1: ECONOMICALLY DETERMINED POWER AND THE SOCIAL ORDER

Law exists when there is a probability that an order will be upheld by a specific staff of men who will use physical or psychical compulsion with the intention of obtaining conformity with the order, or of inflicting sanctions for infringement of it. The structure of every legal order directly influences the distribution of power, economic or otherwise…. This is true of all legal orders and not only that of the state.

In general, we understand by, "power" the chance of a man or of a number of men to realize their own will in a communal action even against the resistance of others who are participating in the action.

"Economically conditioned" power is not, of course, identical with "power" as such. On the contrary, the emergence of economic power may be the consequence of power existing on other grounds. Man does not strive for power only in order to enrich himself economically. Power, including economic power, may be valued "for its own sake." Very frequently the striving for power is also conditioned by the social "honor" it entails. Not all power, however, entails social honor: The typical American Boss, as well as the typical big speculator, deliberately relinquishes social honor. Quite generally, "mere economic" power, and especially "naked" money power, is by no means a recognized basis of social honor. Nor is power the only basis of social honor. Indeed, social honor, or prestige, may even be the basis of political or economic power, and very frequently has been. Power, as well as honor, may be guaranteed by the legal order, but, at least normally, it is not their primary source. The legal order is rather an additional factor that enhances the chance to hold power or honor; but it cannot always secure them.

The way in which social honor is distributed in a community between typical groups… we may call the "social order." The social order and the economic order are, of course, similarly related to the "legal order." However, the social and the economic order are not identical. The economic order is for us merely the way in which economic goods and services are distributed and used…. Now: "classes", "status groups", and "parties" are phenomena of the distribution of power within a community.

2. DETERMINATION OF CLASS-SITUATION BY MARKET-SITUATION

In our terminology, "classes" are not communities; they merely represent possible, and frequent, bases for communal action. We may speak of a "class" when (1) a number of people have in common a specific causal component of their life chances, in so far as (2) this component is represented exclusively-by -economic- interests in the possession of goods and opportunities for income, and (3) is represented under the conditions of the commodity or labor markets. [These points refer to "class situation," which we may express more briefly as the typical chance for a supply of goods, external living conditions, and personal life experiences, … as determined by the power, or lack of such, to dispose of goods or skills for income in a given economic order. The term "class" refers to any group of people that is found in the same class situation.]

It is the most elemental economic fact that… …Other things being equal …This mode of distribution gives to the propertied a monopoly on the possibility of transferring property from the sphere of use as a "fortune," to the sphere of "capital goods"; that is, it gives them the
entrepreneurial function and all chances to share directly or indirectly in returns on capital…. "Property" and "lack of property" are, therefore, the basic categories of all class situations….

Within these categories, however, class situations are further differentiated: on the one hand, according to the kind of property that is usable for returns; and, on the other hand, according to the kind of services that can be offered in the market…. Accordingly, the propertied, for instance, may belong to the class of rentiers or to the class of entrepreneurs.

Those who have no property but who offer services are differentiated just as much according to the way in which they make use of these services, in a continuous or discontinuous relation to a recipient. But always this is the generic connotation of the concept of class: that the kind of chance in the market is the decisive moment which presents a common condition for the individual's fate. "Class situation" is, in this sense, ultimately "market situation."… Therewith "class struggles" begin.

3. Communal Action Flowing From Class Interest

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

[Communal action refers to that action which is oriented to the feeling of the actors that they belong together. Societal action, on the other hand, is oriented to a rationally motivated adjustment of interests.] The rise of societal or even of communal action from a common class situation is by no means a universal phenomenon. The class situation may be restricted… to the generation of… similar reactions…, of "mass actions."… Furthermore, often merely an amorphous communal action emerges. For example, the murmuring of the workers known in ancient oriental ethics: the moral disapproval of the worker's conduct,…the "slow down" (the deliberate limiting of work effort) of laborers by virtue of tacit agreement….. …however different life chances may be, this fact in itself, according to all experience, by no means gives birth to "class action" (communal action by the members of a class). The fact of being conditioned and the results of the class situation must be distinctly recognizable. For only then the contrast of life chances can be felt not as an absolutely given fact to be accepted, but as a resultant from either (1) the given distribution of property, or (2) the structure of the concrete economic order…. The most important historical example of the second category (2) is the class situation of the modern "proletariat."

4: TYPES OF "CLASS STRUGGLE"

Thus every class may be the carrier of any one of the possibly innumerable forms of "class action," but this is not necessarily so. In any case, a class does not in itself constitute a community. To treat "class" conceptually as having the same value as "community" leads to distortion…. Above all, this fact must not lead to that kind of pseudo-scientific operation with the concepts of "class" and "class interests" so frequently found these days, and which has found its most classic expression in the statement of a talented author, that the individual may be in error concerning his interests but that the "class" is infallible about its interests…. 
Now "status groups" hinder the strict carrying through of the sheer market principle. In the present context they are of interest to us only from this one point of view.

5: STATUS HONOR

In contrast to classes, status groups are normally communities. They are, however, often of an amorphous kind. In contrast to the purely economically determined "class situation" we wish to designate as "status situation" every typical component of the life fate of men that is determined by a specific, positive or negative, social estimation of honor. But status honor need not necessarily be linked with a "class situation." On the contrary, it normally stands in sharp opposition to the pretensions of sheer property.

6 GUARANTEES OF STATUS STRATIFICATION

In content, status honor is normally expressed by the fact that above all else a specific style of life can be expected from all those who wish to belong to the circle. Linked with this expectation are restrictions on "social" intercourse (that is, intercourse which is not subservient to economic or any other of business's "functional" purposes). These restrictions may confine normal marriages to within the status circle and may lead to complete endogamous closure. As soon as there is not a mere individual and socially irrelevant imitation of another style of life, but an agreed-upon communal action of this closing character, the "Status" development is under way.

In its characteristic form, stratification by "status groups" on the basis of conventional styles of life evolves at the present time in the United States out of the traditional democracy. For example, only the resident of a certain street ("the street") is considered as belonging to "society," is qualified for social intercourse, and is visited and invited. Above all this differentiation evolves in such a way as to make for strict submission to the fashion that is dominant at a given time in society. This submission to fashion also exists among men in America to a degree unknown in Germany. Such submission is considered to be an indication of the fact that a given man pretends to qualify as a gentleman. This submission decides, at least prima facie, that he will be treated as such. And this recognition becomes just as important for his employment chances in "swank" establishments, and above all for social intercourse and marriage with "esteemed" families, as the qualification for dueling among Germans in the Kaiser's day. As for the rest: certain families resident for a long time, and, of course, correspondingly wealthy, e.g. "F. F. V, i.e. First Families of Virginia," or the actual or alleged descendants of the "Indian Princess" Pocahontas, of the Pilgrim fathers, or of the Knickerbockers, the members of almost inaccessible sects and all sorts of circles setting themselves apart by means of any other characteristics and badges ... all these elements usurp "status" honor. The development of status is essentially a question of stratification resting upon usurpation. Such usurpation is the normal origin of almost all status honor. But the road from this purely conventional situation to legal privilege, positive or negative, is easily traveled as soon as a certain stratification of the social order has in fact been "lived in" and has achieved stability by virtue of a stable distribution of economic power.

7: ETHNIC SEGREGATION AND CASTE

Where the consequences have been realized to their full extent, the status group evolves into a closed "caste." Status distinctions are then guaranteed not merely by conventions and laws, but
also by rituals. This occurs in such a way that every physical contact with a member of any caste that is considered to be "lower" by the members of a "higher" caste is considered as making for a ritualistic impurity and to be a stigma which must be expiated by a religious act. Individual castes develop quite distinct cults and gods.…

8: STATUS PRIVILEGES

For all practical purposes, stratification by status goes hand in hand with a monopolization of ideal and material goods or opportunities, in a manner we have come to know as typical. Besides the specific status honor, which always rests upon distance and exclusiveness, we find all sorts of material monopolies. Such honorific preferences may consist of the privilege of wearing special costumes, of eating special dishes taboo to others, of carrying arm -which is most obvious in its consequences- the right to pursue certain non-professional dilettante artistic practices, e.g. to play certain musical instruments. Of course, material monopolies provide the most effective motives for the exclusiveness of a status group; although, in themselves, they are rarely sufficient, almost always they come into play to some extent. Within a status circle there is the question of intermarriage: the interest of the families in the monopolization of potential bridegrooms is at least of equal importance and is parallel to the interest in the monopolization of daughters. The daughters of the circle must be provided for. With an increased enclosure of the status group, the conventional preferential opportunities for special employment grow into a legal monopoly of special offices for the members. Certain goods become objects for monopolization by status groups…. … This monopolization occurs positively when the status group is exclusively entitled to own and to manage them; and negatively when, in order to maintain its specific way of life, the status group must not own and manage them.…

9 ECONOMIC CONDITIONS AND EFFECTS OF STATUS STRATIFICATION

The frequent disqualification of the gainfully employed as such is a direct result of the principle of status stratification peculiar to the social order, and of course, of this principle's opposition to a distribution of power which is regulated exclusively through the market. These two factors operate along with various individual ones, which will be touched upon below.

We have seen above that the market and its processes "knows no personal distinctions": "functional" interests dominate it. It knows nothing of "honor." The status order means precisely the reverse, viz.: stratification in terms of "honor" and of styles of life peculiar to status groups as such. If mere economic acquisition and naked economic power still bearing the stigma of its extra-status origin could bestow upon anyone who has won it the same honor as those who are interested in status by virtue of style of life claim for themselves, the status order would be threatened at its very root. This is the more so as, given equality of status honor, property per se represents an addition even if it is not overtly acknowledged to be such. Yet if such economic acquisition and power gave the agent any honor at all, his wealth would result in his attaining more honor than those who successfully claim honor by virtue of style of life. Therefore all groups having interests in the status order react with special sharpness precisely against the pretensions of purely economic acquisition. In most cases they react the more vigorously the more they feel themselves threatened.…

With some over-simplification, one might thus say that "classes" are stratified according to their relations to the production and acquisition of goods; whereas "status groups" are stratified
according to the principles of their consumption of goods as represented by special "styles of life."

An "occupational group" is also a status group. For normally, it successfully claims social honor only by virtue of the special style of life which may be determined by it. The differences between classes and status groups frequently overlap.

10: PARTIES

Whereas the genuine place of "classes" is within the economic order, the place of "status groups" is within the social order, that is, within the sphere of the distribution of "honor." From within these spheres, classes and status groups influence one another and they influence the legal order and are in turn influenced by it. But "parties" live in a house of "power."

Their action is oriented toward the acquisition of social "power," that is to say, toward influencing a communal action no matter what its content may be. In principle, parties may exist in a social "club" as well as in a "state." As over against the actions of classes and status groups, for which this is not necessarily the case, the communal actions of "parties" always mean "a societalization." For party actions are always directed toward a goal which is striven for in planned manner. This goal may be a "cause" (the party may aim at realizing a program for ideal or material purposes), or the goal may be "personal" (sinecures, power, and from these, honor for the leader and the followers of the party). Usually the party action aims at all these simultaneously. Parties are, therefore, only possible within communities that are societalized, that is, which have some rational order and a staff of persons available who are ready to enforce it. For parties aim precisely at influencing this staff, and if possible, to recruit it from party followers. In any individual case, parties may represent interests determined through "class situation" or "status situation." and they may recruit their following respectively from one or the other. But they need be neither purely "class" nor purely "status" parties. In most cases they are partly class parties and partly status parties, but sometimes they are neither.... Their means of attaining power may be quite varied, ranging from naked violence of any sort to canvassing for votes with coarse or subtle means: money, social influence, the force of speech, suggestion, clumsy hoax, and so on to the rougher or more artful tactics of obstruction in parliamentary bodies....