surplus-profit by means of lowering your individual profit below the average rate of profit. The individuality of the singular capitalist praxis demands, that one directs the focus towards the cost price and scrutinizes the modes in which, the capitalist can possibly manipulate the cost price of the commodities produced by the singular enterprise. This remove demands a new step of specifications exploring the structure and manipulable features of the cost price, which are relevant when the individual capitalist seeks to survive the struggle of competition and accumulation between industrial capitalists.

### ***The third step of specifications: The lifemode of the individual capitalist entrepreneurs***

The cost prices reflect the different conditions of possibility for production in distinct branches and regions. Marx takes them into consideration when focusing at the differences that necessitate the redistribution of the global surplus value, which he sets out explicitly at the second step of specifications. *The third specification step*, therefore, takes its point of departure in the basic concepts of the two previous stages: For the capitalist enterprise, the expenditures for wages and constant capital are not fixed sizes, but precisely something that can change by developing the production apparatus. When viewed from a cost perspective, there is a great difference between the means of production, in which the constant capital has been invested. Some of it is invested in machinery, buildings and similar basic operational equipment with long turn-over, which constitutes *basic costs*,

which in accounting terms are calculated as *fixed* costs regardless of how much or little is actually produced with this capital equipment. The remaining capital is invested in raw materials with short turn-over, and the cost to these varies according to how much is actually produced. The same is the case with the wage costs, because the capitalist does not purchase any more working hours than it takes to produce the amount that can meet the demand and squeeze the competitors. Together, the raw materials and wages constitute the *determinate unit cost*, which -- within the limits of the production capability -- appear as a stable cost per unit produced. The totality of the determinate unit costs is a linear function of the quantity and, when multiplied by the quantity produced, yields the totality of quantity-dependent costs. In accounting terms, they are often referred to as *variable costs*. The more units produced, the more items there are to divide among the fixed *basic costs*, i.e., the lower the total cost per produced unit.

Consequently, the total costs of production are not a linear function of the quantity. The relation between quantity and costs, i.e., the size of the total cost per unit produced, has become manipulable, and the means of this are the operational equipment, that corresponds to the basic costs.

When we turn from the cost side to the *use* of the means of production that the expenditures are used for, the connection between operational equipment and unit costs becomes essential. Here the character of the machinery, plant and buildings used is critical for how long it takes to manufacture the product and how much raw materials and energy must be used. By more efficient investing in the making the machinery, plant and production process, the firm can *reduce* the cost of wages and raw materials, i.e., the determinate unit cost and/or *increase* the capacity, i.e., the quantity -- the number of units -- able to be produced with the established production facilities without increasing unit cost.

As a participant in the competitive struggle, the individual firms struggle to gain market shares from each other by either increasing the produced quantity, so there will be more units among which to divide the basic costs or by lowering the determinate unit cost, enabling it to lower the selling price captures the problematique of the productive capitalist at the third step of specification. For the individual capitalist, the task is to constantly ensure the firm's productivity and at the same time avoid increasing the basic costs more than the new earnings (i.e. the quantity sold multiplied by the selling price) can tolerate.

This problematique can be briefly written as an equation that describes goals and tools in the individual firm's praxis:

If we assume that

1. The firm's earnings are equal to the produced quantity ( $q$ ) multiplied by the market price ( $p$ )
2. The firm strives for individual profit ( $IP$ ) that exceeds the average rate of profit ( $IP > P'$ )
3. The cost of wages ( $w$ ) and raw materials ( $m$ ) represents the determinate unit cost ( $duc$ )
4. The determinate unit cost ( $duc$ ) multiplied by the quantity ( $q$ ) represents the total variable costs

(*tvc*)

5. The basic costs of production (*bc*) correspond to the necessary operational equipment that make possible a given production capability, provide the productivity and determine the determinate unit cost (*duc*).

The capitalist of the individual enterprise is preoccupied with finding out how to make the most ingenious investments in the basic operational equipment of the enterprise (generating its basic costs of production). The basic operational equipment is the fundamental instrument of the firm in making the income (price multiplied by quantity) larger than its total costs of production (basic and variable costs) plus the rate of profit multiplied by the total costs of production.

The problematique can be expressed as follows:

$$p \times q > (w + m) q + bc + (IP > P') ((w + m) q + bc)$$

or condensed:

$$p \times q > (duc \times q + bc) + ((IP > P') \times (tvc + bc))$$

This problematique exposes the potential for exploring and specifying the different possible means, beyond the ongoing wage negotiations (that affect *w*), of creating maximum individual profit for the individual company:

The third step of specification brings the necessary *operational equipment* and their *basic costs* into focus, because it is by means of these that the capitalist can increase the income ( $p \times q$ ) as well as decrease the total costs ( $(w + m) q + bc$ ). The basic costs (*bc*) represent the material equipment and mental skills which are the primary manipulative means of improving 1) the productivity, the determinate unit cost and the production capability of the production process ( $duc \times q$ ) and 2) the use-value, demand and price of the produced product ( $p \times q$ ). On the one hand, one can lower consumption of paid work (*w*) and reduce raw material costs (*m*) by reducing the waste of time, energy and materials, increasing productivity and increasing the potential, produced quantity. This is synonymous with, in different parts of the value chain, reducing the expenditures of paid labour and thus the finished product's exchange value. And, on the other hand, greater demand can be created by enhancing the quality of existing products or creating demand for entirely new products. This is synonymous with raising the product's use value to the buyer by developing (with the product as agent) the buyer's needs or reducing the buyer's own consumption of additional work in order to achieve the goals that the buyer himself uses the good/product as a means to achieve.

All these pathways can be used by the business management only by investing in the basic operational equipment, which empirically speaking, can be buildings and structures, machines, control systems and production process, product development and design, research, knowledge development and skills development. The operational equipment (material and mental) is crucial to how much working time and how much materials and energy are consumed per finished product, just as they are essential to the production capacity, efficiency and the product's use value. Of course, the use of paid labor in all these stages, which together form the basic operational equipment and amount to the basic costs, must not exceed the saved paid work in the production of the quantity that can be sold at the necessary price, nor the value of the work that the buyer saves due to the product's greater use value for him.

The conclusion of this is that for the capitalist praxis in the individual firm, it is primarily about *cutting the determinate unit cost, increasing the capacity, quantity and product quality* or creating a *new product*, all of which depends on the capitalist's ability to *develop the basic operational equipment*. This includes all the forms of machinery, plant, organisation, automation, digitization, quality, knowledge, innovation and motivation that are important for the levels of unit costs, the production capacity and the quality of the products produced. The quantity is not only determined by the production capacity but also by the demand. Demand, in turn depends on the degree to which the capitalist succeeds in developing the use-value of the product for the consumer -- before the competitors have achieved the same potential.

It is at this specification step that we have the opportunity to explore whether it is possible to specify different form variants of the lifemodes of the industrial capitalist and of the wage-laborer. In the research, which followed after *Capital*, many attempts have been made to identify common features of empirical groups of people linked to the capitalist enterprises. It is especially the "managers", the "middle strata" or "the middle class" who, because of their incomes, functions and ideologies, seem to find themselves between the capitalists and the wage workers. And this is also the case with the various types of shareholders, who are not themselves productive industrial capitalists but make their capital available for lending at an attractive interest rate. Three main views divide the opinion: one is that capital owners (mostly) from their own social environment (but independent of property) recruit, employ and remunerate managers, on the basis of their skills and competences, to exercise the capitalist's functions in their companies such that it is a case of two aspects of the same capitalist class.<sup>24</sup> The second is that the capitalists delegate their functions to salaried employees who therefore stand in a third<sup>25</sup> or a contradictory<sup>26</sup> class position as an employee with especially sophisticated tasks, responsibilities and motivating privileges that they can easily lose again because they are not real capitalists. The third is that it is the possession of capital that determines whether one acquires a part of the global surplus value as profit and they should therefore be understood as capitalist, which managers are not when they are not in possession of the means of production.<sup>27</sup> Commenting on this

debate, Etienne Balibar has convincingly argued that one does not become wiser about capitalism as a process by classifying social groups based on common empirical properties of their incomes and functions, for they constantly fluctuate and depend entirely on the temporary conditions created and transformed by capitalism's uneven development of production of surplus value, appropriation of profit and struggle for accumulation on a global scale.<sup>28</sup> Nevertheless, all three views that Balibar criticizes can be traced back to the class analysis that Marx had just started when he was interrupted in his writing of *Capital*.<sup>29</sup> Let us, therefore -- before moving forward -- examine the scientific point in the final section of *Capital*, where Marx is just about to raise the fundamental problem of the concept of class before the manuscript breaks off. Marx writes:

The owners merely of labour-power, owners of capital, and landowners, whose respective sources of income are wages, profit and ground-rent, in other words, wage-labourers, capitalists, and landowners, constitute the three big classes of modern society based upon the capitalist mode of production.

In England, modern society is indisputably most highly and classically developed in economic structure. Nevertheless, even here the stratification of classes does not appear in its pure form. Middle and intermediate strata even here obliterate lines of demarcation everywhere (although incomparably less in rural districts than in the cities). However, this is immaterial for our analysis.

The first question to be answered is this: What constitutes a class? - and the reply to this follows naturally from the reply to another question, namely: What makes wage-labourers, capitalists and landlords constitute the three great social classes?

At first glance - the identity of revenues and sources of revenue. They are three great social groups whose members, the individuals forming them, live on wages, profit and ground-rent respectively, on the realisation of their labour-power, their capital, and their landed property.

However, from this standpoint, physicians and officials, e.g., would also constitute two classes, for they belong to two distinct social groups, the members of each of these groups receiving their revenue from one and the same source. The same would also be true of the infinite fragmentation of interest and rank into which the division of social labour splits labourers as well as capitalists and landlords - the latter, e.g., into owners of vineyards, farm owners, owners of forests, mine owners, and owners of fisheries.

(Here the manuscript breaks off. - F.E.).<sup>30</sup>

On first sight, this text indicates that a class consists of extensional sets of individuals with a common feature. They own the same sources of income. This corresponds to the customary action-oriented sociological reading and use of the class concept. The reading harmonizes well with the conventional use of extensional classes as social groups who have something in common. The classes can be actors in history because they themselves are aggregates of individual actors. As a result, their class-consciousness is the result of the resources or traits that they possess and will be decisive for the ways in which classes seek to either change or maintain the existing social structure and state power.

On second examination, however, the text also appears to contain an encounter between the extensional perspective on classes and an intensional perspective. The classes' intensions are relations of labour that reveal themselves when Marx, departing from the concept relations in the capitalist mode of production, terminally reads three kinds of labour relations which in turn yield three intensional class concepts. An ends-means relation between a specific subject and its object constitutes every relation of labour, such that the object is the remainder of the mode of production when the praxis-perspective considers it a causal object, i.e., the condition of existence for the subject's specific income. This condition is the relation of labour, in which labour-power is the means and a salaried wage the end, thus yielding the wage earner as a specific terminal and the labour market (capitalist enterprises) its object. The relation in which capital is the means and profit the end has the capitalist as the specific terminal. Its object is the profitable potential of capitalist production (capitalist enterprises). The relation in which landed property is the means and land rent the end has the landowner as its specific terminal and the profitable use of land (capitalist enterprises) as its object. Together, these three subject concepts and the relations of production between them exhaust the terminal points of this -- the capitalist -- mode of production. The life of this mode of production is thus constituted by three forms of praxis, i.e. three lifemode concepts which reciprocally imply and condition each other.

On third examination, this encounter between the class concept's intension and its extension reveals that Marx himself takes the position that the second question -- which produces its own response as to what constitutes a class -- is rhetorical. We obtain an answer conditioned by the type of question. However, the next section reveals why precisely this question must be raised: its answer leads the class concept down the wrong path. Marx lures the reader down a blind alley in order to demonstrate that this is not the proper way to discover what a class is.

A class is not a social group composed of individuals who have the same kind of income or income sources. If one wants to imagine that class analysis consists of "*classifying*" individuals into various extensional subsets based on different incomes according to what (some) individuals share, then doctors and officials comprise two classes, whereas workers and capitalists can be divided into an infinite number of classifications. The infinite division of interests and positions generated by extensional classification should serve as a warning about what class analysis can lead to if approached incorrectly.

Intensionally speaking, a class is thus a determinate form of praxis, i.e., a specific mode of existence or *lifemode*, as Marx expressed it with Aristotelian echo in *The German Ideology*.<sup>31</sup> A class concept's extension, in contrast, seems on first sight to be a social group of individuals with common features. This is how we would answer the question of what "constitutes the three big classes of modern society". Yet despite the fact that this classification of individuals only pretends to describe the classes' extension (and therefore *requires* the intension of the class concept), Marx shows in the second paragraph that even in England, where the capitalist mode of production is empirically realized in its purest form, the individual is not a unique data-carrying unit. Individuals do not permit

themselves to be classified into well-defined categories that can be kept sharply separated and that fall into clear sub-categories without significant intersections and remainder categories. “Middle and intermediate strata even here obliterate lines of demarcation everywhere,” writes *Marx*.

“This is immaterial for our analysis”, concludes Marx. In our reading of *Capital*, this conclusion derives from the fact that the answer to the question: “What makes wage-labourers, capitalists and landlords constitute the three great social classes?” is not equivalent to asking: “What constitutes (the intension of) a class?” By asking about the extension of social groups in modern (read: empirical) society, it already implies that we are classifying the individuals we are talking about. This classifying of individuals into delimited sub-sets is not easy to derive from the class concept’s theoretical determinants (relations of labour) because these determinants are interwoven with each other (and may be so even in the life of the single family and individual). Yet this classifying exercise is immaterial to the analysis of the classes. The appropriateness of the class concept does not depend on the ability to sort individuals into distinct, well-defined social groups. On the contrary, the opposite is the case, if anything. The appropriateness depends on its potential contribution to our ability to specify the decisive and changeable features of distinct lifemode concepts that coexist. For it is precise the modes of coexistence that make it possible to analyze the inner connections between the durability and temporariness of the capitalist mode of existence in a state system under geo-political transformation.

The concept of class becomes valuable as an analytical tool only when it specifies the properties of the class’s praxis that make it a self-reproducing lifemode.<sup>32</sup> This is because a class-specific praxis can only be the bearer of its own ideological conceptual world if it is *self-reliant*, i.e., if its *own characteristics determine each other in an internal coherence*, because one can then not argue that its “attitudes” are created simply by external causes.<sup>33</sup>

The interesting aspect of the mode of production concept is that it is a self-reproducing structure of social relations that contains several endpoints from which different kinds of class-specific praxis can be derived. All these forms of praxis are necessary for the reproduction of the totality, but they can also *reproduce themselves*, on the basis of their own logic, by making a very specific contribution to the whole (labour time or venture capital, etc.) because they thereby obtain the right to draw upon their own specific conditions of existence (wages or profit, etc.). Their own logic consists, so to speak, in the way whereby they can each turn their specific conditions of existence into specific contributions, for example, by creating working hours out of wages, creating risk capital out of profit, etc.<sup>34</sup>

Let us therefore return to *Capital*’s specification steps for a closer look at the way in which Marx develops his distinction between the concepts of “money-capitalist”, “productive capitalist” and “manager” to examine the extent to which they already provide — or can be used as a springboard to further develop — the possible and necessary lifemode concepts of the mode of production at the third specification step.

In the chapter on “Commercial Profit”, Marx specifies the first features of the praxis of merchant capital by highlighting the differences between merchant and industrial capital. They are specified as two form variants of the functioning capitalist lifemode. As part of this specification, he also elaborates the difference between the commercial wage-labourers employed by the merchant capitalist and the praxis of workers directly employed by the industrial capitalist.

Just as industrial capital makes its profit by selling labour that is already contained and realized in the commodity, labour for which it has not paid an equivalent, so commercial capital makes a profit by not paying productive capital in full for the unpaid labour contained in the commodity (...) and, as against this, itself receiving the additional portion which it has not paid for once the commodity has been sold. Commercial capital’s relationship to surplus-value is different from that of industrial capital. The latter produces surplus-value by directly appropriating the unpaid labour of others. The former appropriates a portion of this surplus-value by getting it transferred from industrial capital to itself.<sup>35</sup>

From these basic features, it seems possible to specify the lifemodes of merchant capitalists and merchant employees.

Yet more interesting for our actual purpose is the chapter on “The Division of Profit into Interest and Profit of Enterprise”. Here Marx first describes his elaboration of the conceptual division between interest and profit of enterprise, followed by the further specification of the work and wages of supervision and management, which are cleaved off from the work and profit of enterprise. Our interest here focuses on the question: “Are we dealing with an immanent praxis, which Marx is able to set out explicitly as a class-specific lifemode in contradistinction to the capitalist and the wage worker? Or is the practice of supervisors and managers to be understood and specified directly from the praxis of either wage worker or productive capitalist?”

In the chapter, Marx shows how profits split up into several distinct parts. The chapter is constructed as a theoretical presentation of the elaboration of concepts, which is constantly related to the way in which the various concepts are conceived by the individual active capitalist himself, i.e., how the theoretical relational concepts are read out and interpreted in the capitalist’s conceptual world, what lifemode analysis calls the “ideology-bearing praxis”. This is demonstrated by a series of empirical examples.

Marx’s intention is to show that the capitalist’s praxis — the production of surplus-value and appropriation of profit — is a function of the role of capital in the mode of production, even if this function may be carried out by productive capitalists who borrow capital to use or by managers employed to do this work.

Hence, Marx specifies the appropriation and distribution of the *surplus-value/gross profit* into *profit of enterprise* and *rent*. This specification of a division and contradiction between two competing forms makes it possible for him to distinguish between two form variants of the capitalist praxis: 1) *money capitalists*, who lend out their capital and obtain interest in return, and 2) *industrial capitalists*, who initiate production with their own capital, generally supplemented by borrowed capital from a money capitalist. This distinction, specification and relation allows us to think further about a productive capitalist who invests using only borrowed capital.

For the productive capitalist working with borrowed capital, the gross profit breaks down into two parts, the interest that he has to pay to the lender, and the excess over and above this interest, which forms his own share in the profit. (...) We have seen how the specific and characteristic product of capital is surplus-value, and at a further remove of specification profit. But for the capitalist working with borrowed capital, the part of the profit that remains for him after interest is paid is not profit, but profit minus interest. It is this part of the profit, therefore, that necessarily appears to him as the product of capital in its actual functioning; and this really is the case for him, since he represents capital only as functioning capital. He is its personification in so far as it functions, and it functions in so far as it is profitably invested in industry or trade and he performs through his use of it the operations prescribed by the line of business in question. In opposition to the interest which he has to pay to the lender out of the gross profit, the remaining part of the profit which accrues to him necessarily assumes the form of industrial or commercial profit, or, to describe it with a German expression which embraces both these things, the form of profit of enterprise [*Unternehmergeinn*].<sup>36</sup>

In relation to him, in other words, interest appears as the mere fruit of property in capital, of capital in itself, abstracted from the reproduction process of capital in so far as it does not “work”, i.e. function; whereas profit of enterprise appears to him as the exclusive fruit of the functions he performs with the capital, as the fruit of capital’s movement and process, a process that appears to him now as his own activity, in contrast to the non-activity and non-participation of the money capitalist in the production process.<sup>37</sup>

The productive capitalist who is working in his own company conceives of the profit of enterprise as a wage for the functions he performs.

The person who applies the capital, even if he works with his own capital, breaks down into two persons, the mere owner of capital and its user; his capital itself, with respect to the categories of profit that it yields, breaks down into *owned* capital, capital *outside* the production process, which yields an interest, and capital *in* the production process, which yields profit of enterprise as capital in process.<sup>38</sup>

Viewed ideologically, the profit of enterprise is a wage for work. Hence,

profit of enterprise does not form an antithesis with wage-labour but rather with interest. (...) this antithesis directly emerges as soon as he operates with borrowed capital, where interest and profit of enterprise accrue to two different persons. (...) But it is no sinecure to be a representative of functioning capital, unlike the case with interest-bearing capital. On the basis on capitalist production, the capitalist directs both the production process and the circulation process. The exploitation of productive labour takes effort, whether he does this himself or has it done in his name by others. In opposition to interest, therefore, his profit on enterprise presents itself to him as independent of his property in capital and rather as the result of his functions as non-owner, as a *worker*.

He inevitably gets the idea into his head, therefore, that his profit of enterprise – very far from forming any antithesis with wage-labour and being only the unpaid labour of others – is rather itself a *wage*, "wages of superintendence of labour", a higher wage than that of the ordinary wage-labourer, (1) because it is complex labour, and (2) because he himself pays the wages. That his function as a capitalist consists in producing surplus-value, i.e. unpaid labour, and in the most economical conditions at that, is completely forgotten in the face of the antithesis that interest accrues to the capitalist.<sup>39</sup>

According to Marx the productive capitalist thinks of the profits of the enterprise as a salary for his labour. Marx's view is confirmed by the fact that in some sectors, there are firms whose *size* allows the capitalist entrepreneur to hire a manager to perform some of his own duties. This manager, in other words, carries out a portion of the capitalist's praxis. The question, therefore, is whether or not he can be paid for this with a portion of the entrepreneur's profit. In any case, it is interesting that a type of labour can be distinguished which is not the labour of the wage workers but is not carried out by the capitalist. Here it is – as yet? – only a *purely empirical* observation, which can only be justified by the company's scale. With his epistemological awareness of the difference between a theoretical and empirical statement and his great cultural-historical knowledge, Marx is fully aware of this fact, and according to him, this observation is not at all specific to the capitalist mode of production:

The work of supervision and management necessarily arises where the direct production process takes the form of a socially combined process, and does not appear simply as the isolated labour of separate producers. But it takes two different forms.

On the one hand, in all labour where many individuals cooperate, the interconnection and unity of the process is necessarily represented in a governing will, and in functions that concern not the detailed work but rather the workplace and its activity as a whole, as with the conductor of an orchestra. This is productive labour that has to be performed in any combined mode of production.

On the other hand – and quite apart from the commercial department – this work of supervision necessarily arises in all modes of production that are based on opposition between the worker as

direct producer and the proprietor of the means of production. The greater this opposition, the greater the role that this work of supervision plays. It reaches its high point in the slave system. But it is also indispensable in the capitalist mode of production, since here too the production process is at the same time a process of consumption of labour-power by the capitalist. In despotic states, too, the work of supervision and all-round intervention of the government involves both aspects: the performance of those common tasks that arise from the nature of all communities, and the specific functions that arise from the opposition between the government and the mass of the people.<sup>40</sup>

In the capitalist mode of production, as in slavery and the ancient mode of production, this supervision entails that

the capitalist takes good care that the work is done in a proper manner, and the means of production are applied directly to the purpose, so that the raw material is not wasted, and the instruments of labour are spared, i.e. only worn to the extent necessitated by their use in the work.<sup>41</sup>

The combined work with supervision and management is an empirical phenomenon known from many cultural-historical epochs and high cultures, in contrast with the specific and theoretically determined concept of work in the capitalist mode of production. When analyzing the individual (empirically existing) manager in an enterprise of scale, it turns out that some of the work he performs is productive wage work, while another part of the work belongs to the capitalist's praxis of creating a productive enterprise that can appropriate as much of the globally produced surplus value as possible as individual profit. Marx's idea is to show that because part of the work that productive capitalists and managers empirically perform is productive work, this sustains the individual capitalist in thinking that his income is wages for the work he himself performs. The formation of the ideological relations of contradistinction between the lifemode of the productive capitalist and the money capitalist may be self-reinforcing.

Theoretically, the ideological relations might lead one to believe Marx's assumption: that the gross profit is divided into three parts: the interest, the profit of the enterprise and wage of supervision and management.<sup>42</sup> The argument for this understanding would be that the wages of management are separated from the profit of the enterprise because the work of management is cleaved off from the praxis of the productive capitalist. The manager must ensure that labor is consumed productively, in the sense that profit is produced and appropriated. However, Marx warns us that one should not be fooled by this, for the very organizing, directing and supervising work is itself productive work and therefore comprise distinguishable functions. But if they were paid for all the entire value they added to the capitalist commodity, they would then, viewed from the first step of specifications, not produce a surplus value, and if they were paid only for a portion of the value they added to the commodity, then they provide, like other wage earners, a surplus value to the firm that has purchased

their labour. Both inferences lead to the conclusion that their wages are not a part of the profit, but more or less good payment for necessary work functions in the capitalist production process. In this case, it would not be a case of making explicit a variant of the capitalist's lifemode.<sup>43</sup> The question, then, is how it looks when they are viewed from the second stage of specifications: is it the work of appropriating a part of the global surplus value as the firm's profit, that they assist the capitalist entrepreneur in exercising? Or from the third step of specifications: is the work they do that of developing and utilizing the firm's basic operating equipment to create the greatest possible use value and quantity at the lowest possible unit cost (*duc*) with the goal of earning a greater individual profit than the average rate of profit ( $IP > P \bar{}$ )? Is there a reason that Marx seems to find it difficult to break free of viewing this issue through the "prism" of the first step of specification?

The first specification step describes how the relative surplus value is generated by increasing the productivity of labor,

and this cannot be done except by an alteration in his tools or in his mode of working, or both. Hence the conditions of production of his labour, i.e. his mode of production, and the labour process itself, must be revolutionized. By an increase in the productivity of labour, we mean an alteration in the labour process of such a kind as to shorten the labour-time socially necessary for the production of a commodity, and to endow a given quantity of labour with the power of producing a greater quantity of use-value. Hitherto in dealing with the production of surplus-value in the above form, we have assumed that the mode of production is given and invariable. But when surplus-value has to be produced by the conversion of necessary labour into surplus labour, it by no means suffices for capital to take over the labour process in its given or historically transmitted shape, and then simply to prolong its duration. The technical and social conditions of the process and consequently the mode of production itself must be revolutionized before the productivity of labour can be increased. Then, with the increase in the productivity of labour, the value of labour-power will fall, and the portion of the working day necessary for the reproduction of that value will be shortened.<sup>44</sup>

Production of goods and production of relative surplus value remain at the first two specification steps, as Marx manages to make explicit, as the decisive features of the capitalist process of production.<sup>45</sup> They are thus the industrial capitalist's means of appropriating as much of the global surplus value as possible, i.e., the maximum possible individual profit and surplus-profit. Nevertheless, it remains an open question whether the work of creating the actual *development* of the surplus value production of the production process and the products' use value must be specified in terms of the labour or capitalist's praxis when performed by salaried managers, researchers and developers. We obtain no theoretical distinction between the production of goods and production of innovation of production of goods. In the review of the development of machinery, Marx gives only the names of various inventors, among others, John Wyatt, who invented the spinning machine and

James Watt, who invented the steam engine. There is clearly a need for more specified determination of the relations of production, if we are to have any hope of developing the specification of the industrial capitalist praxis and the hired managers' and developers' praxis further than the problematique of surplus value and of profit allows for the first two specification steps.

If we therefore return to *the relations of production*, Marx takes his point of departure in the fact that the interest rate is lower than the gross profit.

Because interest is simply a part of profit, a part which we have assumed the industrial capitalist has to pay to the money capitalist, the maximum limit of interest would seem to be the profit itself, in which case the share that accrues to the functioning capitalist would be zero. Leaving aside those special cases where interest is actually greater than profit, so that it cannot all be paid out of the profit, we might perhaps consider the maximum limit of interest as the whole profit minus the part of it reducible to "wages of superintendence", to be developed later. The minimum limit of interest is completely indeterminate. It could fall to any level, however low. But countervailing circumstances constantly enter to raise it above this relative minimum.<sup>46</sup>

If we go on to ask why the limits of the average interest rate cannot be derived from general laws, the answer simply lies in the nature of interest. It is merely a part of the average profit. The same capital appears in a double capacity, as capital for loan in the hands of the lender, and as industrial or commercial capital in the hands of the functioning capitalist. But it functions only once, and produces profit only once. In the production process itself, the character of capital as loan capital does not play any role. How the two parties who have claims on this profit actually share it between them is as it stands a purely empirical fact, pertaining to the realm of chance, just as the respective shares in the common profit of a business partnership are distributed among its various members.<sup>47</sup>

The money capitalist is thus not justified theoretically, but purely empirically. Because he is in possession of capital "pregnant with surplus value", says Marx, he is capitalist. But he must necessarily be capitalist in another sense than the active capitalist because his praxis does not, like that of the capitalist entrepreneur, take part in the process of production and appropriation of surplus value and profit. On the other hand, his capital does take part, but only *under the condition that he lends money to an active capitalist entrepreneur*. Whether or not he lends money to someone who has success with his production or someone who goes bankrupt, he receives a return in interest and principal repayments, provided that he has made sure to obtain sufficient security in real estate. Therefore, it is doubtful whether one can always view a money capitalist as a real capitalist in Marx's sense. The essential structural feature in the pure money capitalist lifemode's praxis should be of *finding suitable entrepreneurs and others to whom to lend his money*, against adequate collateral in marketable property, and to *set the interest rate according to the size of the collateral* in relation to the loan, i.e. the assessed and variable risk.

The problem is that if one follows Marx's own precondition that capital is distributed at the profit

rates, i.e., flowing to the sectors that yield the most individual profit, the crucial question remains: why would any capitalist tolerate *not* obtaining the average rate, but *always* getting less?

When the second and third specification steps determine the capitalist's capital as funds that flow toward the highest possible profit and then counts the funds that do not seek the highest profit as the capitalist's capital, then the concept of capitalist capital dissolves. That the "money capitalist's" lending funds should be floating capital is contrary to Marx's own concept of floating capital, because this capital will always seek to extract itself from a production or sector if it does not obtain enough profit, i.e., earns less than the rate of profit. Therefore, a capitalist does not simply lend out his capital and leave the responsibility to others. Marx gets around this theoretical dilemma by making the size of the interest into an empirical distribution issue between lender and borrower.

What is problematic here, therefore, is that it is a case of a capital, namely the money capitalist's, which is nevertheless not capitalist capital, understood as floating capital. If this is correct, then the money capitalist's praxis is not a capitalist lifemode.

In Volume Three of *Capital*, Marx specifies the capitalist praxis as a canonical term determined by the inner connection between two necessary features:

1) The first is the capitalist's ability to get the wage workers to create a production of surplus value:

Similarly, he is only a capitalist at all, and can only undertake the process of exploiting labour, because he confronts, as proprietor of the conditions of labour, the worker as the mere owner of labour-power. We have already shown in Volume 1 how it is precisely the possession of these means of production by the non-workers that turns the workers into wage-labourers and the non-workers into capitalists.<sup>48</sup>

2) Marx formulates the second characteristic as follows:

Capital draws from a sphere with a low rate of profit and wends its way to others that yield higher profit. This constant migration, the distribution of capital between the different spheres according to where the profit rate is rising and where it is falling, is what produces a relationship between supply and demand such that the average profit is the same in the various different spheres, and values are therefore transformed into prices of production.<sup>49</sup>

This characteristic has to do with capitalists' ability to *invest* in the changing locations that temporarily yield the most profit. This is necessary if capital should not lag behind the other capital's accumulation or even end up as operating funds in firms that generate no return at all.

In order to be able to speak of a genuine capitalist praxis in a theoretical sense, therefore, both these criteria are necessary. Already at the first specification step, the praxis of the capitalist and the wage labourer create the basis for the further elaboration of the two fundamental lifemodes of the capitalist

mode of production. They form the mutual conditions of possibility for each other. But the reason that Marx finds it difficult to break away from viewing them primarily from the first and second steps of specification, i.e., to further develop their forms and form variants and to discuss the possibility of third forms, is that there emerge unresolved contradictions in extension of his second specification step. The capitalist class becomes a contradictory concept because interest-enjoying moneylenders (in line with the ordinary speech of the 1800s) are characterized as capitalists without possessing a capitalist praxis. For the wage-earners part — that is to say, the class which is separated from the means of production — the third specification step makes explicit the contradiction in the presentation in *Capital*, that the class includes labour power in the form of skilled, wage-earning employees, whose praxis is indistinguishable from the capitalist's praxis.<sup>50</sup>

As we have seen, Marx never went further in his chapter on classes than to observe that we will be led astray if we develop the class concept as a classificatory set of people who have the same type of income source. The manuscript is interrupted. But there are indications that the critique of the extensional-logical classification methodology was but the first step in a larger plan for the chapter. Perhaps it is not only the unclear points and contradictions that arise when we *classify* direct producers and non-producers on the basis of their source of income that Marx had in mind, but also the devastating consequences when we proceed further in the theoretical specification of the capitalist mode of production's direct producers and non-producers on the basis of their *source of income*. Following this line of thought with Marx, it was a matter of transcending these errors with a theoretical, class-specific lifemode concept that could reveal the contrasting forms of *praxis* presupposed and necessitated by the capitalist mode of production.

The contradictions that we have localized in the work of developing the third specification step on the basis of *Capital*'s investigations and presentation derive precisely from the fact that the presentation allows for the possibility to conceive of “source of income” as detached from the ideology-bearing praxis that the mode of production requires as one of its necessary lifemodes, i.e. the praxis that is able to produce and appropriate the distinct source of income. It gives space to imagine that the (individual or collective) subject who acquires an income is not identical with the subject carrying out the praxis that creates the income and ensures its appropriation. If this is the case (e.g., embodied in the notion that the mere ownership of labour or capital is sufficient to ensure a reproducible income of the two sources we may be misled into characterizing a class using an income source. This is because the lifemode whose particular praxis is a prerequisite for the production and appropriation of the income source is conspicuous by its absence in the specific (therefore empty) class concept.

The scientific significance of the mode of production concept derives precisely from the fact that it makes it possible to reveal the classes in terms of the distinct lifemodes, as that which a particular mode of production's relationships have as their complementary terminals (terms). This feature is the core of the epistemological rupture that has made it possible to explicate the necessary lifemodes instead of just classifying people according to their sources of income (or other detached entities),

like any other uninteresting stratification sociology that does not develop concepts to explore people's necessary praxis and their conceptual worlds.

The task, therefore, is to make productive use of the contradictions that have shown themselves possible to make explicit in the third specification step by exploring the possibilities to develop a fourth specification step which sublates the contradictions in a new, larger, more specific and coherent whole. We now know that the mobility of floating capital requires a specification of the characteristics of each and every lifemode praxis that make this movement possible without making the reproduction of these lifemodes impossible. We also know that each firm has the possibility to lay off its workers and treat its workers as temporary employees, while firms as a whole can not do without the permanent availability of labour that can be hired when the capitalist entrepreneur needs workers. This places demands on the organisation of labour and on the state's participation in the elaboration of the legal conditions of possibility for this organization. About the capitalist entrepreneur, we know that the competitive struggle and need to accumulate entails that the capitalist praxis must have the form that enables it to achieve a profitable production of surplus value in the individual enterprise. But since profitability requires an individual profit that is at least equal to the rate of profit, it also entails that this praxis must be able to create a new production, move into another sector or develop its production of a completely new and untested kind of use-value when (or more precisely, before) the existing production of known products loses its (always) temporary possibility to yield a sufficient profit from it. Both are a precondition for the capitalist entrepreneur being able to continue appropriating a sufficient share of the global surplus value so as to survive as a capitalist. The capitalist entrepreneur's praxis therefore has two complementary sides: 1) to be able to manage a profitable enterprise, and 2) to be able to move his stake and investment into the most profitable opportunities. The first we might call the entrepreneur's "*productive management*", while the second would be the entrepreneur's "*profitable investments*".

As *productive management* consists of actively appropriating the largest possible share of the globally produced surplus value through the productive use of the firm's capital, the word "productive" denotes this management as a productive *means*. When the same management is viewed from the *end* that the firm achieves in the form of an individual profit we will term it "*profitable management*". Similarly, the term *profitable investments* shows that the investment side of the capitalist praxis is viewed from the *end goal* (profit's) perspective, while the same investments viewed as means will be called "*productive investments*" as the placement of the investments is the *means* to ensure a more profitable (or less risky) placement of the floating capital than other investment opportunities offer.

Finally, we know that the so-called money capitalist's praxis contains neither one nor the other side of the productive capitalist praxis, and that this must be the explanation for why the money owner must be content to lend his money to, for example, a productive capitalist or merchant capitalist in return for interest payments if these funds are to circulate as capital.<sup>51</sup> The two forms – the money owner and the productive capitalist – therefore appear as each other's negation at the third

specification step. The point is that precisely for this reason, a sublation of this negation may generate a more coherent understanding – of the internal contradictions, we have located in each of them. It is with this aim in mind that we now explore the possibilities of developing a fourth specification step.

***The fourth step of specifications: The lifemodes of capitalist managers and investors***

If we begin with the contradictions of the capitalist entrepreneur’s praxis, the *productive management* requires that the capitalist possess the labour process in its entirety so that he can ensure a profitable use of the equipment, labour force and raw materials as specified in the third specification step. This means its empirical realization implies a comprehensive and specific complex of skills, experiences and knowledge of the specific production process and sales. However, this same requirement conflicts with the requirement that the entrepreneur freely move his investments of capital and productive effort from one sector to the other, governed by the prospect of maximizing individual profit. This is not because one person can not know everything, but because ensuring a profitable production implies that the individual enterprise can manage its production and the produced use-value in specific ways in which it is difficult for others to do better. Without be able to do this, the entrepreneur has no protection against the competition sinking the market price of its goods below their production price. This requirement of *particularity* stands in contrast to the requirement of capital’s ability to flow freely between the various kinds of production and production units, i.e. the *universality* of its application. Turning to the concept of the “money capitalist”, he stands well enough outside all industrial sectors and can therefore lend his money to any branch or industry, as long as he receives adequate security for the loan. However, 1) when money is lent out, it is contractually bound to the borrower as long as the borrower can repay interest and principal, which in itself limits its mobility; and 2) without possessing the labour process, money capital cannot enter into any random sector and take co-responsibility as profit-seeking, liable capital. Nevertheless, the fact that money capital has such an external and free relation to each distinct labour process is reason to explore what is fundamentally needed for the profit-seeking capital to be sufficiently “liberated” from the individual labour process and enterprise in order for the concept of *floating capital* to become a theoretical and empirical reality.

If we then address this question of what the dual form of praxis of the capitalist entrepreneur concept requires in terms of coherence, the very nature of the question can shed new light on the answers for which we obtain the opportunity to make more explicit. The concept of “floating capital” entails, as shown, that the two sides presuppose each other while at the same time being in contrast with each other. This is because they are two necessary and complementary sides of one and the same praxis. Hence, we are dealing with a concept whose two sides imply and contradict each other. The praxis of the individual capitalist entrepreneur is a dialectical whole. Therefore, the negation can only be sublated by disassembling the two sides of the same praxis from each other even as they continue to imply and presuppose each other. We thus need to further specify the two sides of the individual

capitalist praxis into two distinct and self-contained forms of praxis, which at the same time presuppose each other. Logically, we are compelled to maintain the indivisibility of the two sides of the individuality, and we can do this only by this indivisibility being elevated to a more labour divided, complex and specific form of capitalism where profitable management tasks are carried out by *capitalist managers* in each individual firm, all while *capital investors* move the floating capital around, choosing to place their profit-seeking investments in the most attractive sectors and enterprises.

This specification stage requires a form of organization that makes it possible for the individual firms to compete with each other, each seeking to retain its own position and expand, while investors can move their liable capitals from one firm to another. Although the firms are each other's worst rivals, there needs to be a flow of liable capital between them that is driven by the prospect of a profitable return on investment as indicative of the firm's success, and which can be crucial for which firms are given sufficient resources with which to achieve a potential success. At the same time, a firm must be able to *shield* its special development and combination of operational equipment, raw materials and labour-force from its competitors and create an approximate, temporary monopoly on its unique production of use value. The firm can procure resources for this task only if it is *open* to the entry of new owners, and that there occurs a replacement process among the circle of owners, as owners will move their less promising investments to other firms with more potential.

It goes without saying that such a system will necessarily be profoundly contradictory, and it is hardly surprising that Marx did not consider such a system to be a viable and lasting form variant of the capitalist mode of production as a whole. He mentions that large banks have begun to develop shared forms of property that tend to transcend - and by means of concentration and monopolization overthrow - the individual capitalists' private ownership of banks and enterprises. That Marx had difficulty developing concepts to describe how a finance capitalist variant of the mode of production could conceivably take form, therefore, shows how the cultural-historical temporariness implies a scientific temporariness in the formation of concepts. *Capital* was written before the new types of companies began to make their impact. In close connection with state corporate legislation, industrial and capital interests found heretofore unknown ways to combine and reinforce the contradictory associations between firm competition, the growth of the individual enterprises and the floating capital.

There are two structural features that make it possible to divide the concept of praxis of the individual capitalist entrepreneur into two self-contained forms of praxis: the capitalist manager praxis and the capitalist investor praxis.

One feature is the possibility that an enterprise can employ professionals to develop its operational equipment and utilize equipment, labour-force and materials to create maximum profit for the enterprise through the production and circulation of use-values. This requires that they hire researchers, developers and managers who not only sell their time and labour, but take on the

responsibility of running the company profitably. This entails that they are hired to use their creative abilities to provide the firm with that special competitive edge over other firms, the edge that enables it to produce surplus value and appropriate profit. This requires *exclusive right* to the technological leading position, to the productive innovation and development of new use values that can be sold to the customers. It is the ability to produce and keep this lead, to keep the firm ahead of the pack, that the capitalist team of hired researchers, developers and managers sell to the individual firm through their employment. When this exclusive creative edge can give the company a *temporary monopoly on a leading position* in the market, the firm can earn an equivalent profit. When such a *productive management team* completely replaces a capitalist entrepreneur's praxis, its members *possess* as a team the entire labour process. It means that this team is indispensable to the firm's ability to earn a profit. Without this team, the firm cannot earn a profit and will lose its attraction as an investment object for profit-seeking investors. The capitalist managers, not being co-owners of the company, can without hindrance leave for another company, leaving its fate in the hands of other career professionals. Because it is the firm's capitalist management team that creates the firm's temporary monopoly on the profitable advantages of its production process or its products' use value, it is necessary to pay this team a share of company profits so that they can take responsibility for its development and operation, if the company wants to avoid losing *productive management* of its capitalist team. From this perspective, the praxis of profitable management is a prerequisite for being able to attract the productive investments, i.e. to engage the praxis of productive investment. The indicator of efficient management is ultimately its ability to attract productive investment.

The second structural feature consists of the possibility that a profit-seeking investor can join with others capitalists to place a part of their venture capital as liable capital in a firm and reserve the right to withdraw their investment from the firm by selling their shares. By means of a subscription of shares, a temporary partnership of this kind divides the total need of capital into transferable shares to be negotiated on a private basis or quoted on the stock exchange in accordance with a Companies Act. This means that as a capital investor participates in the firm's obligations, values and potential added value, as well as sharing ownership proportionally with the other shareholders who have purchased shares in the firm. Characteristic of this type of company is that each investor is liable for its shareholding stake in the company, and that each share allows some degree of influence at the company's shareholders meeting. The shareholders meeting appoints a board of directors, who then hire the firm's executive management. Shareholders can either obtain a share in the firm's distribution of annual dividend, or the company may choose to reinvest its profits and satisfy its shareholders via an increase in the price of its shares so that they can be sold profitably. As an investor, it is not necessary to possess the labour process, i.e. to have direct control over the labour process, but it is necessary to possess 1) the power and ability to delegate (or share in delegating) responsibility for the productive management to a board that hires the executive team; and 2) the ability to make an informed assessment of a company's value and potential. The latter is essential for shareholding investors to compare the potential of different companies and to move their investments to firms that are undervalued on the capital market relative to their value and potential, so as to purchase and then sell shares at a profit. The two skills are essential features of the capitalist investor

praxis.<sup>52</sup> From the capitalist investor's perspective, the stocks are securities which should be purchased cheap and sold high, whereby the stock market as a whole forms the condition of possibility for floating capital to move freely from company to company and between business sectors. While each firm's profit potential depends on the value of its productive management, it is, conversely, crucial for this potential that the investors can and will aim to use existing capital and earned profit to attract the best possible capitalist managers to develop the firm's profitable production of use value and appropriation of the greatest possible part of the globally produced surplus value. From this perspective, the praxis of profitable investments is a prerequisite for being able to attract productive management, i.e. to engage the praxis of productive management.

The two capitalist lifemode concepts at this fourth step of specifications therefore form each other's intensional conditions of possibility, and their mutual relationship is characterized by interesting contradictions. Basically, each company's primary prerequisite is that it is an *indivisible* unit of production that possesses the integrity to cooperate with others and take part in the competitive struggle without its individual parts falling apart or being played off against each other by the competitors. To do this, it must be able to hold onto its business secrets, its operational equipment, its workforce, its access to raw materials, its research and development knowledge and its senior management, that is, all its working capital so that it does not lose any parts of it to aggressive competitors. But just as fundamental is it that the firm as an enterprise, is *divisible* from the capital owner's side: its investors can buy and sell its shares, by which it is possible to recombine and unite sufficient amounts of liable capital to work with. The contrast between the firm's individuality and the firm's capital divisibility becomes clear when capitalist investors buy shares in competing companies, when a company undertakes a hostile take over of a competitor's shares in order to absorb a competitor, and when investors buy shares in a company in order to make a profit by emptying it of value, splitting it up and selling its valuable parts to other companies. Conversely, a firm and its business activities can be hit by unfortunate circumstances or be so poorly run that the firm finds it advantageous for new owners to come and take over a controlling interest, try to turn the company around and restructure it so as to give its productive management the opportunity to develop a new potential, thus enabling shareholders to sell the firm again at a higher share price. Empirically, the world is now populated by capital funds that have specialized in one or more of these three ways of generating profitable investments.

The contradiction is most clearly visible, however, by the fact that the best investor is the one who has immersed himself in the firm's operations, finances, risks and growth potential because knowing most is synonymous with being able to buy and sell the company's shares at the most profitable moment, or the least costly one. Therefore, it is not necessarily outside investors with a keen eye, a broad overview and a basis for comparison who are best positioned. Rather, it may be the firm's own management team who have the best prerequisites for being able to buy and sell the shares at precisely the right moment. The internal management team are the ones, for example, who can temporarily reduce the discretionary costs when there are cash flow difficulties so as to present enhanced short-term earnings in the financial statements, even if these discretionary costs, such as

research and development, are the primary means of improving the firm's operational equipment. Because the capitalist managers possess the most reliable internal knowledge about the enterprise and its business secrets, knowledge that nobody else has, they can be better positioned (as far as the individual firm is concerned) to speculate with company shares than all the other investors who do not have such insider knowledge. Ultimately, this could prevent pure investors from becoming interested in trading with the company's shares. To resolve this contradiction so that a public stock market can operate, and to help those firms listed on the public stock exchange, the state can introduce laws and regulations against insider trading that make it an offence to leak information about a firm's annual financial before it can be accessed by all potential investors. Hence, even though the lifemodes of the capitalist manager and the capitalist investor are the exact negations of each other, it is still extremely difficult to keep them separate, because the best manager is the one who knows most about whether, when and how wise it is to invest in the individual firm, just as the best investor is the one who knows most about what goes on and what should be done in the operations of several companies listed on the stock market. Therefore, it is necessary to enable their cooperation by preventing their fusion if a public system of dealing in shares on a stock exchange is to be maintained. The states that have an interest in ensuring the conditions of possibility for a well-functioning floating capital do so by designing a corporate legal framework that mitigates the worst contradictions in the necessary division between the two capitalist lifemodes. This results in the *share organized, finance capitalist mode of production* (SOFCMP) as a form variant that poses specific functional requirements for the legal conditions of possibility in the state.<sup>53</sup>

If we examine the sequence of specifications as a whole, we thus have not just one concept for the lifemode that has its place in the capitalist's end of the mode of production's relations, but three of them: 1) the *individual capitalist entrepreneur*; 2) the *capitalist manager* and 3) the *capitalist investor*. The three types belong to different steps of specification, i.e. they require distinct versions of the mode of production's relationships that are developed step by step in the sequence of specifications. The finance capitalist and joint stock company variants were not yet widespread in Marx's time, which can probably account for why he did not go further to describe the third and fourth specification steps as theoretical types, i.e. as canonical concept structures. In our own time, the world's capitalist cultures exhibit empirical realizations of all three lifemode concepts as distinct forms and in interesting combinations.<sup>54</sup> They fold into each other on many levels, from start-ups and family businesses to national conglomerates and global corporations, through lending and borrowing banks and credit systems, capital funds, pension funds, investment firms, portfolio managers, law firms, investment banks and government-owned companies. We thus need to be able to set out more explicitly the basic concepts needed in order to explore the many symbiotic and contradictory forms of coexistence and neoculturation.

When exploring the possibilities to elaborate the features of the capitalist investor into its own self-reproductive praxis, this praxis will be called the *finance capitalist lifemode*; similarly, the possible self-reproductive praxis based on the features of the capitalist manager will be called the *career professional lifemode*. The share organized financed capitalist mode of production is the condition of

possibility for the reproduction of both these lifemodes. When the mode of production is part of a complex social formation and coexists with other features, be they feudal rulers, colonial administrators, military commanders, sea captains and others who have assets for which they are seeking a return on, as was the case in the seventeenth, eighteenth and nineteenth centuries, or small investors, pension funds, charitable foundations, states and interest groups who want a return on their assets today, they can be managed by capitalist investors whose finance capitalist lifemode is not based (exclusively) on their own capital property, but on the management of money derived from non-capitalist lifemodes. Conversely, researchers, developers and other experts based on a capitalist management praxis make their career professional lifemodes available against payment from family businesses, capitalist entrepreneurs, state enterprises, pension funds, etc. who need to buy into a piece or feature of capitalist management .

In this section, we have explored and described the kinds of conceptual relations required to specify a capitalist manager praxis and its career professional lifemode. In the following, we will investigate whether we can convert these relations into a terminal concept in the form of an ends-means problematique with the goal of developing a self-contained lifemode concept.

### **Specification of the career professional lifemode**

A durable mode of existence demands that at the manager's end of the relations of SOFCMP is a possible and necessary *praxis* that, by providing a certain type of contribution - or type of labour - can appropriate a particular type of income.

This praxis can sustain itself only if it is able to *convert* the particular type of income into new outputs of its (unique kind of) contribution to the firms where they are employed. The way this is done must therefore be specified as a particular form of ends-means problematique, just as it must be possible to specify the ways in which the contribution to the firm *generates* the paid out income. Only if we manage to specify both these sides of the manager's practice will we be able to construct an independent praxis concept. In the following, we pursue various paths to test the possibilities for constructing a lifemode concept that is structurally different from the lifemodes of the self-employed, the wage-worker, the individual capitalist and the finance capitalist.

The manager's expertise is sought out by corporations and firms whose survival depends on their ability to appropriate the largest possible part of the globally produced surplus value as individual profit and thus create added value or annual return. As a CEO explains says: "And this is what we are put on earth to do, to earn money." This ability depends on whether the firms are able to constantly innovate, understood as their ability to remain competitive by producing products that have a lower production price than the market price. The individual profit consists of the difference between these two prices. It is therefore through the internal *competition*, being constantly *ahead of the pack* within production processes, product development, marketing, etc., that the individual firm

has the possibility to create the individual surplus-profit that allows it - instead of its competitors - to attract and retain invested capital.

What each firm is looking for in their managers, design engineers and process developers, therefore, is creativity and new ideas for how to innovate in order to succeed in the competition, to gain or retain that “competitive edge”. Or possibly, the managers’ ability to see that the product is not profitable, so that in time, i.e., without excessive loss, the firm can cease the unprofitable production and concentrate on some other product. For this reason, it is also the *exclusive right to use* this judgment, creativity and the new ideas that the company is seeking when it recruits an executive, a manager, an R&D scientist, an engineer, a planner or other expert. However, in order for a new idea to bring the company ahead of the competition, it must be implemented *before the competition gets hold of it*.

The product director and sales manager of a Danish branch of a large Dutch-owned food corporation expresses it this way:

We just do it better than they do. This is what it’s about basically, doing things before and doing them better than the others, right. We ourselves think that in product development and product terms, that we are one step ahead. And we see this as being reasonably important. And this is perhaps related to the fact that our company has seen that this area is attractive before the others have woken up, I mean from a purely product development point of view. So we also try to act reasonably serious, we don’t come out, as some do, with the cannons and say, “Now you just have to knock some goods off the shelves.” We try to say, “Well, we have some long-term relations, especially when you are on a professional market, you need to build on long-term relations.”<sup>55</sup>

The Danish toy company LEGO is another example of a firm that focuses on staying far ahead of the competition. Previously, LEGO brought several lawsuits against firms trying to sell counterfeiting LEGO products, but the result was often that LEGO lost. Executive Director Torsten Rasmussen puts it this way: “You can be totally certain that six months after the launch of a new product, there is a copy lying there in another package.” Instead, every time they detects “a pirate”, as they call it, with an imitation of a product, LEGO sends new products out on the market instead. Several times a year, new product ranges enter the market. In this way, Lego continuously ensures that they can keep the competitors off balance. The worst thing that can happen for such a firm is that their key employees within product development are recruited by an aggressive competitor, taking their knowledge with them. The counter measure is to develop a system like a LEGO block and continually produce its components and models in so many new varieties with such large use value that the innovation, diversity and quantity of the product range protects LEGO against competitors’ “attacks”.

Being able to hold on to its production secrets is necessary for many firms if they want to remain market frontrunners. The sales manager Erik Mogensen explains:

And so we have been good at putting new things in that fit. Last year we started up a line of pasta products. Well, now there's also come a new technique called aseptic filling. And that means that today we are able to make products entirely without additives, preservatives and dyes, that are completely pure. We have four soups, that we launched in February without a single E-number [denoting additives]. And we are still the only ones who can produce this kind of thing. And that is a huge extra to have. It's a damn mastermind who figured it out. But we've contacted him. And he can't produce any more than what we can take. As long as he can do this, no one else will enter the picture. And so of course, we develop at the same pace as he can handle more. So hell, we'll just produce more.

In the banking world, as well, competition is tough, as is well known. One option is to invest in targeted employee-development:

Well, you know, the banknotes look the same in all banks. The products are the same. They're called different things, but it's exactly the same. And we know perfectly well that we can easily figure out some new smart gimmick, and so it can be copied as fast as a new newspaper can be printed. The only thing we know that the others cannot copy is when we very systematically begin to develop some employees in a particular direction.<sup>56</sup>

Yet developing a group of employees into something that competitors have not figured out is meaningful only when it is possible for groups of employees to develop new strategies, processes or products that ensure the firm a future commercial lead, that can in turn ensure its appropriation of an adequate individual profit and surplus profit to be able to retain both the invested capital and the highly skilled career professionals. The Danish engineer firm Rambøll calls such a department or employee group a "beacon", and Rambøll's "beacon" employee team receives a share of half the surplus profit that the company earns beyond the projected profit. This means that they share the surplus profit equally with the stockholders. Other companies issue "warrants", i.e., future subscription rights to the firm's shares, given to the development department's professional staff who ensure an annual surplus profit. During the sale of the Danish state-owned energy company DONG, for example, the firm's career professionals were promised a significant share in the profits that they could help ensure so that the firm could be worth more in the sales situation some years in the future.

A capitalist manager describes how the company's surplus profit also benefits the capitalist professionals, whose innovative uniqueness is a prerequisite for the size of the profit:

I receive a fixed wage and then have a commission arrangement. When I was hired, my boss said "If you achieve your budget, then you get 2 percent of the profits, and of all that you achieve over the budget, you get 2.5 percent extra." However, there is a maximum of one million [DKK,

approx. twice the normal annual salary of a manager], and I was floating on air because we earned so much.

A productive manager is hired as CEO to revitalize a failing commercial enterprise so that it can be sold. The company's investors promise him, in return for a relatively low salary, a large share of the profits he has been hired to create and a part of the profit from the sale of the company, if he is smart and fortunate enough.

Well, for my part, I would say that I am underpaid. Now you can say, "Everything is going wrong, now it's all falling apart for him." But for my part, I am probably underpaid, but that's because it's in my contract, there is a profit-sharing arrangement. So I'm supposed to get a share of the profits. And last year it was limited as to how much of a share it was. I have a minimum of how much I should receive in bonuses, but this year I'm going to earn a lot of extra money. If we come out with a billion [Danish Kroner], there will be a nice share in it for me. And that's just sweet. And then I reach the salary that I should have. So I have a carrot hanging in front of me. But I could have earned more in a larger company, yes, I could. But I would not have developed myself like that.

In contrast to the simple commodity producer, the career professional creates *exclusive right* to competition-enhancing *innovation* in the firm company. What the manager requires, however, is not only a share of the surplus profits, but *working conditions* that make it possible for him or her to keep on creating new, innovative ideas. One might say that it is this continual effort of engagement, to create the optimum working conditions, that is emphasized with the term "career professional lifemode". Let us for a moment elucidate the specificity of this feature compared to the lifemode of the self-employed and the wage-earner lifemode.

In the most well-known variant of the simple commodity mode of production, there is a production of goods to a market and a purchase of tools and materials on the market. This means that the self-employed lifemode's problematique is all about getting the overall costs – i.e. the *cost per unit* ( $f$ ) multiplied by the number of produced *items* ( $q$ ) plus the necessary *overheads* ( $r$ ) – to be sufficiently lower than earnings, i.e., the delivered number of items multiplied by their market price ( $q \times p$ ) – so that it is possible to continuously invest in new production equipment in order to maintain competitiveness:  $p \times q > (q \times f) + r$ . This is the precondition for the self-employed person remaining financially independent. The investments in capacity-expanding or cost-saving equipment, machinery, etc. must not create new "overheads", i.e. fixed costs exceeding the projected earnings. Central to the self-employed lifemode is to build and maintain a production apparatus whose *use value* enables the firm to generate earnings that constantly allow for *self-financing* of the new investments necessary for maintaining competitiveness. While the self-employed lifemode's problematique thus concerns how to work and invest in order to remain economically independent, the problematique of the career professional lifemode revolves around creating the working conditions that will make it possible to develop *new and exclusive ideas* that can enable the firm company to remain ahead of the competition in one or more areas. Whether as free-lance consultant

or as internal specialist within a firm, the career professional is still trying to sell his innovative services to companies.

The question of whether it is possible to explicate, articulate and maintain the contrast between the career professional lifemode and the wage-earner lifemode is not as precarious as the great debate about the “middle strata”, knowledge workers and contradictory class positions would have it. This is because the career professional lifemode can now be deduced and described from the opposite end of the mode of production’s relations, and its capitalist manager praxis is therefore structurally different from the praxis of the wage-earner lifemode. Central to the organized wage-earner lifemode is ensuring a minimum price for their labour time or piece work through a tariff. This tariff depends on the trade union’s ability to create the *monopoly* of sale of labour (within one or more defined “occupations”) to both employers and other occupational groups, which ensures members a privileged price for their work time. The maintenance of this tariff system requires that each occupational group regularly prevents potential competitor occupational groups from “taking over each other’s work” at a cheaper price. Toward the individual company, the problematique of the wage-earner lifemode is about creating and maintaining internal discipline or solidarity among workmates so as to create a social *resistance* to management pressure on wage-earners to work at a more rapid pace or increase their workloads. As problematic, both the “social resistance” to the individual company and the trade unions’ ability to monopolize the sale of labour time generally are in practice conditioned by the wage-earner lifemode’s place at the opposite end of the mode of production’s relations to investors and managers.

Both the use of social resistance as a means toward the individual employer and the use of monopolization of the sale of their labour time as a means of achieving general wage tariffs stand in stark contrast to the means and features that characterize the career professional praxis. For this praxis, showing solidarity with colleagues against the employer would be directly contrary to the individual manager’s efforts to consistently achieve the optimal labour conditions for himself and his team in terms of the responsibilities they are given, the freedom of disposition they have, the resources made available to them and salary they receive. It is by creating new ideas and making demands for a creative work environment, by showing results and convincing management which resources and working conditions are needed to overtake competitors and gain customers that the career professionals can obtain better conditions. To show solidarity with others against the firm’s management - without being able to justify it as an asset for promoting the company’s profitability - is *incompatible*, in the competition with each other, with having to live selling the firm exclusive means to use in its struggle against those competitors and other outsiders who might threaten the firm’s frontrunner position. Unlike the wage-earner, whose solidarity is with co-workers, the career professional is in solidarity with the firm.

Of course, there can also occur conflicts between a career professional or a team vis a vis a higher level of enterprise management, the company’s executive or board of directors. It may be, for example, that the firm does not offer the kind of working conditions that can allow the career

professionals to develop their creative potential, or that management does not see any profit potential in the creative group's innovations. In these cases, an entire group of employees can leave the company and start their own firm. This kind of exit is very often seen in branches such as advertising, information technology and fashion. But it can also be seen within more common production firms when they face a break in the conventional thinking and all technological or organizational use values need to be rethought. In radical neoculturation processes, it often entails that the original firms are left behind and pushed out of the picture.

The preliminary conclusion of these contrasts with other lifemodes is that in the fourth specification step, it appears that we can explicitly set out a career professional lifemode concept that is neither compatible with nor partially identical with the concepts of the self-employed or wage-earner lifemodes. The key feature of the career professional praxis is its production of unique, innovative ideas for bringing the firm ahead of its competitors. The career professionals' role is to enhance the firm's production, organization, product development, marketing, and reputation in its struggle against competitors for customers, and to enable as much appropriation as possible of the global surplus value produced. This is what we encounter in the empirical data of a firm's "business secrets" that must not slip out to the immediate competitors. What matters for the company, therefore, is 1) that the career professional's innovative *idea is exceptional* (new or untested) within the industry and 2) that the firm is unique in introducing this idea on the market. The internal cohesion between these two characteristics of the career professional's creative idea production can be described by the term *uniqueness* or innovative uniqueness. It is the uniqueness of the career professional's ideas that determines a firm's interest in hiring and keeping the career professional, supporting his or her praxis and cultivating their creative team. Seen from the side of the career professional lifemode, it is the specialist's uniqueness that is his essential *means* to obtain the best possible working conditions. It is the uniqueness of what the career professional can create that makes him or her *irreplaceable* for the company. It is the ability to create a unique edge in the products or process of the company that gives the firm its temporary monopoly on the market. In the career professional praxis, uniqueness is the *means* whereby career professionals make themselves irreplaceable. Irreplaceability is itself a *means* to the goal of creating the optimal labour conditions. However, working conditions are only an *end* in the sense that in the next round they are a *means* for creating the innovative uniqueness. In other words, we are talking about a *self-reproducing praxis*, a specific *lifemode* embedded in the capitalist mode of production.

The concepts of *uniqueness*, *irreplaceability*, *optimal working conditions*, and a *renewable, innovative uniqueness* begin the specification of a cyclical ends-means problematique that can describe the fundamental praxis within the concept of the career professional lifemode. In this way, we can begin to explore the self-reproducing chain of prerequisites that make possible a viable and durable mode of existence and its specific conditions of possibility.

The companies in the share-holding or joint stock organized variant of the mode of production are subject to a competitive situation in several markets: the capital markets, the labour markets, the

markets for capitalist management and expertise, the markets for the purchase of technology, consulting and materials and the markets for distribution and sale of their product. The fact that they obtain all their production conditions on market terms poses special demands on the individual firm. The basic way in which a company can meet these requirements is to find one or more areas where it can bring itself in front of its competitors. In order to maintain an adequate individual profit margin from its production rates and sales prices on the market in this frontline position, which is a prerequisite for being able to appropriate a profitable part of the global surplus value, the firm must use its frontrunner position to create a form or a degree of *monopoly position* so that it can keep its production prices below market prices, despite pressure from competitors.

If the firm has the power and means to press its competitors completely out of the market, it gains the temporary luxury of being able to set the market price as it wishes. The development of large corporate conglomerates such as General Electric, Glencore, Unilever and Siemens demonstrates that it is not always the idyll of the “pure market” that characterizes the ways in which a monopoly position is created and maintained. The empirical data show how large corporations try to destroy or freeze out smaller companies. The director of a local company that was bought up by a large corporation describes the demands made by the “mother company” and how his firm pushes competitors out of the market:

It’s about meeting the future demands for growth all the time. And figuring out how to set oneself apart. Today we are in a typical niche and we have embarked on a plan for how we ensure ourselves and our continued existence in the future. And we are in the full process of following up on this, so we are uncomfortably hard on all our colleagues or competitors, whatever you want to call them, here in the industry. It’s enough to cut all the branches off from them, because we have a niche that lies in the market for expensive and complex projects, and it takes an incredibly long time to get through, but over the years we have sacrificed the money that was needed to enter and become suppliers to what are called large-scale projects. And it costs a whole lot of money, and the processing time is often incredibly long. We’ve also tried to prepare a major project in three to four years and then the company we are supposed to deliver to says, “Sorry, we’ve stopped that project, nothing will be coming out of it.” And so then you have sacrificed the resources on it. And you don’t get any money for it. But when it comes, it’s always in big chunks, so therefore, that part of the market is very nice to have. And we certainly don’t want any competition there.

Therefore we can say that we work across, down to the very low level with many small customers and are extremely aggressive down on that front. This in order to push all our competitors on their own turf, so that they at least do not get to earn so much money that they can come up here. And if at the same time we also get the volume sales down there, so they never come up here [where large-scale projects are carried out]! We have to ensure that they never earn so much from the masses of small customers that they get the resources to come up here, because we want that part of the market for ourselves. And at the moment, things look reasonably good that we will succeed. We have the volume of sales down there [in the smaller projects], so we register everything that happens around us all the time. Who is new on the market, and what is happening there. We don’t just sit around and snooze, you know. And then we have people

running hard with everything down there all the time, while we have peace and quiet up here for doing the major projects, because there are no others who come up here, they can't. They lose their foundation, for it lies down there for all of them. This is a concept in the group that has been running through world-wide.

You certainly register what the competitors are like or where they come. And you certainly always know when a company starts up, where they have their strong side, and what they have specialized in and if it is new and promising, then we have said, "Goddammit, why don't we have any of that." And what you really do, it's to learn the concept very fast, it doesn't take a damn long time, we have such a large stock of basic knowledge, so we can get the specialized knowledge from agents who are out and about. And if we find a competitor who is very strong in that, well OK, so we go in and attack him on that front. And it's usually enough to concentrate on the price. OK you can have your product, you can have delivery assurance, but all things being equal, it's a question of price in the end. And there we might decide to go in and say if the other guy figures that he must have 30% profit on such an order, we can decide to go in and say, "Well, we can supply it without [requiring that much profit]". And by doing that, it's not certain that we get the order, but if he then gets the order, he will surely get only a 5% [profit], dammit, and you then pull the rug out from under him. By attacking him in his niche, where he is strong.

Because we are so big and have so many niches, we can do it, but of course, we will also be attacked in our niches by some others, so it's not just something that runs one way, it runs both ways damn it. But up here with the large orders, we are largely not attacked, not very much anyway. And that's because it's so thunderously uncomfortably capital-demanding. There is no one who can go into it. Yes, OK, it's there, but it's not profitable, because we are so established in the game, with our network over virtually the entire world, so even though we lose our sales revenue for a time, we can almost live from our rental. So it's totally certain, it is a strength in the situation, you know.<sup>57</sup>

A monopoly position seldom entails that the firm stands as the only supplier in the market, but it should be seen as the always sought-after *means* that a capitalist enterprise has under conditions of competition to prevent the market prices from falling below its own production prices. Just as the companies' most effective weapon against each other is to reduce the cost prices, reduce sales prices and gain market shares or to product-develop the use value of their goods and services in order to capture market share, their only way to defend themselves against the pressure of competition is to be able to know something or create something the others do not have.

The CEO of a Danish-owned paper company describes how a market can function when producers have no urge to take a leading position, but are instead only interested in exploiting the potential economies of scale to the utmost in order to reduce unit prices as much as possible:

You have to make sure you are better than your competitors as far as possible. But on this Danish market, which, I must say that there is such an impoverished competition situation that everyone on the market is largely stuck in a negative bottom line or absolutely does not earn anything. And this has been allowed to happen because in most cases there are some large firms that standing behind it, who wanted to burn off a surplus production on a small limited market like the Danish one. They have stayed alive by supplying here because the factory has to get rid of its products, and so it's still profitable, although it may not completely bring home each Krone. This also applies to our largest competitor, who is a Swede, and this is the case for a Finn who is on the Danish market.

In addition, we have had some imports to Denmark coming from three different German companies. It is the same philosophy: you fire something off without necessarily earning something from it, you keep the machines running. And you earn just what you need because of economies of scale. When the engines can be a little bigger and the series can run a bit longer, then the unit price is just slightly lower, also for the German market. And if you have a severe downturn period in Germany, where you can't sell off the last thousand tons, then it's hard to get rid of them in Germany because there are competitors, so you drive them just over [the border to] Padborg [Denmark] and then they remain up here. And it's not always for any sensible prices, it will be mainly price competition and there you are get into some bad business. You fight almost exclusively over the prices. You have forgotten to look at the quality. And I would say that the degree of innovation here is not very great. There has been no time to evolve and create a profile in the market.

This manager's own idea is that the Danish company, instead of competing on price, should change strategy and be the first to focus on selling paper products to the increasingly environmentally-aware consumers who want to pay a little extra in return for environmental protection.

One of the best products I've seen sits pretty much here on the shelf (in the demonstration room), and it is not all utilized to any extent. Most sections of the grocery store where you as a consumer buy your toilet paper, they have white goods, white rolls. But look how lovely such a red and blue packaging shines through there. If you then managed to make it perfectly, so that it didn't have all this loose stuff, but tightened it up nicely, then I think you could go far. If it was put on the shelf properly instead of as a small side product out on the shelf, but like I am doing here in the middle of the display, right there where buyers come, then they would also be sold. They cost maybe thirty øre [0.30 DKK] more than the others, but it looks nice in the shopping cart. There are still some people who want to have it at home, too. Or also a new pattern every six months, which looks a little fun.

Then we come to take a look at the eco-friendly customers who are thinking about recycling and dying forests, here nature and the environment come into the picture. These concepts could be used much better than they are at the moment. These are the things I am building up. These are things that you are well aware of, but you have not had the strength to do something about. It's like you thought, "Well, it's also true that it takes some forests, but it's over there in Sweden,

right? And then there is a little chlorine in some of it, it gets bleached too much, but the Germans do that, too, so we can't really consider that."

If you turn it all upside down and make yourself prominent and say, "We like this," then I'm sure that the consumers will say, "Yes, that's right!" Why not do it? It costs the same to print it. You just have to have the resources to think it through. But it takes a little time. This is what I am sitting around doing now, just as an example. There are other places where you say, "OK, the quality of the paper may well be different, there is some that are a little more yellow and grey in it and that's just the amount of bleaching. If you bleach too hard, it looks neat and nice, and the Germans and Dutch will always deliver, but then there's the chlorine-rinsing, and then you destroy the environment around you. What counts most? The aesthetically or the ecological?" And here I think that the ecological bowl is beginning to have quite a good share.

Then comes a wave, where you say: "We will not continue with all the chlorine bleaching, we will not accept the PVC and such things." If we now take it and say, "All right we are running -- because we are beyond that stage -- and if we get fired up on delivering the goods, then we could go really far." These are some of the angles that I play on and naturally, should play on better than our competitors, and we can. Our factories can be retooled for it, we do it. Some of our products are indeed that kind of products today, there is just no one who sees it. They don't know. And it's too bad. One of the things we lack is probably "a point of difference". If you come out with something that's different, people will also want to pay for it, right? So they go after it. If costs the same, that's fine, and if costs 10 øre [0.10 Dkr] more, then it's usually also OK.<sup>58</sup>

The concept of *monopoly position* is included in all stages of the capitalist mode of production's specifications. Capital's appropriation of surplus value basically requires a monopoly on the means of production that forces the workers to sell their labour power. In social formations with commodity circulation and possibly a world market, capitalist enterprises can survive competition from the simple commodity producers only if they can carve out a monopoly on certain markets by focusing on production that makes it possible to build finance-demanding economies of scale against which the simple commodity producers cannot compete as they lack the operating equipment. Finally, it is on these markets that the capitalist business competition, productivity growth and accumulation can make profits fall. Therefore, each company or individual firm continually strives to create a kind of monopoly position on parts of the market so that its own profit margins can be maintained in a single, prolonged neoculturation process that persists throughout the firm's entire lifetime. Basically, we can say that the monopoly position of the fourth specification step rests on the firm's *uniqueness*. This can be further specified in several form variants, such as standing alone with a product of high use value, with a better reputation among consumers, with greater productivity than others, with more effective marketing, or as a result of this, with greater capital accumulation or issuing of shares, thus making it possible to buy up competitors or dump prices and push their products off the market.

In a competitive situation, however, such a monopoly position, is never guaranteed for very long. The types of uniqueness on which it is based are constantly *under attack* and must be *continuously reproduced*. Therefore, there is a persistent demand for the praxis of career professionals who can provide innovative uniqueness. It is this that allows for a *persistent lifemode*. A uniqueness that consists, for example, of a lead in productivity and product development must be constantly renewed through innovation. The ability to create innovation in the firm's production process, product development, management and marketing is crucial for the individual firm's ability to survive. In the variant of the mode of production where the firms must obtain all their factors of production on the various markets, the most important competition between them therefore takes place on the market for a specific kind of creative expertise, expertise which is innovative, unique, cutting edge and can put the firm in front of its competitors.

The uniqueness in the companies must therefore be constantly updated and renewed, and it is the continuing *production* of this *innovation*, that the career professional sells. In other words, innovation is not a single performative act but an ongoing process: In order for both the firm and the career professional to be *out in front*, it is necessary that they continuously innovate. For the firms, it can concern all the links in their organization, administration, production and product development. For the career professional experts, it is their own innovative uniqueness that must be continually renewed. One could say that for the career professional, everything comes down to being able to constantly innovate and reinvent oneself, to continually renew that cutting-edge expertise.

Kim Jensen, product manager for a Danish branch of a Dutch-owned food conglomerate, occupies one of the jobs that requires continuous renewal and innovation. The company is entirely dependent on being ahead of its competition in terms of product development and marketing.

I am the product manager now. Responsible for a number of products, product groups. And I have total responsibility for budgets, costs, marketing of products, how they should be sold, what the products should look like, how they should taste, which brochures should be produced, and so on. So it's the total responsibility for some product groups. Of course, there are some administrative tasks in the organization, which take some time to carry out. I spend a considerable amount of time answering all kinds of strange requests of widely different kinds. They can be from customers, they can be questions of this or that kind. It can be almost anything. So if there is something purely sales related, like presentations for sellers - different things. They have to have some materials, they must have some information about products and have some campaigns to roll out. We are running a campaign where I need to make the presentation to the sellers, and they must constantly have some good arguments and some good viewpoints, and what they come with has to look pretty, right? So some time is spent on developing new products. It goes from trying to find products, that is primarily finding what kind of products could be interesting, to what sellers might be found, to make contact with them. To discussing back and forth with them,

getting some samples over if they are foreign products. It is mostly from there that the new things come. So it can be that you have to go down and visit the factory and discuss some things with them in more detail. Then there is something about the specification and use of products, developing the packaging, design, etc.

One can say that a job that I occupy is typically a job where people sit for three years max. It has something to do with that you always have to do something new and different all the time, you know. And you can't if you've been in a firm for 10 years or been sitting in the same job for 10 years with the same area of responsibility. In such a job, you must have some new impulses and do things a bit differently that you've done before, and see new things and new directions.

Once one has successfully made innovations in an area, it is not long before there are others who are doing the same thing. One's own renewal is not unique anymore. Therefore, it is necessary to again innovate and renew, and so on. One is thus forced to constantly transcend the known, not to reach the ultimate uniqueness, but because *the process of transcending itself is the determinant mode of existence*. And if one wants to avoid falling behind, one needs to renew the way one renews oneself before the competitors have figured it out and done it.

The real expertise of the career professional, then, is that of cultivating the places where they can renew themselves and then continually renew and innovate from there. *For the firms*, what is produced is *renewal of the renewal*, a perpetual renewal, i.e. a continuing innovation of the mode of innovation; but in order to manage in the competitive struggle with other experts, the career professional must produce his own personal renewal of innovative uniqueness. The pursuit of such "personal growth" under contemporary capitalism is serious business, precisely because it is crucial to business.

### **The reproduction of the career professional lifemode**

When we examine the career-bound lifemode from a reproduction perspective, it is not so strange that it has always been unclear whether there is a third class or lifemode that is closely connected to the capitalist mode of production, or if a third class is based on a broader foundation. The theoretical conditions of possibility implied by the career professional lifemode concept consist basically of the competitive demand for innovative creation of uniqueness.<sup>59</sup>

This lifemode is also found in modes of production other than that of modern joint stock companies. A historical example, for instance, is that of the European naval powers, whose merchant ships through the centuries were operated as jointly owned shipping firms. Under this system, anyone with saved money could buy one or more shares of a merchant ship and earn a share in its profits. Shareholders divided the high risk of shipwrecks connected to the era of the great sailing ships. The Danish ethnologist Ole Mørkegaard, in his study of the Åbenrå shipping industry, has described how the jointly owned shipping companies operated.<sup>60</sup> The sailing ship captains from the 1700s and

1800s that he has studied are of at least two types: those who sought to become full owners and those who were purely career-oriented ship's captains. When the latter acquired shares in a ship, it was not in order to become independent owners, but a way for them to move up the career ladder and become captains of larger ships than had they simply followed the hierarchy within a large shipping company. It was not their working time they sold as if they were wage-earning sailors, but their ability to steer a ship and its cargo from one port to another, or one continent to another, more safely, more precisely and faster than others. On a worldwide scale, the ship-owners competed with each other in precisely these three areas: the career-oriented part of the captain's and shareowner shipping environment was very innovative and with their neoculturation contributed to the strong dynamics of shipping.

As with the navigator's and captain's environment, companies in our own era can have stockowners who come from the ranks of management or who work in research and development. What the concept of career professional lifemode highlights is its focus on the *production of innovative uniqueness*. This production of innovative uniqueness can take place in all the different parts of the firm, especially those that affect its ability to survive in the struggle to appropriate the greatest amount of globally produced surplus value. That is, that we can find features of this lifemode at many levels, from finance, strategic management and administration to product development, productivity, service and marketing.<sup>61</sup> However, this also means that it is not a given that we must search for these traits only internally within the companies that make use of them. We must also explore whether they can be derived from external career professionals and companies. This is the world of the consultants.

### **The consultancy firms**

The question of whether the production of innovative uniqueness can be derived from external career professionals also raises an empirical issue, which, like the question of the "middle strata" and "middle class", challenges the theoretical work and requires theoretical concepts: How can the independent consultancy firms be analyzed and considered? Are they a "new petty bourgeoisie", or should they be analyzed using concepts from the self-employed lifemode? Are consultants just shopkeepers or farmers who own their own business and just happen to sell a different kind of product? Our ethnographic material suggest that what some consultants produce, and the structural conditions they require for producing this product, can be most fruitfully analyzed using the fundamental features developed for the career professional lifemode. It is primarily their *own reproduction* that looks completely different from the previously specified praxis. This is because they do not strive for optimum working conditions inside firms owned by others. Rather, they strive for optimum conditions for creating unique ideas inside their own firm.

Nevertheless, it is characteristic of this group that in the empirical data, there are consulting firms not operated based on a problematique that figures its overhead costs, unit costs and quantities as the essential means to make a living, precisely like the self-employed lifemode. Their focus is on their

own ability to innovate a uniqueness the production price and exchange value are far beyond the logic of unit costs and quantities, because what they produce are ideas and methods that can keep their customers at the head of the pack in new ways, i.e., they rely on their innovative ability to produce innovative uniqueness. The profit that it is possible for the costumer (the firm that buy the exclusive idea) to appropriate by means of this uniqueness is determining the capitalist use-value of the uniqueness. This type of consulting firm, in other words, can be usefully analyzed as a praxis whose reproduction consists of creating optimal working conditions for it to be able to renew the career professional's *own ability* to produce exclusive, innovative ideas that can be used by *other firms* than his own.

The ethnographic fact that many different types of consultants often comes from a managerial job or obtain a position in another company at a later date supports the thesis that these consulting firms can be analyzed using the concept of the career professional lifemode. As with the case with sailing-ship captains, being a consultant can be a means of obtaining precisely those work tasks one thinks are the most interesting in relation to one's own reproduction capacity. They are jobs where the individual or a team of partners can "use their skills", cultivate a "point of difference", achieve "personal growth" or "career development", rather than "dead-ends".

The fact that relatively many one-man consulting firms are established and then close down each year also suggests that starting for themselves need not be such an obstacle within the career professional lifemode, as one might imagine. In principle, a large amount of capital is not needed. It is the individual's or team's *experience and creativity* that is the most important "equipment". Their capital is "mental capital". Anyone can set himself up as a consultant with a cell phone, a computer, an internet connection and a bank account. One need not have an office. Against this background, it is easy and relatively inexpensive to close down one's own company and seek a job in a large firm or join up with other consultants in a consortium.

One can become a consultant at any period on one's career. A recent graduate can be recruited as junior consultant and later become a partner in a consulting firm, building up a portfolio of innovative uniqueness through the tasks carried out for the various client companies. Being a consultant can in this way be the same as with the above-mentioned ship's captains, a means of creating this innovative uniqueness faster than going through the "normal" career path. The aspiring consultant can make him- or herself attractive to the firms they find interesting by providing some innovative results.

One can become a consultant in the middle of one's career. One can use knowledge built up within a specific area needed by many businesses, or from having been a CEO for a larger firm and forging new ways to meet challenges. In this way, becoming a consultant can become a way of obtaining precisely the work tasks that make it possible to reproduce one's uniqueness. For example, it can be an innovative uniqueness within "internationalization", by which the consultant helps firms seeking

to enter a new foreign market, using one's knowledge and experience about that foreign country and market.

A 41-year-old capitalist manager chooses to quit his job as CEO of a major Danish company to establish himself as an independent business consultant, an idea he had been thinking about for some years. With his unique experiences from his previous job as a personnel manager, HR director and as CEO, he believes he can live from for selling his expertise as a consultant. He works within three main areas: leadership development, staff HR development and internationalization. But now as before, it is just as important that he still knows how to develop his skills in his field, how to continually renew himself. He talks about his options and his future:

Yes, I want to move on in this business, and that is probably the final stop. Whether I like it or not, I don't think I have any opportunities to jump back. There comes a time when you start to get passed your mid-forties that you have to have roughly the same career path. If you jump in and out too much, then it gets hard. And I have known this every time I changed. When I changed from the university, it was basically the same decision, that if you have once left the university, you can't come back again. And that was also my decision at the time, and it is today, too. I really like the university environment. I'm going to begin some teaching at the Copenhagen Business School. So I like to have this combination with the connection to a genuine research environment and then work with projects outside. Both because I think it's exciting, and also because I can get myself refueled when I come into an environment where you work with things that are not necessarily the things that I work with today, but maybe in about three, four years. So it's interesting, but just as much to ensure that I don't just end up standing still with a number of things.

It is not uncommon to combine a broad business experience and an innovative university environment and end one's career by setting oneself up as a consultant. The individual has been through a career run and has ended up as manager of a firm's R&D division as CEO. Now he or she is approaching retirement age and wishes to take it a bit more easy, but at the same time does not want to leave behind the pulsating life of business. One can take on fewer jobs, but choosing only those that are most interesting. Of course, this is all under the condition that the consultant still has the kind of innovative capability that firms want to pay for. Because not everyone can live by selling their uniqueness that they have continually managed to reproduce and create through a lifetime of work. Empirically, many aspiring consultants find that there is not market for their skills, such as the sales director whose methods were brilliant 10 years ago, but who cannot keep up with the competition today.

### **Irreplaceability and indispensability**

When the ethnographic material tells us that the career professional lifemode's problematique can be dealt with *in unity* with running one's own business, it must be the ethnological task of the

theoretical development work to determine whether these two features can possibly be thought to be further specified conceptually as two *features* that are conditioned by an internal relation.

We can investigate this case by taking a closer look at how reproduction of the career professional lifemode is structured. The aim of the reproduction is to create optimal working conditions for one's own development of new ideas for innovation in the companies. What is needed are working conditions that make it possible to handle the competition from one's own competitors, i.e. the other career professionals with whom one must compete to obtain contracts or jobs in the client firms. What is particular about these working conditions, according to the preceding specifications, is that they basically consist of being allowed to *carry out demanding tasks for the firms*, which at the same time makes it possible to *further develop one's own methods, ideas and experiences*, and to have one's "finger on the pulse" of the industry.

It is thus crucial to *procure these demanding tasks or to win these contracts*, to get the *available freedom and resources* at one's disposal, to be able to *experiment and try out one's ideas* and be selected to solve the tasks that the firms need and have confidence in, tasks that one can *formulate by oneself* because the very act of *cultivating new potential areas of innovation* is an important part of what is being sought after.

As it is uniqueness that the firms are looking for makes them vulnerable to other companies coming in and stealing their employees. For the hired manager, expert or specialist, it is important that the firm cannot do without him. To the extent that this is successful, an individual enterprise is dependent on the expertise it has acquired. What the firms do to hold on to these specialists can illuminate what kind of workshop- and working conditions the career persons themselves are seeking.

The innovative, uniqueness-creating employees are often in demand by several brutally competing companies. Hence, it is essential for a company to offer working conditions that in some way are better than those of the competition. The CEO of a large wholesaling firm, having been hired to rescue the firm from a major crisis, is himself pre-occupied with the problem of retaining capable employees:

You give them some reasonable working conditions, it doesn't need to be all salary. But you give them some reasonable working conditions and well-being. You give them some responsibility and you also give them the possibility to develop. This has also been somewhat of a problem in our company that we have not been able to pay as much as many other companies can, because you can't try to get the firm back on track with one hand so that it again gives a surplus, while giving top-level salaries at the same time. But then you have to give people something different, some security and some good atmosphere and precisely the

opportunity to be allowed to develop themselves, to give them something back. Let them participate in the decisions where it really matters. It's also job satisfaction. Then it's also essential. And that, I think, has to do with the environment you are working in, that's what I believe.

Of course, the career professional's requirements for their workplace and working conditions can also be elucidated from their *own* point of view and its problematique. The managing director of an industrial trade association, puts it this way:

But oh no, I would not at all be satisfied if I had to take over my parents' business. It just wouldn't work. I have always liked interacting with people, and there were many people, but the challenges were just not there. So what I see as fantastically exciting, its constantly pressing up against a level that is slightly higher. So not to be content with things just running on their own, but always trying to give it a bit more. Because it develops me so tremendously much. I think that's fun. As long as others think it's fun. It should just be an organization or a company where there are some things with some challenges. So I'm probably not as excited to come in and have to be administrator, just sit and shuffle papers from one [person] to the other and say "Yes" and "No". I want to be at such a place where you can create ideas and feel that there are problems to be solved.

So I find myself very well in a place where there are new tasks, new challenges and preferably in a phase of building up. If things are already consolidated, and they are running acceptably in a pattern where it is the same things that run again, then it's not so interesting for me. And it may well be that I might consider something else. But the tasks lying before us in the structural changes we have started here and the build-up phase now underway, and the interfaces we are reinforcing, the information network we have started to build up and things like that, it means that at any rate I am inside the first few years. And I also like it that a task has had a reasonable spread, because you can not -- you're not really inside -- it doesn't run -- and it can never run properly before you are at least a couple years into a job. Only then will you begin to have your entire network built up and things like that. But it is tasks of this kind, it's quite clear. I would probably find it very difficult to return to a job as an employee, that is, a regular employee - it would be very difficult, I think. So I think there can only be two possibilities: either that it was a similar executive function, or that I might be independent [self-employed] in one or another context. I would not rule it out, but I actually have difficulty seeing what this might be on first sight. Because on first sight, there does not seem to be anything that I could sense was interesting. So it could be a consulting job.<sup>62</sup>

The former director, who has his own consulting firm, has already realized this possibility:

I have probably always been the kind of person who does not calm down. After some time has passed, I want to try something new. It was just like that time when I was going to teach the same thing for the second or third time, then I didn't think it was so much fun anymore. So this has been the reason why if I could not find it [happiness] within the firm where I was, so I changed. And that was basically what happened when I switched from Grundfoss. There was no opportunity for what I wanted to do at that time, so it was with the best understanding from my director at the time that I went looking for another job. And when I came to Oticon and stayed there for six years, it was actually also because I got various major opportunities in that company. Otherwise, I would probably have changed quicker at the time. So that's probably the main reason why I've moved a lot. Not more than three to four years of the same thing, then I let go, something's got to happen.<sup>63</sup>

The lifemode's specific means to continuously create these working conditions are as far as possible for the person to make himself irreplaceable so that the companies do not select someone else to carry out the job. It is thus the client companies who must consider a particular specialist as so irreplaceable that they seek out precisely that person and not one of her competitors. What the individual consultant has to produce and influence is the firms' *view* of irreplaceability. In other words, the consultant must make himself into a brand, ensuring that the firms consider precisely that person as unique and indispensable. The person must produce a degree of prestige and reputation around his or her name, i.e. ensure the "applause" of others. Per Høier, who has started his own consulting firm, experienced that he had made a name in the industry when he chose to leave his CEO position and become an independent consultant.

So I quit my job. And jumped into the deep water without any kind of safety-net. And then I started a consultancy. And things went really amazingly easy. It was shortly after that it appeared in the newspaper that I had stopped [working at this firm], then came the first ones and asked if I would do this and this and this. So in a very -- it was really supposed to be that I would take a half-year's vacation, where I would try to get things in place and also, what you might say, prepare some of the things that I should use in my future work. In fact, I didn't get a chance to do it, because things came in the door so fast. I thought it was a little extravagant to say "No" when you have jumped out into the deep water, so I jumped on board in a number of projects. And today I have four employees and have projects in Denmark, of course, but also abroad, primarily in South America, and then we have also started some in Europe.<sup>64</sup>

More specifically, it is *creating demand for himself* which is the crucial element in being considered irreplaceable and indispensable. It is this very demand that is the real means to create the optimal

working conditions. But being considered irreplaceable and indispensable can be utilized in at least two ways: first, one can ensure oneself a position as a hired *employee* of a company, i.e., an internal expert; and second, one can secure a position as a *preferred* "consultant" for the company. These two ways of forming the relation to the company allow for two different specifications with which to establish the proper working conditions:

1. In the first way, the firm functions as the expert's "workshop". That is, the firm is a site where the challenges, responsibilities, freedom of disposition, resources, etc. are made available to the career professional because the firm is interested in the employee being able to reproduce his uniqueness. The advantage is that one gets to work with the firm's existing resources. For "the employee", then, it is important to create a kind of employment insurance so that he can draw on these resources and not risk being thrown out, when one has carried out a given task. They ensure their position by making themselves *irreplaceable*.
  
2. In the other way, it is the expert's own firm that acts as his or her "workshop". The advantage here is that the independent consultant can build, nurture and fine tune the resources he needs, he can give his own creative laboratory a unique lead and competitive edge. Instead of a permanent job, it is therefore important for the consultant to receive a high price for the innovative uniqueness of the product he sells. This price should be able to cover what it costs to create good workshop conditions as well as being able to pay for the use value of the effort used to create a new, profitable idea. This price and a continuing stream of clients is achieved by making oneself (or one's product) *indispensable*.

In other words, we can try to distinguish between making oneself (to the extent possible) *irreplaceable* as a means to ensure optimal working conditions in the capacity as a highly talented specialist employee within a firm versus making oneself *indispensable* as a means of securing orders from client firms and creating optimal workshop conditions within one's own consulting company. These are two variants of the same mode of praxis, and the idea is that their further specification in itself makes it possible to understand how in this context, being employed and being self-employed should be viewed as two very similar modes of creating some very unique working conditions.

Bo Nielsen, CEO of a wholesale firm that was acquired by a large corporation, illustrates what it is that makes him irreplaceable:

Well, I don't think I have something that others do not have. I don't think I have any ideas, I have no miracle that others do not, but I just think it is the

approach that is maybe a little different. And so I think my strength, if I have to assess it myself, it's that I cover a very area. That is, I can cover all the way from the sales side and over to the purely administrative. I know it. I know something about the whole picture, and I think that this is my strength. But there is no miracle to it, anyone can do it. But I think that I have some systems, some developed systems that may give a greater overview. I don't want to say more than others, but it's greater. And I operate in a highly targeted way computer-wise, and I also have a reasonably good understanding of IT. Just before you came, I was sitting in a meeting with an IT guy. But I myself am involved in developing many of the IT systems. And I also have many financial systems where I sit and follow up on the computer. And it has something to do with having your finger on the pulse of things all the time. And that's what's essential. And this in turn has something to do with the fact that you are at the forefront of the situation. The foreign exchange side of things – I also run the foreign exchange system myself, and I also monitor this and operate with some IT systems that I have developed myself, which means that, yes this year, we earn 3,500,000 Kroner on the foreign exchange side. And this is also a lot of money. After all, it's a third of the profit we come out with. So I really like the IT, have many programs that help me in everyday life, but take the decisions myself. I think the combination has to be strong and what will make it strong in the future is that you kind of have all the approaches and have some rapid decision-making procedures. And I think that what's important today is that you can take decisions quickly.<sup>65</sup>

Erik Mogensen, a sales manager, started his career as a salesman. He has rapidly become irreplaceable for the company:

At the beginning, then it was a pure sales job I had, but it did not last long. If you have some ambitions in you, most people do, you know, when it comes down to it. The first thing you do, or at least the first thing I did, was to go directly to the customers. It was very competitive when I started, you know. Now I've always been an athlete. Now it was of course mapped out back then from here to press forward for as good results as possible, you know. And there is an athlete in you, you know, then you'll do damn well. So I'm not the type that will go in the middle ranks or lie and slip down -- I will fucking leave when that happens, you know. And it's the same still, I still do some sports, you know. I say "reach", if I damn well will get down on the knees after that last ball when I play tennis, you know. As long as I have the strength in me, then I simply won't give up. I don't [give up] out there either. But when you have achieved it, you know, that three years in a row I was number one, then it's just like, well there's no more to go after. And that was what I said to myself, then you should damned well go for that job as district manager. That has to be the next. And it

also turned out that it didn't last very long. And it's the results which in the first round make it that you are considered, you know.<sup>66</sup>

Consultant Per Høier comments on his merits:

Well, first, I have tried those things myself in practice, the vast majority of things that I work with. And compared to other consultants who may not have tried it but started as consultants and have never been in production, I probably have an advantage in that area. And then I suppose also, in the areas I work with, that I have been reasonably good at combining theoretical and practical tasks. So I'm not the one who comes out with fine words and then says that I have some kind of miracle drug that can solve all the problems. And that may perhaps distinguish me from others. I never go out and do some things that I have ready made from home and then come and say, "This can also be used in your company or your organization." I always adapt it to the firm that I come to.<sup>67</sup>

For both irreplaceability and indispensability, the expert must distinguish himself from competitors who offer the same type of "product". Therefore, it is crucial that they put their name on the product, i.e. create their own brand. In this sense, the brand comprises an integrated feature of irreplaceability and indispensability.

### **The paradox of uniqueness**

The reason why the sign function is so important in this praxis is that the product's specific character, so to speak, disappears when it is implemented. This is the *paradox of uniqueness*. When a new idea is presented and implemented, it ceases to be exclusive in the hands of its creator or the team that has produced it. Seen from the creator's point of view, the idea loses its uniqueness as soon as it is presented to the firm's management or other employees. Because of the competition about recruitment of staff, tasks, responsibilities, skills and resources, it is therefore important for the creative individual or team that the ideas they have created and the results achieved are associated precisely with their names. The consultant must be "the auteur" of a solution.

In this regard, there are several conflicting considerations that the expert must take into account. The idea's uniqueness is his primary means of gaining recognition and valuation by others, but innovative uniqueness, by its very nature, must often break with the conventional ideas, routines and experiences as well as with investments already made. In other words, the uniqueness can be difficult to identify, or rather, the benefits of tackling things in a new way can be difficult to communicate

and to understand. Therefore, the idea or the new angle of attack must be clarified and explained. It must be made visible. But the moment the product becomes *visible*, it is not unique any more, since others obtain the possibility to reflect upon or do *the same thing*.

It is frequently the case that the real dilemma for the expert is to promote his ideas, to get management and colleagues “on board”, to realize the benefits of a new method, while at the same time the expert is reluctant to let go of the ideas, before being assured that he, and only he, will reap the recognition/reward he deserves.

This demand for uniqueness brings with it four key problems:

1. It is a way of doing something, the idea of which can be difficult to identify.
2. It disappears when implemented.
3. Its value may be difficult to assess.
4. As a person, one is often part of a team or development process that makes it difficult to put one's own name on because there is knowledge-sharing within the overall team.

There are many ways to deal with these difficulties. They appear in different ways and take on different meanings in different industries and companies, in different stages of a technological development process and under different management or organization conditions. One must be able to specify an array of options, ranging from the individual *taking out a patent* on his idea to simply *allowing oneself to be hired into the company's team* that the firm forms, and whose collective results are owned by the firm exclusively. The patent is a form of name holding that ensures its owner *legal rights* to the use of a particular idea.

This perspective gives us the opportunity, to take an example, of viewing the individual, performing artist who works to create a unique artist's name, as an example of a variant between these extremes. In an interview in *Rolling Stone* magazine, the musician and song-writer Sting perfectly described this phenomenon:

When I wrote the song "Every Breath You Take", I knew immediately that it was a hit. Actually, the song is just a bunch of riffs and quotes from various other hits, but the unique thing is the sound of my voice. Perhaps there are people who sing better, but no one else sings like me. As long as I have the voice, what I do is original.<sup>68</sup>

In relation to the patent and the regular employment, the artist variant provides an additional option for the special way of *creating demand*, which is to create *prestige* around the name itself and aesthetical quality or value of the product it represents. This quality and prestige can be used in three ways:

One way consists of producing uniqueness in the form of art works that are produced in a single edition or very small numbers. It allows the possibility to achieve a very high price per piece on the art market because the piece can become a valuable *investment opportunity*.

The second way is to create a *trend or fad* around one's name and art, and then produce the individual works in mass-circulation for a minimal unit cost and fee as such, as happens in the music industry. It is when such mass-produced goods can penetrate *the market* that one talks about a *hit*. In its extreme form, the name itself can become a product that is in demand, as in the notion of a celebrity of no special talent, but who is "famous for being famous".

The third way of creating and using prestige in this variant of the career professional lifemode is to be the star player who creates *unique results* within a team that competes with other teams to win a sports contest before the eyes of a public who pays for the excitement of the outcome. Star players are expensive career professionals, who, in the form of high salaries, also demand their share of, for example, the corporate football club's profit.

Bringing one's name or product into *fashion*, however, is a mode of work that is also found within in management theory, employee care, consulting services and the like, where the market is driven by fashions in the sense that one trend or stream replaces the other, without it being possible to see any other direction than a trend generated by someone who from time to time manages to make his or her concept, whether truly innovative or just as often a repackaging of something forgotten or neglected, into something that others must have. The person, or his solution is "the next big thing". If there is one thing these kinds of consultants are looking for, and looking to be recognized for identifying, it is precisely that they know what the next big thing is; the consultant knows what is "hot".

For those who instead seek *employment* within the firms as creative specialists, the criteria for jobs in high demand is determined by the possibilities to enter into a successful teamwork in a recognized department, preferably within a cutting-edge company, where the recruitment in itself is meritorious, and the workplace conditions are good. It is then of less importance that one's own unique contribution may be swallowed up by the team or firm. Based on consideration of building up one's name, the strategy is to seek those firms or jobs which in themselves are signs of success, intelligence and exclusivity. In academia, the hierarchy of universities is well known, such that a lowly, temporary position at Harvard or Cambridge counts as much on one's CV as a better-paid permanent position at a lower ranked college or university.<sup>69</sup>

We can deepen our understanding of how the career professionals manage to make themselves

visible and in demand by looking at the market from a firm's point of view. The individual firms are constantly looking for the most promising, talented employees. Many companies purchase the services of "headhunter" firms, basically consulting firms whose own uniqueness is their ability to identify "talent" that will "fit" with the firm's "needs", so that the firm finds precisely the right specialist. How do these companies find "just the right person"? A CEO explains:

It's the results that determine who to look for. (...) And well, what is it that makes it. There are some people who sit and keep track with a market and there are some people sitting and keeping track of an industry and at one time or another, there are some people and they say, "Well, yes, but we need someone who can do this and that." And then you go out and look. They have some sources who go out and search. And it may well be that one of these sources who at one point says, "Well, just try to look at what happened over at Henka." It was one of these firms where we all said, "They'll be closing down soon." And in fact, they were bought out, and then they ran away from the field. You look at some accounts and say, "Whatever the hell was it that was happening over there?" Then suddenly they turned a big deficit into a tiny profit, and the following year they earned a horrendously big amount of money. This is the kind of result that the various companies take note of: what happened over there, what did you do? And that's the way around, where someone suddenly contacts you, saying, "Is this the kind of task you'd like to do?"<sup>70</sup>

Another possibility to procure the right kind of employee is that a newly-appointed director buys off some of his colleagues from his former company and brings them over. This was one of the ways Bo Nielsen used to get Henka back on track.

It's clear that in some areas, I have brought on some people myself whom I know I can work with. And some people whom I know where they are strong and where they are weak. Because when you get a firm back on its feet, then you can't do it alone. So I can't get this firm back in place, to what it is today, unless I have some good employees with me. And if you've got a good team, and we do, if you have a good team, then you can fix it. But you can't do it alone, you can't solve anything alone, so the Miracle Man is not named Bo Nielsen. But the Miracle Man is called a team, because that is what puts things right. But it's a given that you have to have some employees with you, and you peel off some employees with you and think, "Now there's a person on the marketing task there that you've worked with for years." So if you can free him from where he is and take him over, so you know, these things will be done well, and the department can run properly. You know the person's weaknesses, you know the person's strong points. And those are the ones you need. Because otherwise you work by yourself 24 hours a day and you still don't get the job done.<sup>71</sup>

Although Bo Nielsen points out that it is not him who is the "Miracle Man", it is still him who, as director, has "purchased" the right people whom he can trust and with whom he can cooperate. Per

Holten, who is service manager in an IT firm, experienced this phenomenon from the other side of the table:

Yeah, the thing was they had gotten hold of me a few times from out here [the firm where he is employed now]. First for one job, then to another one. And then again here for a third job, so I said, "Well, I still don't feel like changing. But if I should consider switching, then of course it should be for a company like this because I knew it." Several of the people around here have previously worked for me. And I came out here because it was a subsidiary, a transition. So I knew the conditions out here in that way. And finally, the offer was both financially and work-wise such that I would be an idiot if I had said, "No". So I said, "But O.K., we'll try it."

Again it was a job as service director, that is, technical manager, a job I had formerly done. This is something I know how to do. But there were some problems out here, and then I said, "Let me try out my own theory on the problems and see if I can help to solve them." And I took it as a challenge and said, "Well, let's try it." So far, a year has passed. And things have gone fast at any rate. I have hardly had time to notice it, damn it.<sup>72</sup>

A third option is to get hold of the right people through one's "old boys network". These are people who have known each other for a number of years, maybe from their student days, their first job, or from sitting on boards in various companies. They keep in regular contact with one another and help each other to find good employees and if need be, to find other jobs. Hans Jepsen obtained his previous job in just this way.

One of them contacted me. Someone I knew by coincidence, whom I had met in the airport over a cup of coffee while we were waiting for a plane. We sat and discussed without knowing that he had a need and without me thinking any more of it. A few weeks later, he phoned me and said, "I have something exciting going on. I think we need to talk." And then so the one meeting led to the other, we reached a negotiation and then suddenly it was all just set up. So there are many ways to reach the goal. You gradually know each other in the industry, I would say, and I have now been in four corporations. I have gotten so many colleagues through this who are scattered in a wide network. I would not say that you keep in contact with them, but we always know each other, and when we meet for professional gatherings, meetings or whatever it is, you do some chatting and see what happens. That's just the way it is.<sup>73</sup>

### **The risk of a bad reputation**

Closely related to visibility is the danger of a bad reputation or rumours. If, for example, one makes oneself too visible, those in the firm one is working with may think that the expert is looking for

work elsewhere. Such suspicions can result in dismissal. Unilever's personnel policy is an opposite example of management encouraging co-workers to be active outside the corporation. Management sees it as a means to hold onto the good employee. If an employee jumps to a competing firm, he cannot do anything he wants to if he wants to avoid the risk of getting a bad reputation within the industry. Colleagues know that the career professionals have a given position for only a certain period, until they advance to a new position or jump to a new firm. A new employee is not allowed access to business secrets if there is a risk that he will take trade secrets with him to another firm.

We have just had a sales manager who left us, and who has come over and is sitting with a wholesaler. And it is not exactly good fortune, and especially when I have stood there and thundered at a sales director meeting immediately before that now we are just above [our sales target] and to get this wholesaler where we want him, because we would like to have stolen a percentage for ourselves. So I know well that he is able to sit out there and tell the wholesaler when we are negotiating, "Take care that he will steal a percentage from us, right?" The risk is always there. What you just have to say is that you must hope that the man is so clever that he knows that he will go somewhere else also, and if he leaks too much here, then he will have difficulties the next time he has to look for a job. You can't do anything else. On the other hand, I also know that I will never -- I am not afraid of where he's gotten to because we've always been honest -- no, I'm not so afraid of things like that. And you can't have good employees, if you don't also give them the information.<sup>74</sup>

Precisely because career people must make themselves both *visible* and *noticed* and to build up a *good reputation*, they find themselves in a dilemma regarding how much to open up and give of themselves in each job. If one is too *outspoken*, the result may paradoxically be that one becomes a *less trusted* employee.

There are many constraints on what you can afford for the sake of reputation. It is closely linked to the concepts of *respectability* and *representatibility*. It is important to create respect for one's person. For the company where one is employed or about to be employed, it is important to be able to represent the firm in a reassuring way, also after one leaves it. It is a part of the work that the career professionals create respect for the company in which they are employed.

Niels Winther, the CEO of a trade association illustrates how important it is not to get a bad reputation. The career professional will be hindered in reproducing his uniqueness and thereby maintaining the entire precarious connection between the different means in his praxis.

And it is clear that in a job like mine, there is also great risk associated with it. You can very easily get into hot water. And you stand there feeling you are somewhat lost at sea because you can't just change over to -- it will be very difficult to go out, for example, and then look for a job at a lower level. Because then the question "Why" will automatically be and people will say that there is something wrong, you know. And in turn you become one of those in the pack --if you run into problems in life and get fired -- one of all those others who have come into similar situations.

For me - and this is perhaps also something important to have said in this connection, for me it is much more crucial in such a job, to get the challenge than, say, the money that I could earn from it. So in order not to be placed, how could I say it, downward in terms of level, I have to make sure that I get as much as the job allows in terms of salary. So if I were too moderate in such a context, I would get a negative label on my back. But it is not the salary in itself I am aiming for, because then you would do some completely different things if it was about the money alone. It is more the challenge, the work challenge in it. And that means that even though I have received job offers where I could have gotten much more in salary, I have said "No thanks" to them, because with the challenges we have here ... I want to finish off a task. I will not let go of a job in the midst of the build-up phase. At any rate, I have to go a bit further before I feel that the foundation has been created. Because when you have a director's job, the circles are reasonably narrow, and the situation is such that the task you have carried out, it is naturally talked about elsewhere. And if you have just let it go too early at one or another point in time, then a backlash comes, so that someone will say; "Aha! he changes [jobs] lightning fast." And at one moment you come up against the wall and then ...<sup>75</sup>

Although it comes down to getting the jobs that provide the best possibilities to build up one's innovative uniqueness, the career professional cannot choose freely. He or she may need to be in a position inside a firm for a longer or shorter period than what would provide the optimum working conditions, only to create or maintain a good reputation or to avoid getting a bad reputation. Name and reputation are precarious, because there are always others who are ready when an attractive position is to be filled. If the career person jumps to a job in a new firm, therefore, it is important that the task he was going to carry out is about to be in place. Likewise, it is of great importance that the individual is not willing to settle for a relatively low salary. If these two criteria are not met, he risks getting a blemish on his performance record, which makes it harder to obtain an attractive position later on.

On the other hand, a career professional may well be offered a job that can give so many challenges and developmental opportunities that everyone will be able to see why the salary do not play the major role. A very respected CEO knew that his salary for rescuing a creative and artistic firm with high prestige were lower than the going level, but the job had very great potential for building up his

portfolio as innovative and unique in the business community. Just as one would normally try to get the best possible salary, because salaries are a measure of recognition, it is also important for the career professional not to pursue a job at a lower level than what one currently has. Again, the reason for seeking the job can be that it provides optimal working conditions and can help build one's reputation. But if the reasons are not evident, it might be interpreted by colleagues that the individual is not really clever enough at what he does, and perhaps on the verge of being fired. Some dismissals of managerial personnel are often veiled in the way that the individual is asked to find another job so that the job change will not be interpreted as a firing, but instead as the employee's desire to pursue new challenges.

Career individuals are often employed to solve very specific problems. As we saw above, one should not leave a project too early, so as not to lose credibility later on. For the sake of credibility, neither should one advertise that he can solve a problem faster than what others think can be done.

Now this company has to get back on track, and it will probably be unrealistic to say that it can be done in two years. But it ought to be able to be done in three years' time. Personally, I find it difficult to give myself more time to succeed with this task than something like that. But I don't think there are many who would believe it if I claimed that it can be done faster. Because that's not a problem we can solve, it's an entire industry that's gone astray. However, I can't see that one should stay in a business if you can't make money, so it's a lot [of effort] to turn this firm around.<sup>76</sup>

### **The conceptual universe of the career professional lifemode**

Based on the prior specifications, if one should briefly articulate what the career professional's specific *means* are, then it must be that of *renewing his own ability to create, renew and in this sense maintain the firm's innovative capacity*. In this praxis, what is sold is *competitiveness-improving uniqueness*, or as Hans Jepsen put it, "*a point of difference*", that gives the company *a unique lead*, that "competitive edge", and thus a temporary monopoly as a means to acquire a part of the global surplus value as profit for the firm. The preconditions for being able to produce this edge are the *optimum workplace and working conditions* in one's own consultancy or in the firm where the expert is employed and the means to ensure such conditions is to make oneself as *irreplaceable* or *indispensable* as possible, to get one's name noticed, and to keep competitors at bay by emphasizing one's innovative uniqueness.

In this problematique also lies the basis for the semantic difference relations whereby the career professionals think and perform their praxis, that is their *conceptual world*, i.e. the ideology of the

career professional lifemode. However, one should be aware that with these specifications, only the initial steps have been taken to build up this conceptual world's semantic structure. The work has perhaps begun, but the actual mapping out of a lifemode's ideological concept structure still lies ahead. Only by carefully studying the many types of thinking that the empirical substance can offer will it be possible to develop this conceptual structure in more detail.

The current ethnographic material provides certain possibilities to obtain a first glimpse of *how* these people *talk about* and *talk within* this praxis as we have specified it in the foregoing discussion. It is primarily about what kind of opportunities they themselves emphasize when choosing jobs.

Apparently, it is characteristic that these people cultivate an extensive conversational corpus that revolves around what constitutes adequate working conditions for creative endeavour and what to pursue during their career. Most of them emphasize the possibilities for constantly obtaining new *challenges*, and there must always be opportunities to *try something new*. The job must contain *exciting tasks* that are *stimulating* for the person who performs them. The contrast with this conceptual world is to *getting stuck, stand still, fall asleep, or stay on the shelf*. These concepts illustrate what kind of working conditions a company must put at their disposition in order to attract and retain the career professionals needed to ensure the renewal of the firms' competitiveness.

A Danish product manager puts it this way:

I feel that if there are no major challenges all the time, I find it boring. So if I do not think there's anything to come to work for, and you don't have any fun, and something new doesn't happen all the time, then there is a tendency that you get stuck. So I have said, "Well, now something has to begin to happen, right?"<sup>77</sup>

*Freedom* and *independence* are two concepts that recur in the ethnographic material. It is not the freedom not to do much which is in focus. Rather, it is the *contrast with not having anything challenging to do*. The goal is to get a job which, within the limits that have been set, offers the opportunity for and the freedom to decide and therefore also stand alone with the responsibility. A CEO decided to quit his former job precisely because the board limited his potentials for personal growth. He is not interested in being what he calls "employed". Rather, he succeeded in obtaining an executive position in another company that contains those elements he was seeking:

What is interesting is the independence, the freedom that is within the company's framework. If there is a need for a change of course, I can change course if we still stay within the limits given by the board of directors. So as an employee you cannot do this, that's clear, you

always have to confer with someone else. And it's very exciting, I'll tell you. If you get the opportunities, I think, it's exceptionally exciting.

What's insanely exciting about it is all the opportunities it gives to operate as very independent in the job. Also, the responsibility that lies there and the possibilities to do something good, but also the risks that are there, and the task of steering clear of the risk, I would say. Steering clear of the risk that lies in, speaking frankly, where you are sitting at the place where you get cursed out. If something goes wrong, then you know where to ask, right? But the task, of course, is as far as possible to steer clear of too many of that kind of thing, right, especially the major ones.

In this language, sitting at the 'place where you get cursed out' means good conditions, conditions under which one does not get bored to death, but instead has *insanely exciting* working conditions. There are also other things that are important when these people discuss job options. It is primarily about whether the company or concern is *attractive*, in the sense that having handled a job for the firm in itself gives merit, and whether the job provides a good *foundation (ballast)*. It's one of the things a Danish development director expresses clearly. "For nine years, I had a Unilever career, it was a good ballast." His current firm also fulfills these conditions:

I knew that it was a damn difficult job, but the company was attractive because it is reputable and above all, it has a good economic foundation. Not in the division where I currently work, because we have certain problems, but on the other hand, it's an almost impossible task to make it worse than when I took over the management task. I think it will be terribly difficult to get a well-ordered economic situation in it. But because of the wave of trade that we have, the firm continues to just drift onwards and remain attractive to customers. And so this company runs onward and could certainly be so attractive that I would hang on for some time longer. But on the other hand, I would say that I saw this task as a platform to advance within the corporation.

Another possibility of getting a glimpse of the career professionals' mind-set is to look at the way they *contrast themselves with others*. There are obviously some very significant features that make them want to contrast the private sector with the public. This is closely linked to the opportunities for *personal development* and with the opportunities to make one's talents *noticed*. A technical director, who has formerly employed in the state sector, explains it this way:

I think that not enough happens in the public sector. There is also too little opportunity to make yourself noticed. So you are nestled into a salary scale, and regardless of whether you

are bone-lazy or absolutely diligent, you get the same pay. Which in itself is not particularly exciting. You need to have the connection between an exciting job and a salary that reflects your solution to exciting problems, right? In the public sector, you will not be motivated in the same way as you are in the private sector. It's basically also one of the big problems inside the public sector. It's that you are put into a kind of box, you see. And you get fired only if you are actually stealing, you see. I think mentality wise I could not today get settled in in the public sector. Now of course it's dangerous to paint everyone with the same brush. For of course, there are people within the public sector who are diligent and will do a good job, absolutely.<sup>78</sup>

A colleague who had a career in the Danish military also had similar views:

But I think that it was a tremendously important shortcoming in [pursuing a career in the military]. And of course, I have taken the consequences of it, since I am not a soldier today, right? And it was like you could take the big calendar, right, and then you could say that then and then and then you are appointed to this and this and that, and you enter this salary scale this and that, regardless of whether you are good or bad. So they don't pay attention to that, they are goddamn absolutely indifferent, right.<sup>79</sup>

I don't have anything against it – God, I know plenty -- also through my contacts with the authorities and such things – a great many public employees who really do a good job. I also know some that do not. But I could never, never be able to live with such an attitude, where you go home at four o'clock in the afternoon, you know. There are some ministries which do not do this, but there are many places within the public sector where it is eight to four jobs, and I also know this from some of my colleagues from university days who have gotten jobs there. When we meet later and talk, well, I can sense that it is a completely different way they live their life. They find it very difficult to understand at all how I can deal with working outside [the public sector]. But therefore we can certainly talk together. Now there is indeed a rupture on its way, where many public sector jobs are changing character and become exciting. But a typical public sector job, which would run for an entire fixed rotation from eight to four, or how long it is you work today, I couldn't imagine it. And absolutely, certainly not in a form where you sit in such a referral system [the hierarchical state bureaucracy]: so you move documents up to someone sitting in an office above, so he makes two check marks on the paper, then it goes down again, and fourteen days afterwards you get it again and so on. Then you send it up one

more time, and maybe it's not over yet. I wouldn't be able to do this. Things have to move fairly quickly through the system, right.<sup>80</sup>

Characteristic of all three career professionals was they all felt "stuck" or "drowned", or invisible working in the public sector. There were no ways that others could take note of them. There were no opportunities to carve out a "name" for oneself or gain recognition, to get *noticed*, as Kim Jensen says. In the private sector, salaries and profit sharing are some of the ways in which career professionals obtain proof or confirmation of their recognition. A high salary signals that you are sought after. One could say that the salary is a measure of one's reputation. Just as getting "the responsibility for major projects" is evidence that you are an indispensable capacity in a given area. It is precisely these two ways of gaining recognition that are considered by the private sector specialists to be practically non-existent in the public sector. In their worldview, it is only in recent years, that efforts have been made to try and establish a system of wages according to performance in the public sector, and typically enough, the trade unions are fighting hard against it and call it an "ass-licker bonus" (*fedterøvstillæg*). The custom is still that one receives salary according to seniority, regardless of any extra performance, which in the mind of the career professionals is diametrically opposed to the managers' own working conditions when these are best.

Other conceptual contrast relations also appear in the ethnographic data. For example, it is common to observe contrasts with the "attitude where you go home at four o'clock", as we saw above. For the managers, this attitude is characteristic of the public sector, but it can also lead to surprises in the private enterprises. A trusted manager helped to merge two IT firms, in which he was employed in one of them. He describes the scene:

And there were two very different cultures, these corporate cultures. We were very different, and we had different working conditions. We can say that with us, it was like a welded fighting spirit where one can say it was freedom with responsibility. So people, they came forward at all times of the day if there were problems some places, no matter whether you had vacation or not vacation. You didn't even have to ask them, you know. They just did it. And in terms of work, on the technical side of the case, we worked in shifts, there were shifts and this kind of different things. The forms of salary were also different, there was a very big gap in terms of salary. Among ourselves, we were used to doing everything ourselves, or one could do everything by oneself, let me say it that way.

There was like another spirit among the others. In that firm, they had a lot of administrative help functions to support the individual man when he was out. If he had problems, well then he called, and so there were others who should come in [and help]. It was such fixed functions, and if one of these functions did not work, well then the man just stopped. The independent initiative was missing, you know. And when the clock reached four-thirty, then

“poof”, and the others were gone. And then we sat there and looked and said, “What the hell really happened?” And it was very difficult to get the two things to operate together because there was a fear that the bad things would spread both ways, because there was obviously also bad things among us.<sup>81</sup>

These contrasts within the career professionals’ own thinking help to determine their own concept of work through centrism between different lifemodes. In several of the situations described here, there are ideological relationships between the career professional lifemode, the lifemode of civil servants and the wage-earner lifemode. For the wage-earners, something other than work which is important in their lives, there is something else that they are engaged in and use as much of their time as possible pursuing. Therefore wage-earners are not interested in remaining longer at work than the number of hours in which they are employed according to their labour contracts. In principle, the labour they sell is a pure means of obtaining an income. However, this does not mean that they cannot be interested in what they do, nor that they do not want to do a good job. But they are interested in their work in an entirely different way than the career professionals. From the career professionals’ point of view, the wage workers are “inflexible” and lack the “independent initiative”, if left to themselves. Conversely, these two concepts help to overdetermine the career professionals’ own views of themselves. The opposite of “challenges” is that the tasks are viewed as much too “cumbersome” or routine. The contrast to an “eight to four attitude” is “flexibility”, and the contrast between “those who are just putting in time” or “those who wait to get help” is with their own praising of “those with independent initiative”.

It is not easy to find suitable concepts to characterize the career professionals’ concept of work as such. In previous lifemode theory, as described in Chapter XX, we have attempted to base it upon a relationship between the *decision-making* and *execution* as well as a relation between *engagement* and *outside interests*. These two concept relations also capture certain aspects of the praxis specified here, but they are not sufficiently adequate to construct the specific concept of work in the praxis that we now have set out explicitly. To have “freedom of disposition” is an important working condition, but this freedom of decision-making -- in the management office, the laboratory, the drafting room, the construction site, etc. -- is only one side of the career professional's work. The term “engagement” is too ambiguous to really be able to distinguish the career professional lifemode from the other lifemodes. Nor is engagement per se that quality which gives the career professionals their “point of difference”.

These distinctions should not pass for a specification of the lifemode’s conceptual world. Elaborating such a concept poses far greater demands on the internal consistency between the concepts’ ideological content of meaning than we can fulfill at the present time. To proceed with the work, it is necessary to further develop the empirical quest, and in this connection, to search more systematically for the semantic consistencies and contrast relationships in the career professionals’

world view which concern the means-ends relationships between creating *irreplaceability* and ensuring *optimal working conditions*. It would be naive to believe that by just adding more data, the lifemode's conceptual world would eventually emerge clearly, by itself. Conversely, we need ethnographic inspiration to specify the intensional relationships between the properties in the lifemode's praxis that are conditioned by its place as terminal in the relations embedded in the shareholder-organized financial capitalist mode of production SOFCMP, which we prefer to abbreviate into the *shareholder-organized mode of production*, SOMP. The specified relationships between these properties can help to ask more fruitful questions, to open our eyes again, to refocus our attention on the crucial determining characteristics, and to problematize that which we otherwise would not notice in the worldview of career professionals because it is taken for granted.<sup>82</sup>

### **The paradox of temporariness – “*All that is solid melts into air*”<sup>83</sup>**

It is tempting to see a fundamental difference between the capitalist firm's *purchase* of consultancy services and their being *hired* as permanent specialist staff. However, one easily overlooks the importance that both capital as well as career professionals are only *temporarily* attached to the individual firm. From the firm's point of view, capital and labour are resources that can be *attracted to* and *employed* in the company *as long as* it can pay for their commitment. The share capital can only be retained as long as there is a prospect of favourable return or added value, just as the career professionals will remain only as long as they can be offered sufficiently advantageous working conditions and personal development opportunities, and in other ways a part of the company's profit.

Regardless of whether the innovative uniqueness is obtained from independent consultants or from hired capitalist professionals, it is a resource that the firm obtains from a market, just as capital is procured from the capital markets. For both investors and the career professionals, the firm is a *means* in their praxis, and the individual company can keep them only as long as it manages to be a useful and effective means for them. Otherwise, the professionals resign as fast as possible from the firm and go elsewhere or start for themselves. It is under these conditions that the firm's management and its executive board must operate.

The paradox is that when we talk about the company's management as the strategic subject who reflects and decides in this context, this group itself consists of managers and other capitalist professionals whom the board has purchased to run the business, but who themselves are just as temporary as the resources for which they have been hired to attract and engage productively in the company. The same applies to the board members. The board consists of either major shareholders or professional experts whom the shareholders' general assembly has appointed to carry out executive tasks. Nor here do we find a stable core that can be said to constitute the company's constant anchoring or permanent essence. The share-owners are members of the General Assembly only while their financial commitment lasts, and the professional managers, they can bring in as professional board members are therefore equally temporarily attached to the company.

The conclusion here is that every time the firm's innermost stable core seems to be localized, it suddenly dissolves because it turns out that even here, the most basic functions are exercised by temporarily hired persons or resources. One can therefore ask: Is there any kind of *identifiable single firm* here? If nothing in the firm is solid, but everything is floating – capital, commodities, wage workers and career professionals -- it becomes a *paradox* that the firm exists at all as a unit of survival, i.e. as a business subject with its own corporate culture, its own social and physical reality. Formulated in more theoretical terms, we ask: Why and how can a single firm be identified and demarcated vis a vis other individual firms? Why are there firms at all? Firms are not permanent because of any sort of permanent physical plant and facilities, for these are just as volatile and can change hands on short notice, be moved or replaced with physical facilities in another continent. So the answer is not that the firm's essence is the physical unit of production. One could say that the most stable feature is its status as a legal subject – however, that only lasts until it is bought up by another company.

We are confronted with a problematique that it is not easy to spot, because in today's ideologies we are so used to taking for granted that capitalist firms are *something that is just there*. We can give the problem a name and say that we are faced with the fundamental, SOMP-determined version of the *paradox of temporariness*.

This paradox becomes no less striking in view of the fact that the capitalist share owned companies subsist by challenging each other's profitable lead. They do this by constantly developing new kinds of cutting edge and unique lead, i.e. by confronting each other as competing strategic subjects. The incessant competitive situation, characterized by their perpetual attacks on each other in the struggle to survive on the markets, is fundamental to their mode of existence. It is this individual struggle to survive by constantly attempting to gain a frontrunner position or a monopoly, by becoming a leader in one or more areas over the competition, which forms the basis for the capitalist professionals at all having a logically possible space and being so urgently necessary in this context. Without the capitalist firm's precarious individuality and precarious existence, there would be no demand for the innovative uniqueness offered by the career professional. Until the end of the 1980s, one could see the opposite of this situation in the East European planned economies, as well as in the innumerable, strategically important state enterprises throughout the world.

In the family farm and similar types of businesses, the family constitutes the stable core, which gives the firm its independent existence. The family farm is a means, which is its own end for the self-employed household. Hence, the household will do everything it can to remain independent, to keep its business going rather than abandon it willingly. However, this is precisely not the case in the profit-seeking joint-stock companies who are members of the stock exchange. For all parties in these firms, they are only a means. Therefore, wage-workers, shareholders and managers will 'jump ship' at the moment they find reason to suspect that the enterprise cannot continue to create good jobs, sufficient profit or attractive career opportunities. So why can the joint-stock company at all come

into being, why can it operate as an independent competitive survival-unit, as a legal person, as an innovative organism, and as a strategically calculating subject in itself? Why do we have this kind of firms at all?

This question becomes more acute in so far as starting a limited liability company is intended to gather capital for a potentially profitable venture, while an existing company may need to attract additional external capital to itself as part of its struggle to survive. It is a familiar part of the executive management's and board's strategic moves to implement special initiatives to 'increase the capital base', 'procure more capital to work with' or to 'create the basis for expansion', as formulated in the managers' own language. Here we clearly see the capital market viewed from *perspective of the firm's management*, in jargon formulated by the managers. In other words, it is a point of view from which the markets for capital, career professionals, labour power and commodities are viewed as external funds of resources that can be brought in and exploited in order to realize its strategic project. But these resources can only be kept if the firm succeeds in creating a uniquely frontrunner position that gives the project a sufficiently profitable share of the globally produced surplus value, enough to keep the productively employed resources in the project, including the very capital and management from whom this perspective is articulated. Nothing is more lonely than to see one's partners and necessary labour/capital resources leave the project, but -- as capitalist managers put it: "*You can't hold on to what you don't have!*"

A company's independence therefore stands in contrast to the fact that the joint stock companies are only one kind of strategic accounting unit which temporarily holds parts of societies' global resources so as to productively unite them into a profitable project. But the firm can attract and utilize these resources only until the moment when they can be collected *more* productively and profitably into another project elsewhere, toward which resources flow and *come together* again in new combinations and alternative enterprises. We write 'come together again' because in a global market economy, there is no overarching subject that does this project-making for them. Overlooking for a moment the states' interests, it is the development of the markets' *potential* of the possible project that can cause it to emerge when developers discover it as an idea, set it out explicitly as a businessplan, try it out, and realize it as a viable business, i.e. when the three necessary forms of praxis come together to take part in it – until it is either overrun or swallowed up by the more powerful and profitable projects of other firms. The extreme competition, something we do not find in simple commodity production, where the owners' assets and labour inputs are neither for sale nor are ready to flow from one company to another, means that nothing in the company is solid and safe, but that it must attack, conquer and compete for all its internal components. As we have seen, the capitalist professionals change jobs on an average of every third to fourth year, most companies will not be over 50 years old, and labour is just as volatile as seen from the company's perspective, as companies are unpredictable when viewed from the perspective of working families. At the same time, listed companies act paradoxically as one of the strongest, most powerful and untouchable actors in many parts of the world, and the largest corporations seem to be more powerful than many countries.

How do we comprehend, apply and further develop the specifying analytical and synthetic understanding of the *paradox of temporariness* in the shareholder mode of production?

One way to do so is to view it from the perspective of the all-encompassing competitive struggle. One might ask whether it is not precisely the *relations of struggle* that at once both presuppose and determine that companies act as sharply demarcated and autonomously calculating accounting units. The background for this thesis is that the relations of struggle not only continuously expose hitherto unnoticed potentials for profitable enterprise, but also forge the formation of enterprise projects, compelling a unity in the individual enterprise that can prevent it from collapsing, being taken over or split up again -- until it happens. In that case, the SOMP's merciless *relations of competition constitute the individual firms as independent survival units* and decision centers because they must fight for their survival by competing with *each other* for the same volatile resources. They live only as divisible individuals as long as they manage to surprise each other, overtake each other, attack each other, swallow up each other and resist each other. And to do so in ways 1) where, seen from the companies' perspective, those elements that are volatile resources of capital, management and wage-labour, 2) seen from the investors', career professionals' and wage-workers' own perspective are the forms of praxis, that maintain their conditions of possibility and durability by means of the temporary mode of existence of the companies. One could thus say that the temporary mode of existence of the joint stock companies presupposes the durable mode of existence of the lifemodes of investors, career professionals and wage-earners. From the complementary perspective, it is the possibility to include and exclude, to attract and expel the expensive resources of capital, innovative uniqueness and labour-power which is the precondition for the firms' relative stability as independent and surviving subjects.

If it is in the actual *relations of struggle* that the individual firm has this paradoxical *independence and individuality*, together with an infinite vulnerability to the relentless movement and flows of capital and labour between companies, then the capitalist professionals' production of competitiveness-creating uniqueness is an essential condition of possibility for the mode of existence of the joint-stock companies and enterprises. Hence, it is no wonder that we easily come to identify the company as such with the efforts by management and other career professionals to develop and maintain a unique, frontrunner position. This is because even though there is competition between the capitalist professionals, even if they treacherously depart one firm to be hired by a competitor to outmanoeuvre their former employer, etc., what they sell is precisely their ability to enter into the relations of struggle and fight for the conquest and success of the company that has just hired them. If there were no relations of struggle, they could not enter into it, and if the struggle was not played out by independent entities, they could not be engaged on either side in the competition, playing off competitors against each other. But since what they provide is precisely the strategies and means to survive in the competitive struggle, their praxis is synonymous with the strategy, tactics and practice of the entire firm. They need only a division of the social production into strategic accounting units -- which must compete with each other in attracting (during peacetime) global liquid capital,

knowledge, goods and labour -- in order to develop their praxis and perform that function. At the same time, it also means that while the capitalist professionals always find themselves in a latent competition with each other, which breaks out into the open when positions are to be filled, external consultants selected, internal priorities set for investment and with the release of financial statements, the *relations of struggle require unity within the individual enterprise*. As colleagues on the same team, they *must* be able to work together and create joint results, although they never know when they will again find themselves in an open competition with each other for jobs or in an open relations of struggle on either side of the front and in costly battles being fought over the life and death between competing firms. They often meet again as colleagues who must stand together when the winner absorbs the company that loses the battle for dominance, the struggle to remain independent and the struggle for individual existence on the markets. The conclusion is that the viable joint stock company is a point of intersection and a node for relations from markets for risk capital, a unique frontrunner position, labour, and commodities, and that the essence of the enterprise is to be the junction, the center or the terminal that for a shorter or longer period of time is capable of combining the four components more efficiently than can others.

The division that the SOMP introduces between the capitalist managers' productive praxis and the capitalist investor's productive praxis, can be further illuminated by our further specification of the concept of the share owned company as a contradictory intersection and node of the relations between them. The opposition inside the node can be dissolved by the two forms of praxis being merged under the dominance of the investor lifemode: as a variant of the SOMP, the possibility appears to transcend the limits inherent in the individual investor's limited ability to intervene in the productive manager praxis in the following way. If we distinguish between the concepts of majority shareholder and minority shareholder, the latter is characterized by the spreading of their investments and their pursuit of passive ownership as pure investor. Conversely, this means that if several investors join together, they become able to put up a large, comprehensive security for borrowing in banks, whereby they can supplement their risk capital with sufficient interest-bearing funds to take over a controlling majority stake in the company. Within the free-flowing capital concept, the negation of the individual investor takes the form of the investment firm that works as a mobile, corporate, speculative, and active capitalist entrepreneur. In the empirical realization, we can find this joint praxis in the form of the private equity fund, which stands in sharp contrast to the individual investors on the stock exchange, operating as minority shareholders and exercising passive ownership. The private equity fund is an investment community where large private investors and institutional investors join with professional partners who are both co-investors and the executive professional managers in the investment firm. By taking out bank loans, the private equity fund can obtain sufficient funds to locate companies with untapped potential for yielding rapid and high returns by radically reconstructing the company, dividing it up or merging it with other companies, so that after 5-8 years it can be re-sold. While the private equity fund's investor capacity allows it to capture an active majority ownership of the companies that the fund selects, its professional managers, who are co-partners in the fund, seek out companies that have a potential and take over leadership of these in order to extract assets, reconstruct or develop these firms and sell

them to new owners when they have increased their value and can be sold at a profit. A variant of this *private equity mode of production* (PEMP) is the *hedge fund*, which specializes in investing in liquid assets that can be quickly sold, such as speculation in futures options, money markets and foreign currencies. The *venture capital fund*, on the other hand, specializes in investing in promising start-ups and innovative ideas, which, according to its managers, have the potential to be a profitable business if the fund invests in its development and manages this with the intention of subsequent sale or IPO. Common to all these form variants and several other types of fund formation is that it is a case of a creative proliferation of types and combinations of strategies within the SOMP.

### **Foundation owned business capitalism and the wage-earner life mode of partnership ideology**

The generative temporariness of the SOMP contains major innovative potential, but also an equally great risk that the enterprises will be bought up and moved away, which may entail that their important forms of praxis lose their function or leave the country, region, locality or family from where they originated. From the perspective of the state, the municipality and the family, it can be tantamount to *their* objective with the prosperity of the firms' well-being being lost, in as much as the investors and the career professionals and wage-earners employed by these firms disappear as the economic foundation for the area's sustenance, the country's sovereignty and as a means of providing good living conditions for the population's lifemodes at national, regional, local and family levels. This creates a need for countermeasures to the free movement of all the SOMP's resources and forms of praxis. This contradiction therefore requires us to make explicit the negation of the extreme temporariness of joint stock companies quoted on the stock exchange. This negation not only turns our gaze back toward the privately owned individual enterprise. These firms can be sold at any time that the owner family needs to capitalize the company's internal asset value, and in theory, the complex contradictory concept of the individual enterprise of the private, profit-seeking capitalist was the point of departure of the fourth step of specifications. A true negation, however, is the *industrial foundation*, which aims to operate an enterprise as a separate company by securing a majority stake, thus preventing the firm's shares from being available for open trading on the stock market. The controlling influence thus remains within the fund, and the profits can be ploughed back into the net investment in the company's future ability to create and recreate a sufficiently unique frontrunner position so as to continue to appropriate the largest possible share of the globally produced surplus value. The negation of the temporary mode of existence of the joint stock company in free trading is therefore the durable mode of existence of the foundation-owned company that cannot be traded and whose capital cannot be split up. To take an example, the Danish state's sovereignty domain is so small and its natural resources so limited, and the state and the population so deeply dependent on their companies' uniqueness, competitive edge, frontrunner position, and remaining within the sovereign domain, that the state has established the legal framework that favours foundation-owned companies with tax benefits if they use those portions of their surplus-profit that they do not need to reinvest in the future of their businesses for charitable causes. This arrangement is used by many capitalist families to convert and transfer their private equity portfolio

to a foundation owned business (FOB).<sup>84</sup> The majority of the largest Danish companies are in fact owned by such industrial foundations. This group includes leading companies such as the shipping company A.P. Moller Maersk, the pharmaceutical company Novo Nordisk, the biotech company Novozymes, the window manufacturer Velux, the brewing conglomerate Carlsberg and the measurement instrument company Foss A/S, to mention just a few of them. All are the result of the desire of successful entrepreneurial capitalists to ensure their 'life's work' for future generations by transforming their private stock portfolio into an institutional form of ownership that protects the company from being taken over by competitors, taxed heavily after the Second World War, bought up by speculators or simply purchased and removed outside the country.

At the fourth step of specification, the *foundation owned business capitalist mode of production*, abbreviated FOBMP, appears as a conceptual negation of the share-organized financial capitalist mode of production, SOMP. The temporary nature of the SOMP companies contrasts with the more durable, semi-permanent character of the FOBMP companies. We can find these features realized in the empirical data. While only 10% of the Danish share-owning companies have survived for more than 50 years, more than 20% of the FOBMP companies have survived over 100 years. Foundation-owned companies have a 25% - 75% lower rate of fluctuation in their profits than other companies, and their equity is 44% of their balance sheet, compared to 37% of the balance in other companies. Half of the total Danish R&D investments are financed by the major industrial foundations.<sup>85</sup> The large Danish foundation-owned companies, in other words, are more stable, are run with more long-term vision, have more stable growth, invest a larger portion of their profits in research and development and have less frequent fluctuation of career professionals than freely traded corporations. Most FOBMP companies also have shares in free trading on the stock market, and these companies represent close to 80% of the market value on the Danish stock market. They are a major player in the capitalist economic culture in a country like Denmark. Although many of these companies are family foundations that can be seen as the result of capitalist families' neoculturation and although they continue to employ some of the original owner family's descendants in important posts, they are run essentially by career professionals. These professional managers occupy all the major positions of the company that are crucial to creating and recreating its unique lead, competitive edge and frontrunner positions in products and processes.

The dialectic of temporariness and durability is played out in the relationship between the share-owned and foundation-owned companies, but as the State has a preference for industrial foundations as a more durable backbone of Danish industry, the dialectic of temporariness and durability also unfolds within the foundation-owned business mode of production itself, in that the industrial foundations replace the free movement of floating capital with the formation and transformation of their own changeable network of enterprises and departments, world-wide. In this way, they move around their own capital, expertise and investments within the company, between industries and between businesses that they themselves own throughout the world. They can thus move production facilities, development projects and jobs of all kinds from one continent to another. It is only their own capital that they move around, just like multinational corporations dominated by the SOMP,

such as Unilever and many other conglomerates. In the FOB mode of production, in contrast to the shareholder mode, it is the durability that dominates and makes use of temporariness only in order to maintain the firm's durability as a Danish company's headquarters and related functions. Within the most durable form variants, the foundation-owned companies can be contrasted to the state-owned companies, i.e. the FOB is negated by the STOB. The state-owned business mode of production (STOB) plays a major role in business and industries, which are conceived to be of major strategic and infra-structural importance for the states.

When the foundation-owned companies' feature of durability is combined with the insight from the second step of specifications, that a company's profit is not based on its own wage-earners' production of surplus value, but on the company's ability to acquire a share of the globally produced surplus value, it casts new light on the wage-earner lifemode's relation to the foundation-owned company. The relationship that appears differs fundamentally from a necessary relation of exploitation between the individual capitalist enterprise and the wage-earner working for this enterprise, such that it is possible to explicitly set out a distinct relationship and variant of the wage-earner-lifemode. For the industrial foundation-owned company, whose capital aims to keep this very special company preference and unique lead on the market in tact, instead of flowing to other projects where surplus profit may be potentially easier or more rapidly attainable, it can be a crucial tool for supplementing the supreme capitalist praxis of the enterprise with the optimal flexibility, solidarity, knowledge, adaptability and durability of the wage-earners in relation to the enterprise itself. In this case, optimizing the wage level may function as an instrument for involving wage-earners in the struggle of the enterprise to appropriate as large a portion of the globally produced surplus value as possible. To the extent that this structural feature is essential for the use and realization of each company's frontrunner position, the workers will also be able to share in the appropriated surplus profit, i.e. in a share of the global surplus value produced by wage labourers worldwide, and which is increased by the total capitalist productivity development. They will still not get the same size share of this surplus value as the teams of career professionals who create the company's uniqueness and often share half of the earned surplus profit, but they can collectively and individually obtain wages and working conditions that reflect their contribution to an optimal use of the potential of the company's unique lead. It follows that this variant of the wage-earner lifemode that emerges as one among several forms on the fourth specification step will imply an ideological concept structure that sees their involvement in the company and relationship to its career professional management, research and development as a *partnership* rather than a *relation of opposition* or antagonism. To the extent that the industrial foundation has a statute that states that part of the surplus profit should be paid out to charitable purposes or simply ensure the enterprise's continuity in the local area where working families live and have the need for stable long-term employment, the partnership ideology will be based on a common interest in the company appropriating the largest possible share of the globally produced surplus value and a common interest in the company remaining a local workplace. This variant of the wage-earner lifemode would probably constitute a basic challenge to the established trade union movement's traditional strategies of trade monopolization, closed shop agreements and collective bargaining negotiations. We will

explore this in the following empirical studies.

Both sides of the *partnership ideology's wage-earner lifemode* are obviously exposed to the risk that the company will lose surplus profit potential or that its realization does not require a large and solidary complement of wage-earners, but rather that wage labour is phased out and replaced by new technology and highly paid creative specialists. The process would revive the contradiction between capital accumulation and wage labour, but now in a new form, where the tendency toward the elimination of wage labour becomes a form of dominance that privileges the professional developers while minimizing the need for and therefore marginalizing the manual, routine and generally non-uniqueness-generating wage labour. The fourth specification step thus reveals a new contradiction, which in its extreme form makes the paradoxical question of whether surplus value production without surplus value adding wage labor is a conceivable form variant of the capitalist mode of production. This heretical thought gives us occasion to explore whether yet another transgression of the previously specified form variants of both the capitalist mode of production and its lifemode forms is possible and perhaps necessary in order to understand the neoculturation processes that are on their way into today's capitalist cultures around the world. Let us take a closer look to see whether it is possible to set out explicitly a fifth step of specifications.

### **The fifth step of specifications**

The first equation of the capitalist mode of production is:  $C = s + v + c$ . In this equation,  $s$  is surplus value,  $v$  is variable capital (producing surplus value), and  $c$  is constant capital (the monopoly that makes it possible to extract surplus value). In the already known modes of capitalism, the variable capital is that form of commodity that can add more use value to the product than its own exchange value (its cost price). This is the commodity of labour-power. Empirically, the variable capital/labour-power can be realized as wage labour, and its value counted in hours or piecework. The presupposition of surplus value is that the value of the produced commodity is larger than the value of the hours spent in the production process plus the value of the means and objects of work. The use value of the labour force – its productivity by the hour – can be improved by optimizing the efficiency of the means of work. The praxis of improving this efficiency is at the second, third and fourth steps of specifications - and the associated lifemode explications - conceptualized as the lifemode of the industrial capitalist and, subsequently, the lifemode of the career-professional. To be able to increase the individual profit of a company, it is necessary to create and recreate a temporary monopoly of being more efficient than the competitors at the market. The temporariness is generated by the ability of the competing companies to copy the new ideas of each other in an effort to produce goods more efficiently and appropriate a share of the potential profit. The most profitable frontrunner position is always a temporary monopoly on capitalist markets, and in this position, the enterprise can appropriate a part of the globally produced surplus-value. The creation of the possibility to improve the use value of the wage labour is generated by the technological development driven by

the career professional capitalists. The production of surplus value presupposes that the productivity of the variable capital, i.e. a global mass of unpaid labour that produces the value, can be increased by more efficient technologies (mechanical, electronic, biological, social, cultural, behavioural, etc.).

Now the question arises: is it possible to conceive of the capitalist mode of production without the variable capital and its cost price? Its first equation says that this is not possible. The concept of surplus value presupposes the concept of variable capital. Empirically, however, it appears that the IT-revolution is something that can be compared to the Industrial Revolution as described by Marx in Chapter 13 of *Capital*. Here Marx describes a genealogy from the simple commodity mode of production of *handicraft* through the transformatory structure of *manufacture* to the capitalist mode of production of *large-scale industry*. Would it be possible to sublimate the contradictions set out explicitly in the last part of the fourth step of specifications by means of a similar self-transcending process and epoch of relations and forces of production? Have we entered a new epoch that transcends the whole complex of large-scale industry and well known types of company structures?

Let us take the most extreme types of profitable production processes, i.e. processes without any important use of unpaid labour-power, like Google, YouTube, Facebook, Twitter, and Instagram. The creation of these systems is maintained by highly skilled developers, i.e. software designers, concept developers, structure designers and business developers, whose praxis can be analyzed using the concept of the career professional lifemode. If investors believe that the system is profitable, the developers can sell it and receive a share of the potential profit that may be generated by the system in question. If no one believes in it, then no one pays for the creation, and no one will be paid. There are in principle no other direct producers than the highly skilled developers. The rest of the work is done by search engine machines, multiplying programs, algorithms, fiber networks, etc. It is difficult to find a wage-earning lifemode of any quantitative significance for the production of surplus value, even if the firms have thousands of poorly paid programmers doing routine programming tasks in countries far from Silicon Valley and Beijing's Zhongguangcun. Now who are those using and working with these kinds of IT-systems? These are the so-called "users", but these users are consumers, not wage labourers. They use the system to achieve their goals, to save the time they spend to reach their goals and they develop new goals in their daily life by means of the systems. These systems help them do things that were not possible for them to do before the advent of advanced computer software..

If we again look at what it is that makes labour potentially surplus value-producing, it is that it can produce more use value than the value necessary to pay for its utilization. The more productive the work becomes, the less work is needed in order to produce a value equivalent to the cost of labor-power. This means that the more work saved by this productivity, the greater surplus value can be extracted from the daily work. We see this relationship resulting in the production process where saving labour time is the most important means of creating – and for the buyer of labour to save -- more surplus value out of a day's employment. But we also see it in the subsequent consumption process, where the item purchased is used by the buyer to create or achieve his or her goal. The

product has an obvious use value for the buyer, because the more time or effort the user can save in the work of producing his goal with the given activity, the greater the product's use value as a tool or material to the user in producing his own goal. If a product can be created, which in this sense has a higher use value for the buyer, it could save either the buyer's own work or the hired labour-power needed to produce the product, thus generating more value out of the product purchased. To save the consumption of own or others' labour by means of a tool or material means that there is potential surplus value to be gained, provided that the amount of labour used to produce the labour-saving product does not exceed what the buyer can save by using the product to achieve his goal. This means that the potential surplus value may show itself both in the former creative production process and in the subsequent production process, where the finished product is used as a means of realizing a further goal. The two processes will require each other if a product is to have a use value and thereby be able to be sold as a commodity that is being paid for its price of production.

Alternatively, instead of saving work for the user of the product to achieve a goal, the product can enable the user to reach a new goal, or a goal that has so far been unattainable with the available resources at his disposal. Social media are an example. They allow people to communicate in ways, over distances and with an ease that was previously not possible or would require inconceivably more resources or time to realize, if at all possible. Here, too, there is a marked decrease in the use of time, either in the form of paid and unpaid labour (used to produce the means of communication) or in the form of one's own working hours or free time (used to communicate with colleagues, friends or family members) depending on whether one has paid for a plane ticket or telephone bill or has used, for example, travel or writing time in order to achieve the communication. This difference in exchange value and use value, between sharing one's experiences on Facebook with an aunt in Australia and traveling by ship or plane to visit the aunt in Australia to share experiences with her, holds a potential surplus value that raises the question of how and for whom it is possible to appropriate this surplus value. For the fact is that none of them have sold their time that they spend on Facebook to an employer. But they have done something which may be just as valuable or as suitable for appropriating the potential added and unpaid value: They have put a part of their daily productive work into the framework and structures that Facebook has opened for them and allowed them the possibility to lay a part of their conduct of life in Facebook's framework. Facebook has enabled, if not encouraged, millions of people to put their productive daily conduct of life into certain frameworks (as "users" of the frameworks) that are set, controlled, regulated, monitored and further developed by a capitalist company in ways that can become knowledge or a product of very great use value for Facebook's different types of *customers*. These are the customers who pay dearly to know as much as they can about Facebook users' consumption patterns, networks, attitudes, activities and many other aspects of life that are relevant to the users' purchase of goods and services. It may also be customers who want to advertise their products or services directly to the users of social media by paying the provider to show their products when people are on the Internet. And it may be the states interested in keeping up with people's movements and contacts, thus saving the intelligence services, health care, tax authorities and many other state apparatuses much working time and labour or extending their goals and objectives considerably when they can make use of the

information on social media used by the masses.<sup>86</sup> These are all use values for which the three types of customers will be prepared to pay the prices of production, until the same or an even more improved use value of the same kind is developed and offered free of charge or for payment by another provider of social media. A myriad of services are being regularly developed aimed at new segments of users whose work of using the services and the media involves billions of hours of unpaid labour – disguised as personal searches or ‘fun’ -- that can be appropriated by the contracting companies as surplus value, profit and surplus profit.

However, there is also an internal connection between the relations of production and the forces of production as outlined here, which is necessary if we are to succeed in setting out explicitly a fifth step of the specifications of the capitalist mode of production. The starting point was the contradiction that arose when it was possible to think wage labour out of the mode of production, because this meant a collapse of the basic premise that there must be unpaid labour in order to create surplus value that can be appropriated in the form of profit. The reason was that it became possible to think the uniqueness- and competitive edge-creating development work as the fundamental basis for shareholder-owned and foundation-owned modes of production, thus making the theoretical experiment of thinking or imagining the non-uniqueness-creating wage labour completely out of the necessary production process. The goal here replicates that of Einstein and Infeld, who in their *The Evolution of Physics* illustrate the discovery of the Law of Inertia by imagining any friction as completely eliminated for a body in motion, thereby leaving the concept of a constant and unaffected movement in a straight line.<sup>87</sup> A similar extreme or ultimate consequence would remain when we imagine a social medium's structure developed by high-level developers, after which its multiplication can be undertaken indefinitely without significant unit costs. Thus, a corresponding number of potential customers can be provided with the media as a new product with high use value for each consumer. Similarly, a search engine, when it is developed and installed, can collect infinite amounts of information and knowledge, which builds a database. This database can be used by an unlimited number of users, who in this case upload a portion of their conduct of life into the medium's practice-structuring frames, literally putting their life at the disposal of Google and Facebook. In the form of unpaid labour, as specified above, this can be of immense use value for distinct types of customers and thereby an effective way of appropriating the unpaid added value of the system's integration of -- and therefore knowledge about – the users' conduct of life. It is a surplus value that is appropriated as the contractor's or firm's profit of enterprise as long as the specific system has a uniqueness and unsurpassed use value for customers. But it is also a variant of the mode of production that transcends the earlier specification step's relationships between the determinate unit cost (duc) and the totality of variable costs (tvc) by removing of importance of quantity (q) and can therefore help to remove the (at previous specification steps) explicated relationship between capacity, production and capital requirements that are likely to be reflected in the recent decades' uneven but constant decline in the general level of interest rates, despite strong growth in productivity, new kinds of use value, infinite quantities of IT products and labour-saving technologies.

The opposite form variant of this mode of production can be demonstrated by the certifying companies. They are cultivating the conduct of business of distinct industrial branches by means of a huge bureaucracy of wage-earners that is implementing the yearly scrutiny and documentation of each customer's activity and renewal or cancelling of the customer's certificate. The Marine Stewardship Council (MSC) is an example of this variant. It was formed by Unilever and the World Wild Life Foundation as a commercial company and conducts certification of fishing enterprises all over the world seeking to sell their products as "sustainable". Aspiring sustainable firms must have the money to pay for the certification process and the willingness to be directed and controlled by the MSC monitoring staff.

One could illustrate this kind of connection between the relations and forces of production with a small parable: In the northern regions of Sweden and Norway, called Finnmark, there are extended mountain ranges running parallel with each other across the Scandinavian peninsula, between the Baltic and the North Atlantic. Between these mountain ranges, in the long valleys extending from coast to coast, reindeer have wandered back and forth for millennia in an annual cycle between summer and winter, following the melting snow in the spring and returning in the autumn. The reindeer continue to live this natural way of life between the mountains. At the same time, the Sami people have constructed scattered but behaviour-governing fences along the valley stretches and mountains which control the reindeer migrations so they are steered along certain paths on certain stretches of their migrations. The Sami's purpose is to mark the reindeers' new-born calves in one season and to capture the mature animals out of the flocks in the second season when they are fit to slaughter for consumption and sale. The animals are not tamed as pets, they have their own natural conduct of life, but this life has also been placed in a framework that makes it possible to tap the flocks of the surplus product of animals ready for slaughter that can be culled from the flock each year. The reindeer's natural movements have been partially 'cultivated' so that it is possible for the Sami to acquire their surplus product without making them into domestic animals. It is a similar cultivation of the lifemodes' conduct of life that the social media organize in order to be able to 'service' their new customers with use values, which makes it possible to appropriate parts of these users' huge amounts of unpaid labour by living life in the deliberately cultivated frameworks. Inspired by the reindeer's free but cultivated way of life, we could call this variant of the mode of production the *conduct of life cultivating capitalist mode of production (COLPM)*. This mode of production could be explicitly set out as the fifth step of specification.

The COLPM variant of the career professional lifemode has a different relation to both the capitalist investor lifemode, as do all other lifemodes that occur either as primary or as secondary clients in a distinct COLPM enterprise. Of course, it also has a relation to the wage-earner lifemode, which performs all the necessary but non-uniqueness-creating labour of producing the machines, the fiber optic cables, and the thousands of lines of code-writing that form the physical and software infrastructure for the Internet. But again, we are, like in the wage-earner lifemode of partnership ideology in the foundation-owned mode of production, in the process of specifying a form variant of this lifemode that does not necessarily have an exploitative relationship between the enterprise and

the wage labourer. It may instead be characterized by other kinds of ideological concept structures that require additional ethnographic investigation in order to be able to specify and set out explicitly.

***Summary and conclusions: the basic lifemode concepts of CPM***

In our early studies of lifemodes, we thought it was the expertise of the career-oriented person that differentiated the workers' lifemode from that of career professionals. The managers, researchers and engineers who we studied earned higher salaries than industrial workers because the worker had less expertise to offer than these people. Therefore, the differences between the exchange value of unskilled or semi-skilled work and higher management occupations were thought to be caused by the fact that skilled, highly qualified labor power is more expensive to produce and more scarce than skilled and unskilled labor power. Because of this, we were facing a continuum of degree between more and less, and the degree of expertise cannot be used to explain how two lifemode concepts differ fundamentally from each other. Expertise and knowledge are also implied in skilled workers' practices. Therefore, we had to explore if there are some specific features of expertise that are necessary in quite another way than wage-labour for the production of surplusvalue and appropriation of profit in a capitalist firm. Studying the mode of production ethnologically, we found that a third specific praxis is necessary within this variant of this mode of production, where pure investors are moving capital from firm to firm in the hunt for extra profit. The logic is that if a company cannot produce in an advantageous way, which is still difficult for its competitors to copy or figure out, then it is difficult to avoid competition that may undermine the market price of the products and remove the company's production of surplus value. However, if one has this competitive advantage of doing something that your competitors cannot (yet) do, then it is possible for the company to produce a surplus value and pay a profit to the investors. It is this specific kind of temporary monopoly on the market that can be produced by developing a new favorable technology, an advantageous marketing strategy, a new kind of management, or a new product, all of which are necessary conditions of possibility for the capitalist firm. In this variant of the capitalist mode of production, where the life mode of the productive capitalist is supplied or replaced by finance capitalists the structure requires a specific life mode. This life mode generates the specific kind of unique advantages so crucial for enabling individual companies to appropriate enough surplus profit from the globally produced surplus value to attract investment capital from the investors on the financial market. Hence, what the firm needs from its career professionals is not just expertise, but a unique kind of expertise, solutions, ideas and creativity (often expressed as the term "innovation") which its competitors cannot get hold of if the company has engaged the most unique people to develop, explore and elaborate the most advantageous visions. These people are not hired for a wage; they are necessarily paid a part of the profit and surplus profit as their income. They are not just "working", they are engaged in a larger creative endeavor which in some cases may "possess" them

day and night. If they cannot obtain a sufficient payment from the firm in the form of wages, bonuses and stock options, they will quickly respond to an offer from another recruiter engaged by a competitor who is also looking for the most creative, innovative career professionals.

Because of the connection between uniqueness and sharing of surplus profit, the career professional lifemode stands in contrast to the waged worker lifemode's concepts of work-time and free-time, where work and leisure is the fundamental concept structure of the ideology. The career professional thinks of him- or herself as a person able to produce unique ideas and solutions. However, they have a problem: As soon as their unique product, method or solution is introduced, sold, and used by the company, it is no longer unique for them. To be able to reproduce the lifemode, the career professional has to reproduce his or her uniqueness, i.e. the ability to continually come up with new unique ideas and solutions, or let others know (through your LinkedIn profile or other media) that you still have "the knack" to produce new ideas and solutions. The career professional has to be able to transform the payment he or she receives from their ideas and solutions into facilities and conditions for creating new unique ideas and solutions. They have to reproduce their creative edge. One way of doing this is to demand working conditions in the company that make it possible for the career professional to reproduce the ability of the firm to gain and hold its competitive edge, i.e., to produce and convert the new ideas, creative designs and unique solutions into marketable products. In this way, the career professional makes him- or herself irreplaceable in the company. In the last instance, working on one's irreplaceability, continuously upgrading oneself, creating and promoting one's new and unique ideas, these are the core features of the career professional life praxis. The career professional's irreplaceability is the basis of their continued employment. The career professional's uniqueness and irreplaceability are the two features behind that aspect of the mode of existence these people call their "career perspective". The concept structure of competitive edge based on uniqueness and irreplaceability are the utmost negation of the concept structure of work and leisure. Leisure is in fact replaced by continuing engagement, even obsession with the creative project. The so-called "work-life" balance dissolves into a "life of work", a total engagement with a "project" or the firm. There is not a logical continuum between the wage earner and the career professional lifemodes, but a genuine contrast between them. The economic condition of possibility of the career professional lifemode is a market for unique expertise. Many people know such a market and enjoy it every weekend when they view the results of football clubs buying and selling players who can provide that unique ideas and solutions (talent) so that the team can win the championship the owners' want.

The market for unique expertise demands that one protect one's ideas and solutions against copying before they are sold, commercialized and implemented. The legal prerequisite of this feature is the possibility to achieve a state protected right of patent on one's idea. If one is permanently employed by the company, as e.g. manager, engineer, developer or researcher, the company holds that right of intellectual property, and it can demand a clause prohibiting the career professional from taking these secrets with them if they go to a competitor. The legal status of patents and confidentiality clauses is just as important to this specific kind of market as the right of contract and the legal system is to the financial market.

To consider the floating mode of existence of the capitalist lifemodes opens a way for the exploration of what we have named *the paradox of temporariness*, which epitomizes a complex of research questions. These questions focus on the competitive struggle between profit-driven companies that compete on the same market. The particular question that regards *transcending the competition* implies a chain of propositions and assumptions that can be investigated using the methods of lifemode ethnography. The chain of statements and propositions can be described as follows: the specific concept of competition entails that all the resources of a company are concentrated on gaining that “competitive edge” over rival firms, of coming up with something that is new, different and which can sell. In this sense, a strategic mobilization of human and material resources lies at the root of the commercial mode of existence of every capitalist firm. This implies that excess means of production, unusable professional expertise and surplus labor are discarded the very moment they become a liability to the firm’s strategic goal. All components must be obtainable from the markets (of raw materials, labour, unique ideas and capital). However, it must also be possible to jettison these components on their respective markets once they are no longer useful to the company. Seen from the complementary perspective of the markets, a company is useful to all three lifemodes only as long as their combination in the company is able to make such productive use of their lifemodes. That is, the company is useful to bearers of these lifemodes if they can receive equal or better remuneration or working conditions, conditions for creativity and innovation, or profit for their performance in beating out competitors. Career professionals’ 24/7 engagement with the company is contingent on compensation; they are engaged, creative employees. But they are not loyal.

Just as strongly as the components of the compound company are strategically interlinked by the battle against the competitors, just as temporary is their presence in the company. At short notice, they can decide to go elsewhere, often to a directly competing company. The company is nothing more than their temporary fusion into a commercial and strategic unit. The current workplace of career professionals is nothing more than their temporary staging point for launching or maintaining a career. The mode of existence of companies therefore, logically speaking, rests on their ability to gain more from a strategic organization of the same resources - those of the wage-earner, the manager and the investor -- than their competitors. As a whole, there is a constant and disparate flow of bearers of the three lifemodes moving from one company to another. As new companies emerge and old ones dissolve or reconstitute themselves, these flows appear as the way in which the lifemodes of the SOMP mutually create one another’s necessary conditions of existence through the logic of the *dialectic of temporariness and durability*.

The logic of SOMP and COLMP entails that we must ask whether the ideologies of these three lifemodes all apprehend the company as a means and only in exceptional cases as an end in itself. As long as they are engaged in a certain company, it is the career professional and investor lifemodes that set and develop its ends and means. In other words, they have the company as a means because the company also uses them as a means to set and reach its tactical objectives and strategic goals – which constitute its identity as a commercial will. It is important to explore and explicate this dialectic, as it constitutes a deeply interesting generative cultural paradox that becomes the foundation of innovation. Furthermore, this dialectic is the key to formulating the distinct

complementary relations between the three lifemodes of the distinct variants of the capitalist mode of production. It is the relation between them that constitutes their revised concepts. In what ways do the companies of FOBMP have the character of an end in itself for some of the involved lifemodes? How exactly do they differ from the enterprise of simple commodity production, with its distinctive, self-employed lifemode? If the competitive strength of the companies in the FOBMP is based upon the internal relations between their component lifemodes, as these are reflected in the long-term strategies and high internal mobility of resources and means of production, this relationship may imply quite different ideological (and political) relations between employees and each company than is the case in other variants of CMP. The exploration of these relations has empirically become so much more important as the state apparatus, over the past 30 years, appears to have adopted significant features promoting the career-professional lifemode (e.g. civil servants) and the wage-earner lifemode (e.g. school teachers). We will argue here that the features specific to the FOBMP variants of these lifemodes are relevant for understanding how the replacement of the civil servant lifemode with lifemodes of the career professional and wage earner has developed in the Danish state and in various local contexts. It may be the case that such features are expressed in the new challenges to state administration under the rubric of “new public management” and “the competition state”, attaining a particular, and sometimes inflammatory semantic and political content in the Danish state.

As a countermeasure to globalization and Europeanization, the civil servants of the state apparatuses contribute to guaranteeing the conditions for the growth of strategically significant allied corporations of STOB and industrial foundation owned companies of FOBMP through investments in education, science and infrastructure under national management as well as direct facilitating of their enterprises’ innovation, R&D and manufacture. This indicates that we must be able to specify how the Civil Service on the one hand creates and maintains the necessary conditions of existence for private and corporate companies’ development of the dialectics of temporariness on the market with the purpose of ensuring continued economic growth and the accompanying necessary elimination of failing strategies and of low- or non-productive workplaces and sectors in the country. On the other hand, we must explore how the state apparatuses manage the complementary consequence of the paradox of temporariness, namely that growth-seeking SOMP companies are purchased and integrated into large foreign firms or that national companies move overseas in order to engage the same kinds of lifemodes cheaper in third countries. The industrial foundation-owned corporations of FOBMP may be an important instrument in preventing this kind of risk. The ultimate means to avoid this risk and reach strategic ends is the state owned companies of STOB. The conduct of the life cultivating capitalist mode of production, COLMP seems to raise serious difficulties and challenges for the sovereignty work of the individual states because of their boundary-transgressing nature, their interpellative effects on the subjectivity and practice of citizens and the huge collection of personal data relevant for intelligence and security. For the civil servant of a state, economic growth inside the domain of sovereignty is essential, whereas the exit of companies, unique knowledge, pieces of intelligence, and headquarters is a constant threat. Thus, the lifemode of civil servants of the state appears as both concerned with and opposed to the flows of the people bearing

the lifemodes on markets structured by the paradox of temporariness. Taken together, the distinct lifemodes of the state and of the market-based modes of production coexist and determine each other's praxis in a manner that is both coherent and contradictory. This configuration of coherence and contradiction is the result of a particular dialectic: a dialectic of temporariness and durability.

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**Notes:**

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<sup>1</sup> Hegel's *Philosophy of Right*, Hegel's *Philosophy of History*, Marx' *Critique of Hegels Philosophy of Right*.

<sup>2</sup> Højrup & Bolving 2007, Chapter 1.

<sup>3</sup> Hegel 1820, 1967 p. 13.

<sup>4</sup> "It may be called primitive accumulation [*ursprüngliche Akkumulation*], because it is the historical basis, instead of the historical result, of specifically capitalist production. How it itself originates we need not investigate as yet. It is enough that it forms the starting-point" (*Capital I*, 775). This is the way in which Marx moves the state's determination of the conditions of possibility (for the formation) of the capitalist mode of production from the *exploration of the concept* (mode of production) into the *exploration of the history* (the changing dominant structures of the social formation) and avoids asking the question of whether the state concept is the necessary point of departure for elaborating the mode of production concept. This scientific move explains the way in which the mode of production/social formation theory transcends Hegels theory of the state (family – civil society – state – world history) and becomes a limiting case of the fissionist theory of survival of the superior defense (with the opposite sequence of specifications: state system – state forms - modes of production - lifemodes).

<sup>5</sup> Se: The Problematique of Lifemodes and neoculturation (Højrup, manus 2017).

<sup>6</sup> Here I will introduce the concept of sublation as a useful way of elucidating the relationship between elements of a concept that stand in contradiction to each other. To "sublate" a concept (i.e. to view a concept in terms of its sublation) is a way to apply a dialectic mode of analysis and synthesis in order to attain a more coherent understanding of a concept. A successful sublation will transform the contradiction into a complementary relation between distinct aspects of the concept or parts of a dialectic whole, i.e. a unity of opposites. Sublation highlights the interrelation between contradiction and complementarity. In *Capital*, Marx develops an understanding of the complementarity of features of capitalism by showing how traits that appear contradictory can be gradually transformed into a more advanced and specified understanding by which these necessary features determine each other and constitute the capitalist mode of production as a coherent concept. For Marx, the complementarity of the negations constitutes the capitalist mode of production. Used here, sublation will refer to the exploration and logical transformation of a contradiction between opposite features and propositions into a negation that constitutes a (more) coherent or complete understanding of the theoretical object in question. The sublation concept, as well issues of its use in English, has been the subject of discussion in the Hegel literature. See note 5 below.

<sup>7</sup> The esoteric verb *sublate* belongs – as mentioned in note 4 -- to a dialectic logic. Sublation is the work of identifying a mediation to a theoretical contradiction that challenges the theory.

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As a solution, the sublation of a concept transforms the contradiction into a complementarity between two sides of a concept. The concept has developed on the basis of the conceptual content of its opposing propositions. In Hegelian terms, *to sublata* (*aufheben*) means to negate or eliminate a contradiction (e.g. opposed statements, concepts, propositions or things) in a dialectic process, which at the same time transforms and preserves its opposing propositions as partial elements in a synthesis, i.e. as complementary parts of a whole. The use of the verb “to sublata” is explained in Michael Inwood’s *A Hegel Dictionary* (). Sublation is here used equivalent to the German verb *aufheben* and *Aufhebung* (Inwood 1992). Inwood explains: “The past participle of *tollere* is *sublatus*, and this gave rise to the English verb ‘to sublata’. This originally meant ‘to remove, take away’, but is now obsolete in this sense. It was used by Sir William Hamilton for ‘to deny, contradict, disaffirm’ (a proposition), in contrast to ‘to posit’. It was then used by Stirling, in *The Secret of Hegel* (1865), in the sense of both ‘destroy’ and ‘preserve’, for Hegel’s *aufheben*.” Inwood continues:

“*Aufheben* has three main senses:

- 1) to raise, to hold, lift up
- 2) to annul, abolish, destroy, cancel, suspend
- 3) to keep, save, preserve” (1992, p. 283f).”

At <http://www.hegel.net/en/sublation.htm> Kai Froeb explains “sublation” as follows:

One central term of Hegel, the German word "aufheben", is usually translated as "sublation" into English.

It has three meanings, which Hegel all means at the same time:

a) in its basic meaning, it stands for a picture: to raise something, from a lower place to a higher place. Usually, you would think of taking something from the floor/ground into your hand.

Out of this picture, came these meanings:

b) You can see in that picture the meaning "raising something to a higher level", taking it a step further etc. While Hegel plays much with this meaning (in the sense that the *Aufhebung* / Sublation needs to take the original thesis to a higher level, think for example of Newton Physics vs. Einstein Physics), it is not really that much explicit present in the common use of that phrase in German common language.

c) You take something from the ground to examine it or to store it away. So the phrase is also used in the sense of "storing", "saving", "preserving" (usually for later use). This is a common use of the word in German. Hegel uses this interpretation in the sense that the original thesis

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and antithesis are still present in some sense in the wider sublation (again one can think of Newton vs. Einstein).

d) Another popular use of "Aufhebung"/"aufheben" in the German common language is nearly the opposite of c): I think the English language also uses the verb "to lift" (as present in the original picture presented in a)), in the sense of "to end", "to negate" say in the expression "to lift a ban" etc.

In German we also speak i.e. of the lift of a law, when a law of the state is expressed to be not more valid anymore.

Hegel thinks of this aspect of sublation/Aufhebung in what I tried to express in 2d of that Hegel posting. While c) lays the expression on the fact that the older thesis are not just denied, but that all what was reasonable in them is preserved in a better system (and that the better system is not better/subject to criticism in the grade it fails to implement all reasonable from the thesis), d) lays the emphasis more in the aspect in that the Sublation is also something new and also a kind of critique of the former thesis (otherwise, why would one need the sublation? The thesis would be enough). Especially, the idea here is that the implicit assumptions, borders of thesis (and probably antitheses) are "lifted"/"overcome" in a meaningful "sublation".

In order to express these three aspects all together, Hegelians prefer to speak from "Aufhebung" instead of expansion, inclusion, synthesis or similar, which all more focus on some aspects. BTW, Hegel himself never used the term "synthesis" for the concept of "sublation" discussed here.

<sup>8</sup> Ethnologically speaking, the concept of defense modes implies the theoretical content of these lifemode concepts and vice versa. The mode of production concepts (in which the content of each lifemode concept is a theoretical terminal for specific relations of production) are thus implied by the defense mode concepts and vice versa.

<sup>9</sup> *Nicomachean Ethics* 1133a, 10-20.

<sup>10</sup> *Nicomachean Ethics* 1133a, 11, 20.

<sup>11</sup> MESW I, 69.

<sup>12</sup> Witt-Hansen 1960, 83.

<sup>13</sup> MESW I, 71. To exchange a *definite* time with a *definite* payment implies in logical terms a *discrete function* between time and wage, which is the theoretical *differentia specifica* of a labour market, as opposed to the *continuous function* between prices and numbers of a commodity market. The discrete relation is the feature that makes possible the "political" determination (by means of workers' unions and employers' associations) of the wage level (instead of pure supply and demand) and hence, the extraction of surplus-value possible.

<sup>14</sup> *Capital* I, 432.

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<sup>15</sup> *Capital I*, 645.

<sup>16</sup> This is what Etienne Balibar terms the *homology* between relations and forces of production in his part of *Reading Capital* (Althusser & Balibar 1970)

<sup>17</sup> *Capital III*, 117.

<sup>18</sup> *Capital III*, 141.

<sup>19</sup> *Capital III*, 257. Marx writes: "As a result of the differing organic composition of capitals applied in the different branches of production, as a result therefore of the circumstance that according to the different percentage that the variable part forms in a total capital of a given size, very different amounts of labour are set in motion by capitals of equal size, so too very different amounts of surplus labour are appropriated by these capitals, or very different amounts of surplus value are produced by them. The rates of profit prevailing in the different branches of production are accordingly originally very different. These different rates of profit are balanced out by competition to give a general rate of profit which is the average of all these different rates. The profit that falls to a capital of given size according to this general rate of profit, whatever its organic composition might be, we call the average profit."

<sup>20</sup> *Capital III*, 268-269.

<sup>21</sup> *Capital III*, 270.

<sup>22</sup> *Capital III*, 502.

<sup>23</sup> *Capital III*, 175.

<sup>24</sup> Harry Braverman writes: "Since both capital and professional management - at its top levels - are drawn, by and large, from the same class, it may be said that the two sides of the capitalist, owner and manager, formerly united in one person, now become aspects of the class. It is true that ownership of capital and the management of enterprises are never totally divorced from each other in the individuals of the class, since both remain concentrated in a social grouping of extremely limited size: therefore, as a rule, top managers are not capital-less individuals, nor are owners of capital necessarily inactive in management. But in each enterprise, the direct and personal unity between the two is ruptured. Capital has now transcended its limited and limiting personal form and has entered into an institutional form. This remains true even though claims to ownership remain, in the last resort, largely personal or familial in accordance with the rationale and juridical structure of capitalism.

To belong to the capitalist class by virtue of ownership of capital, one must simply possess adequate wealth; that is the only requirement for membership in that sense. To belong to the capitalist class in its aspect as the direct organizer and manager of a capitalist enterprise is another matter. Here, a process of selection goes on having to do with such qualities as aggressiveness and ruthlessness, organizational proficiency and drive, technical insight, and especially marketing talent. Thus while the managerial stratum continues to be drawn from

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among those endowed with capital, family, connections, and other ties within the network of the class as a whole, it is not closed to some who may rise from other social classes, not through the acquisition of wealth on their part but through the co-optation of their talent on the part of the capitalist organization which they serve. In this case the ownership of capital later follows from the managerial position, rather than the other way around. But this is exceptional, not just because top management is drawn as a rule from within the class, but also because the stratum as a whole is not a large one" (1974, p. 258 f.).

<sup>25</sup> That there is a new class is an idea that comes, among others, from Barbara & John Ehrenreich, who speak of a Professional Managerial Class, abbreviated "PMC" (Ehrenreich 1979) They took their point of departure from a group of contemporaries, who were active in New Left movement in the United States. Ehrenreich discovered that those who were active in this revolution movement were not ordinary workers but intellectuals who regarded themselves as belonging to the middle class. They define the Professional-Managerial Class as consisting of salaried mental workers who do not own 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 class relations. B. & J. Ehrenreich thus define a class on the basis of two criteria (that dissolve Max Weber's distinction between the two ideal type concepts: class and estate). 1) They have common relations to economic foundation in a society, and 2) they share a common lifestyle, educational background, consumption patterns, work habits, belief system, etc.

Because the PMC exists in an objective relation of contradiction to the workers, it is a distinct class in what the authors call a "monopoly-capitalist" society. Goldthorpe and the Ehrenreichs thus comes with a response to the question of which new class one can talk about, if one does not want to use the label intermediate strata for all those who can not readily be placed in either the capitalist or the working class. The distinction of this new class is carried out by these authors using economic criteria -- they do not own the means of production -- and by empirical characteristics -- as the Ehrenreichs points out, in that they share a common lifestyle.

Another vision of how new job categories should be viewed comes from John Goldthorpe, who proposes the term "service class" (Goldthorpe 1982). This concept (based upon Karl Renner's "Dienstklasse") concerns those persons who are "employees in public i.e. governmental-service (civil servants and other officials); employees in private economic service (business administrators, managers, technical experts, etc.); and employees in social service ('distributive agents of welfare')" (ibid., p.167). According to Goldthorpe, Renner justifies this new class in that they do not own the means of production and therefore do not belong to the capitalist class while at the same time they must be distinguished from the workers because they are not themselves a source of surplus value. Another reason to distinguish the "service class" from the workers is that their "code of service" is completely

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different from the contractual obligations of the wage worker. Goldthorpe explains: "Renner points out that 'a salary differs fundamentally by its nature and in the way it is assessed from a wage'; and further that the salaried employee is set apart from the wage worker by both the relative security of his employment and by his prospects for material and status advancement. But what is of key importance is that Renner recognises, as underlying all these differences in condition of employment, a more basic difference between the 'service relationship' and that of employer to wage worker which lies, one might say, in their moral quality: namely, that the former relationship, in contrast with the latter, necessarily involves an important measure of *trust*" (ibid., p.167-168). According to Goldthorpe, the need for this trust in an employee relationship arises when a firm must delegate authority, and when it needs to draw on specialized knowledge and expertise.

"The argument for treating professional, administrative and managerial employees as holding basically similar class positions may therefore be put as follows. These employees, in being typically engaged in the exercise of delegated authority or in the application of specialist knowledge and expertise, operate in their work tasks and roles with a distinctive degree of autonomy and discretion; and in direct consequence of the element of trust that is thus necessarily in their relationship with their employing organisation, they are accorded conditions of employment which are also distinctive in both the level and kind of rewards that are involved. In other words, professional, administrative and managerial employees are in these ways typically differentiated from other grades of employee -- and most obviously from wage-workers -- in the character of both their work and their market situations. Given this conception of the basis of the service class, it then becomes possible in turn to treat fairly systematically various issues which arise concerning both its internal divisions and its 'boundaries' with other classes" (ibid., p.169). Goldthorpe thus attempts to define and delineate an entirely new class within capitalist society. In this connection, his most important problem is demarcating between the service class and the capitalists, on the one hand, and the wage workers on the other.

<sup>26</sup> Eric Olin Wright (1985) argues that it is not possible to place the many new job categories into one of the traditional classes because they form a very heterogeneous group. He believes that while they may share common cultural features in terms of education and expertise, they differ in terms of their place in production. He criticizes a number of other researchers for placing this group within one and only one class. E.O. Wright instead proposes that one should talk about contradictory class positions. This means that the individual categories are positioned in between the existing classes. Either within the same mode of production or between the classes within two modes of production. Managers must therefore be viewed in the sense that they belong to the bourgeoisie because of the dominance they can exert towards the working class, while at the same time they belong to this working class because they are

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subordinate to the bourgeoisie. Wright distinguishes between owning and possessing the means of production. Owning them means that one has genuine control over the investments, while possessing them means that one controls only the actual use of these means of production. This can involve control of the physical means and/or control over labor. According to Wright, the capitalist possesses all three types of control, managers possess various combinations of them, while the wage workers have no control.

The self-contradictory class positions explains, according to Wright, why the development of a mode of production is not linear. The process of class formation and the class struggle are in this way much more complex than the schematic version promoted by the naïve kind of Marxist philosophy of history and accord better with the actual historical developments

<sup>27</sup>The research environments around the Althusser-inspired British social and culture researchers Barry Hindess and Paul Hirst have worked with class theory using another theory of science approach than the previous one. Their stated purpose is not to find out how to *place* different job categories into a classificatory scheme, but to study whether the Marxist conceptual structures are theoretically sustainable and empirically useful today. In the large, two-volume work *Marx's Capital and Capitalism Today* (Cutler et al. 1977), written by an author's collective consisting of B. Hindess, P. Hirst, A. Cutler and A. Hussein, they conclude that the capitalist mode of production should no longer be considered an independent theoretical concept that can account for capitalism, understood as a self-reproducing system of social relations. The mode of production concept should be abandoned as the basic concept and replaced by a theoretical discourse that formulates concepts and class analyses primarily by distinguishing between economic agents who possess their means of production and economic agents who are separated from their means of production. The theoretical work will then consist of developing concepts for different ways whereby this possession/separation can be structured. The work's conclusion, among others, is that this is the only way to prevent our research from sinking into the kind of "reductionism", the authors find built-in to the mode of production concepts (Cutler, Hindess, Hirst and Hussain 1977).

Contrary to all the previously mentioned researchers, Cutler et al. discuss only one job category (within the "middle classes") for investigation, namely the managers of private firms. They discuss whether these managers form a new class. Their conclusion is that they do not. Instead of differentiating between who is working productively (in the capitalist sense) and who does not, they argue that one must look at whether the managers as economic agents are *in possession of* or *separate from* the means of production as the decisive criterion in the analysis of their class position. "Classes are categories of economic agents defined by their possession of or separation from the means of production" (ibid., p. 289). In this way, Cutler et al. conclude that there are only two classes in capitalist relations: those who possess and those who do not, corresponding to capitalists and wage labourers. Empirically speaking, the owners can purchase expertise of various kinds to manage tasks that are "really" those of the

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capitalist, but because the manager is separate from the means of production, they are -- theoretically speaking - wage workers. The managers act as agents for the capitalist. They perform different functions on behalf of the capitalist, but they do not become capitalists from this, or rather, that they do not end up owning the means of production.

Here "management" will be used in a more specific sense to refer to performance of the functions of an exclusive possession by non-possessing agents. In the case of capitalist possession, "management" refers to the direction of the operations of a capital. Managers are economic agents employed to exercise the capacity of direction on behalf of a capital... Sections of management may form a specialised and highly paid component of the capitalist labour force but that does not define a distinctive type of class position in the sense of the possession of or separation from the means of production (ibid., p.304).

Cutler et al. criticize, among others, N. Poulantzas, H. Braverman and G. Carchredi for using senior management's high wages to justification for calling them capitalists.

<sup>28</sup> A common feature of the "new class theory" (Cutler et al. being the exception) is that it deals with *classifying* the population, and it is precisely here that the main problem lies hidden. The starting point consists of the existing empirical individuals whom one wishes to divide into different *subsets* according to one (or more) specific criteria.

The first problem is that the classificatory approach to this problem does not compel the researchers to reflect on where these criteria actually come from (and not just which sources of inspiration the researcher draws on), whether they are sufficiently justified, whether they are theoretically sustainable and whether they can be tested on empirical data and, if so, how. The classificatory approach is based on what empiricists regard as the empirical findings of characteristics which re-occur with a certain observed regularity because they are common to some people. On the other hand, this kind of research finds it largely superfluous to speculate about the logical associations that might be thought to exist among the criteria used to make these classifications (i.e. the selection of "some people"). If the selected criteria succeed in sorting the population into well-defined classes, i.e., without overly large overlap of classes or intersections of "classes" and residual numbers (lying outside the classes), then the classification exercise is regarded as successful. The worst that can happen is that only one-sixth of the population fall into place in a uniform partial subset,

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while the remaining five-sixths float around in common denominators or in the residual sets. Then the criteria must be changed!

The second problem, consequently, is that when such criteria or "variables" are based on various regional empirical observations of common features and on different weighting of these empirical "data", the one criterion will theoretically not be able to be claimed as being any better than the other, until it has been subjected to the proper theoretical analysis. But when the theoretical analysis of the various criteria's mutual relationships is pushed into the background in favor of assessments of whether the individuals fall into place in the defined subsets, it becomes difficult to initiate a debate on the relevance and suitability of these criteria with the intent of *understanding* and *explaining* the patterns of life that it's all about in the first place. This may explain why the researchers can persist in producing different results and disagree on their definitions without creating a dialogue that compels the various research groups to take account of each other's conclusions, or possibly revise their own assumptions, so as to advance the research. For the study of "the middle classes", it is the same job categories and people whom the researchers desire to categorize in class terms, but they arrive at widely differing results depending on the empirical characteristics they find are sufficiently shared for some employees to form the basis of a common class. It is our impression that this research agenda does not produce much insight into what conditions and structures these life patterns and what kind of world views and mindsets they contain.

Etienne Balibar's criticism of the classificatory class analysis confirms this view: "Today, one hundred years after Marx, the greater part of sociologists who use the term 'social classes' are still only striving to define the economic, legal, cultural criteria with the help of what one exhaustively can *classify*, divide individuals into different compartments; in other words, they understand social classes only as collectivities of persons who are united by function of their common 'social properties', as sociological *groups*. But this is precisely the main obstacle that must be removed to form a scientific theory of the social classes, and hence, of the history of the social formations: one must achieve the goal of elevating oneself above the classification idea, although in practice it is inevitable to start there" (Balibar 1977, p.151).

What Balibar points to is that the concept of class is difficult because the term "class" has two fundamentally different meanings. One meaning is anchored in classificatory doctrines of sets (i.e. extensional logic) where a class is a subset of existing entities that have something in common. The second meaning is rooted in the structural sciences that use the word "class" to refer to structural types – biological species, for example – for which the theory has concepts (i.e. intensional logic). Here a class is a conceptual structure that describes the internal logical connection among several properties that determine each other. It is the relationship between these properties that determines the class or structural type. When Marx use the word "class", it was, according to Balibar, inspired by biology and the

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other research fields, which had Marx's interest because they had evolved in a structural direction. However, there must be reasons why nearly all subsequent Marxist-inspired "class theory" operates with a classificatory approach. It can not simply be because empiricism has in the meantime influenced the ideas about how science should be carried out. It may also be due to the way in which Marx himself presented the concept of class in his principal work, *Capital*. We shall return to this below.

<sup>29</sup> One can ask why traditional class analysis takes its starting point from the view that the most important criterion for class membership is, respectively, possession or separation from the means of production. The answer, of course, is that this criterion is necessary for Marx's first specification step in order to specify the concepts of "capital" and "wage labour". Even though most concepts are transformed radically in the second specification step, the relation between possession of and separation from the means of production is still operating at this stage. On the other hand, it undergoes a complete transformation at the third specification step, both because the capitalist's praxis is divided into different lifemodes and because shares of stock can be *owned* by entirely different legal persons than the capitalist investors, who are now given responsibility for overseeing the proper placement of the capital. The workers' saved money can now be managed as finance capital in the investors' praxis. In other words, the workers can own the capital without the mode of production collapsing because of it.

It is possible to utilize a distinction between possession and separation at the third and fourth specification steps, but it must then be specified in relation to the different forms of praxis that appear at these steps, and it is necessary to distinguish between the structure of the relations of production and the structure of the labour process (forces of production), instead of, as earlier, simply talking about the relationship to the means of production: The *structure of relations of production* is that part of the mode of production concept that describes how the necessary product and the surplus product are appropriated by the different classes. In the capitalist mode of production, the relations of ownership are crucial here. *The structure of forces of production* describes the way in which the necessary product is divided and re-inserted into the renewed production cycle. In this regard, in the capitalist mode of production, possession of the skills needed to be able to initiate and manage the overall production process is crucial.

Based on this distinction between the two sides of the mode of production, the career professional managers *possess* (the skills to manage and develop the means of production) in the structure of forces of production, while they *do not own* in the relations of production. The workers *do not possess* in the structure of the forces of production, *nor do they own* in the relations of production. The investors *do not possess* in the structure of the forces of production, while *they own* in the relations of production. Because of that, their praxis as financial capitalists depends on the praxis of the managers, who operate the enterprises, and vice versa.

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When the mode of production is placed in a social formation where waged workers and managers can save and deposit money in the bank, which resembles the empirical situation that class analyses tend to deal with, the difference between possession and separation becomes even more ambiguous. In that case, one must add that the career people may *own* and *lend* in the relations of production, the workers may well *own* and *lend* in the relations of production, and the investors may well *borrow or transfer* capital in the relations of production.

This somewhat clumsy and unsatisfactory way of presenting the complexity of the joint stock company organised variant of the mode of production illustrates why class analysis must tie itself up in knots in order to use the separation/possession conceptual pair to define or determine "classes". The normal procedure is that when one cannot use the separation/possession concepts to distinguish the middle class as a class for itself, one attempts instead to search for various empirical traits that can be said to *be common* for this "class". Thus, the entire theoretical problem is quietly replaced with a search for observable similarities that can define a subset of the population.

We suggest instead that one resumes the work by specifying the *characteristics* of a class's that *mutually condition one another*. This will be an entirely different way of developing the class concepts, first as necessary self-reproducing forms of praxis, then as lifemodes with their specific conceptual worlds.

The conclusion of this work with the new class theories is that despite the inspiration from Marx, they did not understand the theoretical way of working that he launched, and therefore did not really understand the anti-ontological and non-empiricist character of his theoretical class concepts. The first deviation takes place, because one cannot understand the concepts emerge through a theoretical specification process where they are radically *changed* from the one step to the next. By granting them only a minimal ontological status, these changes become pure mystery, for how can something one has just identified, then become something completely different, while the first edition is in a sense still valid?

The complete transformation of the concepts, Marx elaborated in his second specification step clearly demonstrate the specifying working methods, but precisely these differences between the terms of value and the terms of price have also given rise to a comprehensive literature that interprets them as a result of "inconsistencies" in his theory formation. Against this background, it is perhaps not so strange that one refrains from going ahead and developing more specification steps in order to develop new fruitful concepts with which to analyze and synthesize. Without working with the concepts as pure theoretical tools that are transformed when they are specified, and which can be corrected, sublated and specified again and again, we do not think one gets anything useful out of the class concepts. It is therefore understandable that "the new class analysis" in reality gives up and becomes a classificatory quest for extensional subsets of people who can be classified on the basis of

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empirical commonalities. Empiricism here offers a method to replace the way of elaborating theoretical concepts used by Marx, but which the new class theorists did not really understand and eventually had to renounce.

<sup>30</sup> Marx, 1984, 885f, Capital III, 1023f.

<sup>31</sup> Engels and Marx, 1965, 32.

<sup>32</sup> Even though they work with a broad range of employees, the empirically based thesis about the new working class and the thesis of the new petty bourgeoisie raises the question of whether it is at all possible to empirically locate the contours of an independent cultural ideology that is not just a variant of the wage-earner life mode's praxis and its conceptual world. The category "new working class" is based on data that could indicate that the technicians, engineers, researchers and others certainly stand out in terms of qualifications and privileges, but that at some point they will experience the employer's requirements for fastest possible profitability as an external compulsion and discover that they are employees like the others. The question is whether it is correct that the same categories can be analyzed more appropriately from the perspective that they work with reproduction of capitalist relations and are therefore dependent upon the reproduction of these relations such that their praxis differ structurally from that of the wage worker.

The idea of a service-class offers more of a characteristic of the empirical features, which some investigations show, are common to these types of employees, and which therefore have given rise to select them as criteria for a common class. These concern forms of remuneration that are both more individual and are based on performance and on more secure employment conditions. It also applies to the skills and working conditions that are often referred to, i.e., exercising of delegated authority, utilisation of special expertise, relatively great degree of autonomy and responsibility in their work and the trust that is involved in the relationship with the employer.

The secure conditions of employment, however, is not something that empirically characterizes the people whose lives can be explored using the concept of the "career professional lifemode". They have no mandated notice of termination and therefore be discharged from one day to the next, but they are secured in the form of the "golden handshake", i.e., a severance payment, such that they do not necessarily have to find a new job from one day to the other. Within the public sector, however, it has thus so far been customary that a civil servant has been ensured lifetime employment. This is also one of the reasons why I think that the concept of service-class better characterizes people employed precisely within this system and not in the private sector. If one asks why precisely these characteristics -- delegated authority, autonomy, responsibility, job security, individual remuneration and special expertise -- seem to appear with such great regularity, that they have given rise to talk of a common class, we have not yet found any theoretical studies showing

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that this set of features necessarily *imply* each other and therefore, together, constitute the concept for a class-specific praxis. The thesis of the inconsistent or antagonistic class positions eliminates this possibility and says that one must come to terms with the fact that the position of these people should be regarded as composed of traits from two opposite "class positions". Apparently, it can be garnished with empirical data showing that these people's "interests" are contradictory, and that they also act in contradictory ways.

From a structural point of view, the sound aspect of this argument is that one should not count on the concepts one uses as tools for analysis being able to label and sort people into distinct subsets. There is no necessary one-to-one correspondence between a theoretical concept and the individual's way of life. The theoretical concept must only (possibly along with other concepts) be able to contribute to analyzing this way of life. Hence, Eric Olin Wright is correct that when one looks at the individual job empirically, it can contain elements from several class concepts in itself. At the same time, however, this type of thinking also undermines the argument that because one does not find any third contradiction-free class position in the empirical reality, then there is no possibility to further specify a third class concept in the capitalist mode of production. This situation also reveals that there remains a gap between what Balibar calls the "sociological" approach to the problem and what could be called the ethnological or structural cultural-theoretical approach. The underlying perspective in the sociological way of dividing the population, is -- roughly speaking -- that the job situation *causes* people's "belonging", "membership" and "interests". Therefore, it is blind to the fact that a person comes with some attitudes and expectations to a job and will therefore try to shape the job in the direction the individual wants. In this way, one can also quickly become blind to the fact that within the same job category, there may be entirely different cultural lifemodes.

From an ethnological perspective, it is not certain that a person whose employment is more secure than the traditional waged worker necessarily also thinks in a different way than the worker. In a cultural analysis, it often turns out that the people who according to sociology "populate" the various class positions do not necessarily ideologically belong to the class, that they should belong to according to their job. It may be that in order to analyze their conceptual world that one should utilise different class concepts. It may also turn out that someone who on the basis of their position in the production process, should be analyzed with a wage-earner concept, can only be understood if one uses concepts from the simple commodity production. Therefore, it can be extremely problematic to take one's point of departure in people's jobs or job categories as such if, in addition to a statistical description of the population, one also wants to understand their conduct of life and thinking. This also means that when it comes to developing basic concepts, i.e., *theoretical tools*, we cannot be content on intensive studies of (regardless of how many) individual human life courses and worldviews, because almost every process of this kind and any such world view, from a theoretical consideration, will be composed of structurally different features that the

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individual destiny's "bricolage" has pieced together. The problem is that these features do not necessarily harmonize with each other, or more precisely, *constitute each other*, in the form of *internal logical coherence*, that we are looking for when it comes to developing the *basic* concepts of the mode of analysis and synthesis.

Of course, this is only interesting in a cultural perspective, that interests itself for the conceptual world (ideo-logy) that people have, and which plays a major role in ethnological *explanations*, while it is irrelevant if the goal is simply that of making a statistical division of the population. However, for those scholars interested in the "new class analysis", it is also important to show that, for example, the new class has (or precisely does not have) a revolutionary or conservative element. Hence, their aim is not only purely statistical analysis. B. & J. Ehrenreich points out, however, that it is not exclusively the job title that is crucial for an individual class location because one job category may contain jobs with very different characteristics. One must therefore study each job specification in order to determine the class membership. (Ehrenreich 1979, p. 12). But even though one considers each job individually, it is still the job and not the individual as a cultural being which is the starting point. The idea is still that it is the job characteristics, which are decisive for class membership. However, the class concept only obtains significance in an analysis and synthesis fashion when it specifies the properties of a class's praxis which make it a self-reproducing lifemode. This is because a class specific praxis can only be the bearer of its *own ideological conceptual world*, if it is *self-reliant*, i.e. if its own *properties determine each other in an internally coherent way*, because one cannot argue that its "attitudes" are simply created by external causes.

<sup>33</sup> There is an entirely general problem of classificatory class analyses that a social analysis is not connected to a cultural analysis. A societal analysis, for example, can elucidate how a society's structure can be analyzed with different mode of production concepts. However, this is only a prerequisite for being able to analyze what kinds of "ideology-bearing" praxis can fit into the society. The very elaboration of the various forms of praxis and their specific conceptual worlds are still left. A scientific concept of class is not just a "class position" equipped with certain "interests" or "outlook". It were only that, we would have a concept with little real value.

<sup>34</sup> This praxis concept (which is thus "culture-bearing" or has its "own logic," because it is self-reproducing) and the entire possibility to analyze class- or lifemode-specific ideologies that derive from that mode of production's reproduction, depend on the reproduction of all the class-specific forms of praxis (and vice-versa), are lost in B. Hindess and P. Hirst's work. By reducing the concept of class to a question of whether economic agents possess or are separated from their means of production, they completely lose the possibility to create concepts that can help to understand and explain the mutual relations of determination between the contrasting conceptual worlds and ways of thinking which we need to know, and which is the most difficult to obtain.

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<sup>35</sup> *Capital III*, 407.

<sup>36</sup> *Capital III*, 495f.

<sup>37</sup> *Capital III*, 497.

<sup>38</sup> *Capital III*, 498.

<sup>39</sup> *Capital III*, 503f

<sup>40</sup> *Capital III*, 507.

<sup>41</sup> *Capital I*, 291.

<sup>42</sup> “[W]e might perhaps consider the maximum limit of interest as the whole profit minus the part of it reducible to ‘wages of superintendence’, to be developed later” *Capital III* 480.

<sup>43</sup> Marx brings in a contradistinction inspired by English workers own initiatives to organize cooperative industries in opposition and contrast to the capitalist owned enterprises: “Cooperative factories provide the proof that the capitalist has become just as superfluous as a functionary in production as he himself, from his superior vantage-point, finds the large landlord. In so far as the work of the capitalist does not arise from the production process simply as a capitalist process, i.e. does not come to an end with capital itself; in so far as it is not confined to the function of exploiting the labour of others; in so far therefore as it arises from the form of labour as social labour, from the combination and cooperation of many to a common result, it is just as independent of capital as is this form itself, once it has burst its capitalist shell. To say that this labour, as capitalist labour, is necessarily the function of the capitalist means nothing more than that the *vulgus* cannot conceive that forms developed in the womb of the capitalist mode of production may be separated and liberated from their antithetical capitalist character. Vis-à-vis the money capitalist, the industrial capitalist is a worker, but his work is that of a capitalist, i.e. an exploiter of the labour of others. The wage that he claims and draws for this work is precisely the quantity of others’. The wage that he claims and draws for this work is precisely the quantity of others’ labour that is appropriated, and depends directly upon the rate of exploitation of this labour, as long as he makes the effort required for this exploitation. It does not depend on the amount of effort this exploitation costs him, which can be devolved on a manager against moderate payment. After every crisis one can see many ex-manufacturers in the English factory districts who are now supervising their own former factories as managers for the new owners, often their creditors, in return for a modest wage.

(Note: In one case of which I have personal knowledge, a manufacturer whose business failed in the crisis of 1868 subsequently became the paid employee of his own former workers. After it went bankrupt, the factory had been taken over by a workers’ cooperative and the former owner employed as a manager. – F.E.) *Capital III*, 511.

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<sup>44</sup> *Capital I*, 431f.

<sup>45</sup> “It is self-evident that in proportion as the use of machinery spreads, and the experience of a special class of worker – the machine-worker – accumulates, the rapidity and thereby the intensity of labour undergoes a natural increase. Thus in England, in the course of half a century, the lengthening of the working day has gone hand in hand with an increase in the intensity of factory labour. (...) As soon as the gradual upsurge of working-class revolt had compelled Parliament compulsory to shorten the hours of labour, and to begin by imposing a normal working day on factories properly so called, i.e. from the moment that it was made impossible once and for all to increase the production of surplus-value by prolonging the working day, capital threw itself with all its might, and in full awareness of the situation, into the production of relative surplus-value, by speeding up the development of the machine system.” *Capital I*, 533f.

<sup>46</sup> *Capital III*, 480.

<sup>47</sup> *Capital III*, 486.

<sup>48</sup> *Capital III*, 132.

<sup>49</sup> *Capital III*, 297.

<sup>50</sup> One might ask why Marx did not make more out of specifying the concepts of entrepreneur and supervisor theoretically and why he ignored those managers, scientists, engineers and designers who produce inventions and innovation, when the entire point of *Capital* was to develop and specify the theoretical concepts of capitalist mode of production’s relations and class-specific forms of praxis. The chaos that plagues the class analyses of subsequent times is partly Marx’s own fault: he left us with concepts that if not theoretically flawed, were certainly misleading.

One explanation for why Marx never attempted to develop the concepts of entrepreneur, operating manager and supervisor through a third theoretical specification of the mode of production could be that he considered the *interest-bearing capital* as the prerequisite that should bring him from the individual industrial capitalist to the money-borrowing operator and his hired manager. This very condition caused anguish, as the lending capitals do not flow according to the rates of profit as they should, but only according to an interest rate. Marx, as mentioned, did not succeed in resolving this dilemma, nor did he replace it with a conceptual-specifying modification of the construction.

If this is viewed from the culture theoretical perspective of the moneylender, that we formulated above, Marx would be correct in not going further when the task was to elaborate the capitalist mode of production’s *own* concepts. For the very act of including a moneylender in the problem means that it is no longer a case of further specifying the capitalist mode of

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production's own basic concept, but of embedding it in a *social formation* where it is overdetermined and is modified by many *other elements* present.

In that case, the concepts of entrepreneur and manager are conditioned by the non-capitalist moneylenders who provide industrial capitalists with funds that cost only interest, because the traditional money-lenders do not have a praxis that enables them to create and appropriate a capitalist profit of enterprise.

Marx, however, could not help but call moneylenders "money capitalists". As a result, he was not able to clearly articulate the distinction between the elaboration of the mode of production's own concepts and the elaboration of the further modified concepts that derive from the use of the mode of production to construct the concept of a complex composed social formation. Instead the theoretical specification runs gradually into the sand and is replaced by empirical reasoning.

<sup>51</sup> According to Marx's own capitalist concept, a "money capitalist" is not really a capitalist if his praxis contains neither the investor's side or the manager's side. He is in this case only a *moneylender*. His money becomes capital only at the moment he lends it out to a "real" capitalist, i.e., one who is a bearer of the capitalist's lifemode. It is only by the money owner lending his money to someone who acts as both investor and manager that this money comes to *function as capital*. However, this does not mean that the money owner himself becomes a carrier of capitalist's lifemode. Rather, he makes himself dependent on *others* possessing the capitalist's praxis. Being moneylender, therefore, is not in itself a praxis that is specific to the capitalist mode of production's social relations: All money-owning legal persons can in principle *lend out money*. Historically, the moneylender, as Marx himself also points out, is also much older than capitalism. Moneylending can also take place for many other purposes than to initiate capitalist production. The characteristic feature of such loans is that they are secured by "real property" and that the lender is guaranteed a predetermined rate of interest regardless of whether the money is used for productive purposes or not. Requiring collateral and fixed interest can be seen as a clear contrast to the way in which the risk-taking and profit-maximizing capitalist investor will act toward his investments. Marx justifies the fixed rate of interest by saying that "remarkably great and small gains are the reward of skill and the want of understanding, which lenders have nothing at all to do with; for as they will not suffer by the one, they ought not benefit by the other" (Capital III, note 70 p. 487). This appears like a pure empirical (and pop-psychological) justification but supports the thesis that the moneylender is not theoretically determined in the specification of the capitalist mode of production. One could also attempt to rephrase what Marx here calls "want of understanding," into a cultural-theoretical statement: "The moneylender, who himself does not possess capitalist's praxis, cannot *create and appropriate* a capitalist profit, but only receive interest for the lending of his money to others". In this case, the cultural *lifemode* becomes the decisive criterion of whether a legal person is capitalist or not, and this cultural-theoretical

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criterion seems to be able to clarify the central contradiction in Marx's understanding of capital's laws of motion. It is not enough to possess money. One must also possess a certain praxis, a capitalist lifemode, to be able to live like a capitalist.

<sup>52</sup>This specification shows why a moneylender is not in possession of the capitalist praxis: it is only by making liable capital resources available -- i.e. not by *lending to* a business, but by *buying into* a business and taking responsibility for its debts with its entire stake -- that one can acquire a capitalist return and not just a fixed interest payment. The moneylender acts as a *creditor* against the firm, demanding a fixed interest payment and requiring security in the firm's real estate. The investor, on the other hand, involves himself as a responsible co-owner of the firm, i.e., he enters with a liability for the debt the firm had to build up and as the owner of the added value and the annual return it may produce. This makes for a significant distinction between the structural features of the moneylender's lifemode and that of the finance capitalist.

<sup>53</sup> If we remain with the historical overviews, firms hired managers in large numbers with the onset of the Industrial Revolution (Berle & Means 1968, Pollard 1965). This occurred earlier in England than in the rest of Europe, where family-owned firms managed to survive longer in the face of competition. (One should not forget that there are still millions of family-owned companies starting up.). In the opinion of these authors, it is the size of the company that is the decisive factor in the decision to take on salaried managers to run the firm. Adolph Berle and Gardiner Means point out, "that the two attributes of ownership -- risking collective wealth in profit-seeking enterprise and ultimate management of responsibility for the enterprise -- had become divorced" up through the 1800s (Berle & Means 1968, p. viii). This applies to the United States, which is their frame of reference, and has primarily occurred in industrial corporations. Since then, the same pattern has materialized in real estate and in agriculture. The consequence of this development is that the individual companies, in line with their expansion, obtain an increasing number of owners, i.e. shareholders. In the large companies, such as American Telephone & Telegraph (AT&T), the number of stockholders increased sharply in the last century, from 567,694 shareholders in 1932 to 3.2 million by 1967. While publically owned companies became common, there emerges a separation between ownership and control, as not all shareholders can simultaneously have control over the individual firms. Hence, according to Berle & Means, it is the shareholders who elect the board who have "control" over a company. This board hires an executive to carry out daily management tasks. The executive then hires the actual wage workers. Berle & Means talk about a firm in terms of three functions:

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- a. to "have an interest in" it,
  - b. to "have power over" it, and
  - c. to "act in accordance with" it.

Prior to the Industrial Revolution, the entrepreneur fulfilled all three functions, later on only the first two, where managers were hired to take on the third function. The key here was that the owners themselves were able to lead the firm, but at the same time they could choose to delegate the management to hired managers. "The difference between ownership and management was thus in part one between position and action" (ibid. p. 112).

"Management" may be defined as that body of men who, in law, have formally assumed the duties of exercising domination over the corporate business and assets. It derives its position from a legal title of some sort. Universally, under the American system of law, management consists of a board of directors and senior officers of the corporation. The board of directors commonly secures its legal title to office through election by stockholders or those of them who, under corporate charter, are accorded to vote " (ibid., p. 196).

In contrast to this purely empirical delimitation of management, where the board and management in a firm are merged under a single umbrella, S. Pollard defines the difference between entrepreneur and manager thusly: "entrepreneurs have the task of determining the kind of business to be operated ... the kind of goods and services to be offered, the amounts of these to be supplied, and the clientele to be served. Once these decisions have been made, other 'top level' decisions become essentially management decisions, that is, decisions designed to achieve the purpose set by the entrepreneurial determination of the kind of business to be operated." (Pollard 1965, p. 3). In this sense, management is thus the capability to make the decisions necessary so that the purpose set by entrepreneur can be achieved. In other words, management sets the goals and the means necessary to achieve the purpose. Pollard is also aware of the various qualifications an entrepreneur must possess in order to be able to run a business satisfactorily: "A small trader or money lender can operate with a few, and often without any, permanently employed assistants; whereas the industrial entrepreneur (provided that he is more than a craftsman) typically must hire a group of men whose labour he must organize and direct. In addition to being motivated by the expectation of profit, and his capacity for applying innovations, he must have managerial abilities and, above all, the ability to command and organize. The chief characteristics of a small industrial entrepreneur are not so much his venturesomeness, nor his motivation to make profits, but his capacity to lead other men in a common undertaking, and his inclination to introduce technical innovations; and, in the early stages of Industrialization, the vast bulk of the innovations are of a technological nature requiring the direct and immediate participation of the entrepreneur " (ibid. p. 4-5). Here Pollard refers to Bert F. Hoselitz.

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Pollard points out that management is not a new phenomenon. During the construction of the Egyptian pyramids, the Chinese Great Wall, the main roads in France under Louis XIV and not least by the many wars, there has been a need for an overall management of the many people involved. But it was only with large industry that there arose a special class of managers. Whereas it was formerly the owner who gave the orders and did with his own assets as he saw fit, this task was now left to the paid managerial staff. According to the literature, it was not without difficulties:

Adam Smith, denying in a famous passage the ability of salaried managers to administer honestly and well any but the most routine and easily checked business, argued, as usual, not merely from philosophical principles, but from a wealth of practical experience relating, in particular, to joint-stock companies. The directors of such companies (he accuses), being the managers rather of other people's money than of their own, it cannot well be expected, that they should watch over it with the same anxious vigilance with which the partners in a private co-partnership frequently watch over their own... Negligence and profusion... must always prevail, more or less, in the management of the affairs of such a company... The only trades which it seems possible for a joint stock company to carry on successfully, without an exclusive privilege, are those, of which all the operations are capable of being reduced to what is called routine, or to such a uniformity of method as admits of little or no variation (ibid. p. 12-13).

This is perhaps one of the reasons why the United States applies some legal main rules for management, which according to Berle & Means consists of "(1) a decent amount of attention to business; (2) fidelity to the interest of the corporation; (3) at least reasonable business prudence" (Berle & Means 1968, p. 197). In contrast with today, where we often see the top management replaced by people from outside, the recruitment of the managers took place primarily from the firm's own ranks. "All fast-growing industries had to recruit some managers from the ranks, a method which would at least guarantee some technical knowledge, and almost certainly led to the selection of men of character who could keep discipline ... The alternative route of promotion within the firm was via the counting house. Examples of these rises are almost as numerous as those from the shop floor. The *forte* of such but would be their business and financial acumen, and their relationship of trust to employer, leaving technical know-how to be acquired later, as the less important consideration" (ibid., p. 125).

The wages they received were often individual and there were no generally accepted wage standards. "The reasons for the imperfections in the managerial labour market were not

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very dissimilar from those of today: secrecy and ignorance of conditions and payments elsewhere (showing itself especially clearly when applicants for a post were asked to state the salaries they required); the differences in the work performed and the responsibilities carried; non-pecuniary considerations, which in the eighteenth century included generally a house, coal, candles and possibly grazing for a cow or the use of a horse, and might also include expense allowances, opportunities for by-employments or contracting, and the chances of a partnership" (ibid. p. 139).

However, there were three main guidelines regarding wages in the beginning of the Industrial Revolution. Firstly, it was common until 1800 to pay a manager according to the social class from which he came or was expected to come from. After 1790, however, wages were set in relation to the work to be performed. Secondly, there was a tendency that when the wages in general increased for some reason for a period, for example, due to a shortage of managers, they remained at this level even after the cause was removed. Third, this wage increase was often associated with the economic value of the industrial manager grew with the company expanded. Moreover, some managers were able to share in the growing profit, while the wages of the general labourers remained stable. This latter, however, could also be one of the owners' means of holding on to good people, observes Pollard. By providing a small salary in exchange for part of an eventual profit, the owners tried to ensure the managers' loyalty to the company. This occurred on the background of the skilled managers, precisely like today, having no reason to remain with the firm if there were better offers elsewhere. According to Pollard, there are also examples that the managers would subsequently form their own businesses. Managers and entrepreneurs were mostly recruited from the same "social strata" and here one could find both dynasties of entrepreneurs, but also of lineages of managers where the sons followed their father's path as managers of enterprises. There are also examples of entrepreneurs whose firms went bankrupt and were sought out as managers, just as a portion of the managers, as mentioned above, could at one time become entrepreneurs. Hence, it was still difficult in the 1800s to separate the two groups from each other empirically. There had not yet developed what one might call, according to Pollard, a managerial profession.

As a key feature, one can mention that in their empirical descriptions of owners and entrepreneurs, the authors conclude that it is important to possess capital, but just as important to be able to "manage" or lead a business. Capital and management are thus two sides of the same coin. According to this literature, managers, understood as a special employee group, are a relatively new phenomenon prior to the Industrial Revolution. At this time the business owner still handled what we would call the managerial function. It was only when the joint stock companies became common that leading a firm became separated from owning the same firm. Empirically, it may be difficult to separate managers from entrepreneurs because they came from the same "social class". Some failed entrepreneurs subsequently became managers, and some managers went and became business owners. Another characteristic trait

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of these managers was that their wages were often individual. In other words, there was no fixed tariff in the area, as there was for general workers employed in production. By offering a relatively low wage in return for a future share in the expected profits, the firm owner sought to hold on to the most capable managers. These managers were not necessarily loyal to the firm in which they were employed. If they were offered a better job elsewhere, they were not bound by an ownership relation toward their current business and could therefore easily move from one company to the other. This feature is also characteristic today. Many managers have a fixed salary, but on top of that, they receive a percentage of the profits that they have generated for their division or the company. In Denmark, it is not permitted to pay managers in the form of shares in the firm. By contrast, the managers have begun to receive "warrants", i.e. the right to purchase shares at a pre-set price, at a certain time in the future.

The shift from "owner-management" to "management without ownership", which the authors above believe is fundamental for the growth of the modern manager, is well demonstrated by the development of the now multinational concern Unilever. For Unilever's case, it is possible to follow these developments from the firm's beginning, where the different owners led their own firms as individual entrepreneurs, to these firms' many mergers and international expansion, to today's multinational conglomerate headed exclusively by salaried managers (see e.g. Charles Wilson 1954 and 1968). The distinction between managers and entrepreneurs that we find in the professional literature, has been debated in research ever since it occurred during the Industrial Revolution in England. The historical empirical data used by Berle and Means was the contemporary empirical data for both Adam Smith and Karl Marx. In addition to the economic historians' thorough empirical works of modern corporate history, we also have the theoretical masterpieces that have tried to develop the conceptual apparatus whereby contemporaries and posterity have continuously interpreted, explained and influenced the development of the forms of modern capitalist management, which first emerged in northwestern Europe and the United States

<sup>54</sup> By means of the third and fourth specification steps, it is possible to produce many possible models of the capitalist production. The pure variants consist of the individual capitalist, who works with his family's own capital, and the joint stock company, which is owned by investors and is operated by managers.

However, other models are also possible that build on elements from the social formation or combine elements from the two specification steps. A known variant is the individual capitalist who borrows additional money to work with. Another is the individual capitalist who hires managers to carry out the crucial functions in the companies. Historically, this variant comes before the joint stock companies, but logically speaking, the manager concept appears in the third specification, which remind us that one should not expect that cultural history and the sequence of conceptual specifications should match! It is the fundamental misreading of a scientific sequence of specification, which has prompted intense

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criticism of the "root-structures" or "hierarchies" as deterministic and evolutionist (Højrup 2003, Chapter 2).

A third variant consists of the individual capitalist, who, in order to expand the business, issues stocks to outside investors. As with William Lever's development of Unilever, an individual capitalist can issue shares for sale on the stock market and to employees, the latter as a means of binding indispensable managers further to the company. A fourth variant consists of investors who form a limited liability company to start a firm. A fifth consists of a joint stock company, which finances additional activities by borrowing additional capital at a fixed rate of interest. Many other variations can be imagined, but here we are suggesting only that to set out these variants explicitly is possible by utilizing the basic specifications.

<sup>55</sup> Interview with Kim Jensen, product manager.

<sup>56</sup> Interview with the local bank director.

<sup>57</sup> Interview with Alex Kristensen, CEO.

<sup>58</sup> Interview with Hans Jepsen, CEO in a Danish-owned paper company.

<sup>59</sup> Although this concept is derived from the joint stock company organized variant of the capitalist mode of production, it can also be found in completely different areas in some types of social formations. I am thinking here, for example, of the competition between interest organizations and between parties in pluralist political systems and of state enterprise in state systems such as the European, where there is an intense "horse race" based on a fighting relationship between a multitude of neighboring states.

In these systems, the various parties, all struggling to survive in a pluralistic system, seek out uniqueness-creating expertise. We know this, for example, from the international market for military expertise from which the European kings throughout history have retained officers and planners for innovation in military leadership and for the implementation of reform of the army. In Denmark, recruitment of the French officer Saint-Germain, for the first time in 1761, is a classic example, because his unique ideas for reform of the army were a precursor to the great agricultural reforms (Saint-Germain, 1964).

<sup>60</sup> Mørkegaard, 1992.

<sup>61</sup> Concepts such as "management," "research" and "development" are therefore not very apt as lifemode specific labels because they are both too broad – including all types of management – and too narrow, in that they do not point to anything other than management and R & D. Instead, one could use the terms "experts" and "expertise" and the term "skills market" (see Højrup 1989, p. 60-61). Yet these terms are far from ideal because expertise does not have to be uniquely innovative or uniquely creative in the sense we are talking about

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it here. A third term one could try out is "specialist" and "specialized knowledge". To this one could object that "specialist" is the opposite of "generalist" and that many generalists make a living precisely on their innovative uniqueness.

<sup>62</sup>Niels Winther, CEO of a trade association.

<sup>63</sup> Per Høier, owner of a consultancy.

<sup>64</sup> Per Høier.

<sup>65</sup> Bo Nielsen later became sales director of an international conglomerate.

<sup>66</sup> Erik Mogensén, sales director.

<sup>67</sup> Per Høier.

<sup>68</sup> *Rolling Stone* February, 1988.

<sup>69</sup> In the real estate market, it is an axiom that a lower quality house in a better neighbourhood is always worth more than a better house in a less sought after neighbourhood. In this sense, the real estate mantra of "location, location and location" also applies to the career professional's job-seeking practice: either you are with Microsoft, Google, or Apple, or you have an innovative, exciting "start-up" venture. But there is no prestige in being stuck in the middle of the pack, there is nothing desirable in being in-between.

<sup>70</sup> Bo Nielsen, CEO of Henka.

<sup>71</sup> Bo Nielsen.

<sup>72</sup> Per Holten, service director in an IT firm firm.

<sup>73</sup> Hans Jepsen, electrical engineer and head of R&D.

<sup>74</sup> Bo Nielsen, CEO for the wholesale firm Henka.

<sup>75</sup> Niels Winther, CEO for a trade association.

<sup>76</sup> Hans Jepsen, CEO.

<sup>77</sup> Kim Jensen, product director.

<sup>78</sup> Kim Jensen

<sup>79</sup> Jørgen Husby, head of a rental company.

<sup>80</sup> Niels Winther, CEO in a trade association.

<sup>81</sup> Hans Jepsen, CEO.

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<sup>82</sup> When a term is found *not* to be *appropriate*, either because it is unable to help the analysis of the empirical substance because its propositions are contradicted by empirical facts, or because its determinants, when used, appear not to be well integrated, there are two completely different ways to correct it. One is to *expand* it with a few more additional characteristics and possibly *remove* some of the original ones. This method of work is characteristic of the use of the classificatory class concepts. If the job categories or people do not conveniently fall into neatly distinct subsets, the definitions of the classes must be altered so that there are fewer common intersections and remainders or unclassifiable groups. The second way to correct concepts avoids immediately correcting the concept that causes problems, and instead attempts to *investigate its presuppositions*. If the concept's determinants derive from a larger theoretical context, the structure and semantics of which provide the place, function and content of the concept, then one has the opportunity to look more closely at this foundation of presuppositions and review the concept again. In other words, one must select the mode of work that best fits the way in which the concepts are constructed. Or one must choose those types of concepts to work with that require the working method that one prefers to use to make the correction. The goal of this section has been to investigate whether it is possible to correct and reconstruct the concept of *career professional lifemode* so that it can become a useful ethnological tool to analyze career professionals' cultural patterns and the new versions of capitalism, which have emerged at the expense of classical industrial capitalism.

The concepts of lifemode used here differ from the classificatory class concepts in that they do not consist of definitions. A lifemode is *not* a definition (e.g. of shared features) that pretends to represent a given entity in empirical reality. Rather, a lifemode concept is a theoretical construction, consisting of the internal logical connection between certain intensional traits, i.e. mutually necessary structural features. It is also a *terminal concept*, in the sense that it is a specific kind of praxis that is structured so that it can constitute the terminal point for certain societal relations. The lifemode concept therefore requires a structure of relational concepts. So far, the mode of production concepts have been used as relational concepts because they are constructed precisely as relations between various types of praxis. The modes of production constructed by Marx were designed as a root-structure of conceptual specifications, which, starting from the most general concepts of the theory's 'trunk', formed a branched hierarchy of increasingly specific mode of production concepts. The point of this conceptual root-like hierarchy is that the more general concepts form the point of departure for elaborating the more specific concepts. Hence, it is not a given order of either untouchable or contingent concepts that we are dealing with, but a *method of working* that makes it possible to elaborate new, ever more specified and detailed concepts. At the same time, the entire process of specification stages is being constantly placed at risk because the specific concepts are conditioned by the prior, more general concepts. Hence, each time the more specific concepts show themselves *not* to be sufficiently *appropriate* in the above (Louis Hjelmslev-ian) sense (i.e. able to describe the decisive features of its object in an as much as possible coherent, exhaustive and simple way), it is necessary to work backwards up through the specifications in order to find out which of the more *general* concepts requires

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*correction*. However, this places some fruitful restrictions and unexpected benefits on how to revise the specific concept that is creating the conceptual difficulties. This is because these corrections must be *compatible* with the other concepts in the hierarchy, that is, with all the *empirical experiences* of the theory contained in the other concepts in the hierarchy, because they represent the countless corrections and revisions of previous generations, themselves the result of the demand for appropriateness (Højrup 2003a, Chapter 2: Conceptual Development).

Efforts to revise the previous versions of the career professional lifemode have shown themselves to entail more theoretical rethinking than we had previously imagined. That it was possible to identify the problem at all by specifying this lifemode as a distinct concept is due especially to the logical requirements posed by this form of theory to the lifemode concept. In any case, these requirements made it possible to realize that the career professional lifemode could not be kept distinct from the self-employed lifemode nor from the wage-earner lifemode. Experience from Louis Hjelmslev's 'empirical principle' shows that one must move upwards in the conceptual hierarchy to locate the stage from where it is necessary to revise so that the concept one has been working with may become more appropriate and in line with the theory's total inventory of ethnographic ("empirical") experiences (Hjelmslev 1966). But it was a surprise that it was necessary to proceed all the way up the conceptual root-structure to Marx's second stage of specification in *Capital*. Here it proved possible to attempt to construct a third, a fourth and a fifth specification step that Marx had not elaborated. It turned out, in other words, that the work of revising the concept of 'career professional lifemode' led to a correction of several other lifemode concepts. What in lifemode analysis had so far been called the capitalist's or investor's lifemode turned out on closer examination to be two *distinct concepts*, of which the capitalist's or more specifically, the *individual capitalist's* praxis is explicated at a previous step or at a higher level of the root-structure, i.e. it is a more general concept in this part of the root-structure of the sequence of specifications than the investor concept. From this conceptual distinction and the explication of the individual, productive capitalist entrepreneur's distinct praxis, there is a branching out into the next specification step in the hierarchy: respectively, the investor's and the manager's praxis.

When one moves up and down in this hierarchy in order to correct and revise a particular concept, the next task consists of returning to the ethnographic studies to see whether the new version of the concept is more appropriate. It may turn out that one has to return again to a higher level to carry out yet another corrective operation. We have been 'up and down' the conceptual root-structure quite a few times when working with this lifemode, partly because we had to admit that the most essential test of appropriateness did not always lay in the always fairly limited empirical horizon that one had created but in the vast fund of empirical experience that the concept structure had accumulated over many generations of the history of theory. In this type of theory, one needs to persist in working one's way up and down between the root-structure's different specification steps in order to ensure that the concepts that have been elaborated can be used in reality to illuminate the empirical material in which one is interested. In conclusion, one can say that the career professional lifemode has

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been specified in a completely different way than in previous discussions. Its empirical object has somehow become *broader* because it has been shown that the (empirical realization of the) conditions it requires are found not only in the share owned financial (capitalist) mode of production (SOFMP), foundation-owned and state-owned business modes of production (FOBMP and SOBMP) but in other domains as well where we find firms, organizations and institutions competing to procure the innovative uniqueness and competitive edge that can assure their survival. This kind of competition for innovative uniqueness is also found in such diverse fields such as competing interest organizations, multi-party parliamentary systems, in the Danish merchant shipping industry in the 1700s and 1800s, and within the art world.

On the other hand, the concept has also obtained a somewhat *narrower* empirical scope because its use is restricted to the analysis of a very *specific type* of mode of existence and work tasks. The new concept can be used solely with reference to the *production of innovative uniqueness* and is no longer applicable to all types of management, all types of higher functionaries or all types of research and engineering. In the empirical research, therefore, it will be demonstrated that there are many people who have what people call ‘careers’, but whose lives and practices cannot be analyzed using this concept. We consider this an advantage because it emphasizes that this ‘new improved’ concept has become more precise and coherent and thus also more appropriate for analyzing and synthesizing the necessary connection between the competition struggle of SOFMP and the production and reproduction of uniqueness in the praxis of the career professional lifemode. In the career professional praxis, it is innovative uniqueness – how to create it, how to buy it, how to sell it, how to keep it, fear of losing it -- that is now the central feature. In order to ensure the *optimal working conditions* for creating this uniqueness, it is necessary to make one’s person *irreplaceable* or one’s product *indispensable* for a company. Businesses compete for this innovative quality. As an employee inside a company, the task is to produce innovative uniqueness that can be continually updated and renewed, while the employee also needs to renew one’s own personal uniqueness as well in order to compete with the other experts. On the other hand, the external consultant who sells creative services to client companies is selling his ability to renew his client’s innovative ability.

This further specification of the concept should make it possible to gather new ethnographic experiences in a more targeted fashion. The entire intention of elaborating the new concept is to create a tool that makes it possible to search in precisely those areas within private companies, within the public sector, among interest organizations, among managers, experts, specialists, researchers, engineers, artists, etc., that could provide a new understanding of the contexts and issues that have given rise to the emergence of the concept of the career professional lifemode.

<sup>83</sup> As Marx wrote in *The Communist Manifesto*.

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<sup>84</sup> Foundation Owned Business is the English term that equals the German term Betriebs Stiftungen. See: <http://www.tifp.dk/wp-content/uploads/2014/04/The-Performance-of-Danish-Foundation-Owned-Companies.pdf>

<sup>85</sup> The Industrial Foundation Project, Centre for Corporate governance, CBS Copenhagen. <http://www.tifp.dk/en/>

<sup>86</sup> The specific features (i.e. relations and forces of production) are demonstrated by the Privacy Policy of Google, from which we have selected this passage, last modified on 19 August 2015:

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<sup>87</sup> Einstein and Infeld (1938).