1 Introduction: the competition of economic interests

The organisation of productive activity within enterprises has a peculiarly ambivalent quality in most modern economies. On the one hand co-operation is required for the production of goods and services. On the other hand the interests of the different parties concerned with production compete in certain fundamental respects. This is particularly so of management and labour. Employees need to collaborate with their employers if goods are to be produced and the firm is to survive, but otherwise their interests may not be the same. For a long time, however, the study of organisational life played down the oppositional element of economic activity within firms, particularly when this involved differences between management and labour. The 'human relations' movement, which was the major perspective in organisational analysis for the three decades up to the mid-1960s, appeared largely unconcerned with social conflict in industry, and when sociologists in this school did consider the issue they asserted the normality of co-operation and consensus and the abnormality of conflict. Social conflict was regarded as a sickness which would be cured by certain remedies drawn from Durkheimian sociology; namely, that a revitalised moral order would overcome any tendencies toward social conflict and create enough moral cohesion for co-operation to continue without threat (see Chapter 5).

It is a contention of this book that the analysis of economic interests and competition should have theoretical primacy in any modern organisational sociology. There has been a shift of opinion among sociologists, who now suggest that many of the issues addressed by 'human relations', for example the problems of low productivity, low morale and poor social relations at work, were the visible symptoms of deep-seated differences within the economy, even though they used not to be treated as such. Moreover, deteriorating industrial relations and increased employee unrest in Western Europe and America since the mid-1960s means that the issue of conflict is now of greater practical import. The concern with conflict in organisations should not be seen as a new development, however, because it is firmly grounded in the classical economic sociology of Marx and Weber, the work of modern sociologists within these traditions and in various assumptions of different schools within modern economics. The early part of this book addresses the problematic nature of co-operation in industrial and commercial organisations before discussion broadens to consider this against the background of social stratification and the political process. The major focus is on labour–management relations. Differences within the ranks of labour or management are regarded here as less central though they are treated fully where relevant.

This chapter presents the basis of the rest of the book by demonstrating that employees and employers are enmeshed in economic relations which by their very nature contain powerful oppositional elements. An appraisal of the assumptions which lie behind different accounts of employment reveals various sources of competition. These assumptions are theoretical and somewhat abstract, unlike the material presented in the rest of this book, but their discussion is necessary because these dimensions of industrial relations have not been tackled systematically before. There is a distinction to be made here between economic divisions which are the structural characteristics of economic organisation and actual social conflicts. The two are distinct, analytically and in fact. The competition of interests within the economy treated here does not inevitably produce social conflicts between people, so it is not possible directly to 'read off' the nature of social relations in industry from the nature of the economic system. The link between economic relations and competitive behaviour is mediated in various ways, some of which amplify while many others reduce the overt expression of conflict. A theoretical orientation which gives primacy to the forces of competition in the economy does not imply that manifestly conflictual social relations are always a feature of organisational life. A central task of the rest of this book is to elaborate just *how* differences of interest are reflected and managed in industrial relations and what are their broader manifestations beyond the economy.

A terminological issue must be clarified at the outset. Economists mainly use the term 'competition' while others including sociologists refer to 'conflict' to describe certain aspects of industrial relations. For the remainder of this chapter the two are used interchangeably. The justification of this is that competition is a word describing a conflict over the control of resources or advantages desired by others where actual physical violence is not employed (Weber, 1964, pp. 132–3) – in other words the form of social action or behaviour which specialists in the study of industrial relations usually have in mind when they talk of industrial conflict. One reason why some people have chosen to make a distinction between different forms of social action is that they have interpreted the idea of competitive behaviour to mean what Weber called a *regulated* competition which takes place within a framework of agreed rules and where the system itself is not in dispute, whereas they see conflict as unregulated competition where there is no basis of agreement. The fact that competition may carry this covert evaluation is reason not to distinguish it from peaceful conflict: one simply cannot take for granted as do those who use competition in this way that the expression of conflict is rule-bound and that people who struggle to control resources endorse the system, because non-violent industrial conflict does not necessarily have these characteristics. A major objection to the assumption of regulated competition is that it prejudges the results of scientific enquiry. The empirical evidence presented in this book demonstrates that there are wide variations in the extent to which industrial conflict is rule-bound or works within a framework which does not challenge the existing system. This chapter in any event deals with the structure or logic of economic interests and is not much concerned with competition and conflict as forms of social action: at this level of interests there seems little meaning in distinguishing a competition from a conflict of interests.

Utility, Production Factors, Exploitation

A common and straightforward way of looking at the conflict of interests in employment is as the result of each party maximising its own utility. Since wages are costs which affect profits and profits can be raised at the cost of wages, those whose interests lie in maximising wages are in competition with those concerned to raise profits. Both parties may be presumed to be acting in accordance with the dictates of rational economic action, but the rational appraisals of interests made by workers and managers pull in opposite directions. Thus the conception of employment as a relationship of co-operative exchange between parties who maximise their own utilities, which lies at the heart of much economic analysis and informs political doctrines that acclaim the pursuit of self-interest in economic life, also entails that competition is at the centre of this relationship. It may be pointed out that there are co-operative aspects involved in the parties to the employment contract maximising their own utilities. Clearly, because of the high degree of interdependence in modern economic organisation, firms could not survive without collaboration in the production of goods and services. A model of employment as exchange assumes that co-operation in production is voluntary and unconstrained. So, the maximisation of utility promotes both competition and co-operation. The majority of modern economic organisations by their nature contain this de-stabilising element. The task facing those who own or administer such organisations is to contain the potential of open struggle for they cannot rely on a harmony of interests to ensure stability.

This divergence of interests occurs in any economic system where those who work do not also retain the profits of their activity. To phrase the matter in another way, competition derives from the separation of the ownership of a firm from those who work for it and the consequent appropriation of anything remaining out of revenues after costs have been covered as profits for the owners. Modern capitalism is one economic system that is based on separation and this generates major differences of interest. But the same remarks can be made about a type of economy which in many ways differs: state socialism. Profits are taken by the state rather than appropriated privately and market mechanisms are not allowed to any great extent to determine levels of economic activity, both of which features distinguish this type of economy from the majority of capitalist ones. Nevertheless, in both systems those who produce do not own their means of production and the profits of their economic activity go elsewhere.

Other economic systems differ. Co-operative economic organisation based on co-ownership and profit-sharing does not lead to separation and the appropriation of profits and so avoids a form of divergent interests inherent in conventional capitalist and socialist organisations. A variant of the pure co-operative type occurs in Yugoslavia, where part of the enterprise's capital is publicly owned but, via self-management and profit-sharing, those who work in firms retain the fruits of what they produce. There is thus a wide range of economic forms, and opposition between owners or their agents and employees is not an inevitable feature of modern economic organisation.

The difference of economic interests may be treated in another and more complex manner, as 'exploitation', a concept which revives certain ideas from classical economics. This is a less familiar interpretation which should be explained at greater length.

Exploitation was at one time mainly associated with Marxism. The basis of Marx's own economic analysis was the labour theory of value, which assumed that a commodity had value in so far as human labour had been expended to create it. Labour theories of value also informed the work of other classical economists such as

Adam Smith and Ricardo. In the Marxist scheme this was linked with the idea of a 'surplus' product that embodied surplus labour value. Economic activity had first to cover the purchase of raw materials, replace tools, machinery and buildings worn out in the course of production and provide labour with the means of subsistence. What was left after these needs were met was the surplus product. To put this idea into concrete form, we can consider the working day: if the length of the working day is eight hours and if the worker produces in the first four hours enough value to pay for all the inputs, then the remaining four hours is surplus production. According to Marx, when surplus production was carried out within a capitalist economy the surplus went as profit to the owner of a firm and his financiers. Because value can only be created by labour in production, then by definition any surplus must result from the expenditure of that labour. Following this line of reasoning, the profits that went to capitalists were to be conceived as the appropriation of labour's surplus value and as exploitation. Exploitation followed from the separation of workers from ownership and the appropriation of their surplus value as profit.

This approach has largely been rejected in subsequent analysis. A commonly encountered view is that economic processes involve the interaction of several factors of production: land, labour, capital and enterprise. Labour does not necessarily have more weight than other factors. Therefore it follows that profits need not be exploitative if they are payment for the use of capital (interest) or are the rewards for risk-taking and enterprise on the part of owner-entrepreneurs and, by extension, professional managers. A further implication is that because economic activity depends on the interdependence of different factors rather than the exploitation of one, the relationship among factors may be described as essentially co-operative. There may be some competition amongst the factors over the distribution of the increased output because the different parties attempt to maximise their own separate returns, but the structure of economic relations is not mainly antagonistic. Of course, these arguments still leave open the issue whether in practice the labour factor shares in the rewards of economic activity in proportion to its contribution. For a long period exploitation and labour-value were regarded as irrelevant and discredited ideas.

A number of theoretical economists have rehabilitated certain neglected aspects of the classical tradition recently, however, and in particular they have re-appraised exploitation and labour-value (see especially Sraffa, 1960; Morishima, 1973; Meek, 1977). The claims about the contribution of capital to the productive process have been seriously challenged by Sraffa (1960), who contends that the value of capital is only a way of describing the distribution of net output between wages and profits. His position is that there can be no logical basis for the treatment of capital in economic theory as an independent factor of production which is equivalent to land or labour. Sraffa also questions the labour theory of value, not on the grounds of a factors of production approach but because of the insuperable technical difficulties that render the notion impossible to test (1960, pp. 58–9, 67–8). In place of labour-value he resurrects the appropriation of surplus in a different form, as a modern adaptation of the Ricardian economics dealing with the production of commodities. The details of this neo-Ricardianism need not concern us. What matters is that Sraffa's pioneering analysis has been influential in reviving the concerns of the classical economists.

The general orientation and a basic methodological principle of classical economics was that the conditions of economic exchange should be analysed in terms of the conditions of production (Meek, 1977, p. 124). These conditions were technological and social, the relations that existed among men as producers. One effect of the new perspective has been to restore the concept of exploitation to academic discourse. Meek has elaborated Sraffa's account of the production of commodities to demonstrate that exploitation is quite justified within a revived classical tradition, without linking it to the labour theory of value which has little scientific warrant (1977, p. 132). He suggests that the link between profit and exploitation starts with the monopoly of the means of production which capitalists possess. This monopoly position is used to compel a workforce to do more work than its own wants prescribe, thereby producing a net gain for the capitalist which reflects the amount of this extra work (1977, p. 126). This reformulation transforms the notion of exploitation from something which was discredited by association with labour-value theories into a concept whose intellectual legitimacy is established. Taken with the related idea of appropriation, it can also be a *useful* concept for economists and sociologists investigating productive activity.

The Sociological Tradition

The notion of 'appropriation' is deeply embedded in the history of economic sociology and forms common ground between the Marxist and Weberian traditions. Appropriation refers to the phenomenon that employees in most modern forms of economic organisation have no ownership or control of their means of production because these are possessed by others. The subordination of labour at work and in the labour market is one consequence of appropriation. A second is that employees are powerless to influence the decisions that determine their lives. Appropriation and exploitation refer to similar things but sociological discussion places more emphasis on issues to do with the control of labour and the means of production. For many years the only systematic accounts were to be found in Marx and Weber, though modern sociologists have resurrected some of the ideas recently. This section looks at the issue of appropriation within classical and modern sociology. In the course of this it will be demonstrated that there are grounds for seeing a greater unity in the accounts of economic organisation presented by the main schools of economic sociology than is usually acknowledged.

Marx and Weber

Writing in 1867, in volume I of *Capital,* Marx described how the growth of industrial capitalism in Britain dispossessed workers, individually and collectively, of their ownership of the means of production: they came to work in factories and to use machines and raw materials that belonged to capitalists rather than to themselves. The capitalist class emerged and managed to appropriate others' surplus products for itself, by dispossessing the direct producers of their means of production and using its monopoly ownership of capital to compel people to work 'gratis' during their superfluous time (the part of the working day which created surplus value in Marxist theory). Labour was formally free, because people were not compelled to work for any particular employer, but in reality there were constraints because people were deprived of their independence and the capability to work for themselves. They were obliged by their own subsistence needs to work for some employer.

Another form of appropriation followed from loss of ownership: namely, loss of control over the means of production. Workers could not decide what to make nor in what manner: owners or their managerial agents decided what would be made and how the job would be done. Loss of control was reinforced by the development of organisational techniques, which included an extended division of labour that subdivided jobs into their simplest component parts, and greater supervision of people as they worked, together with the development of production technologies which gave machines many of the skilled tasks previously performed by hand. One effect of lost control was to make work less human.

It has been customary to concentrate on the differences between Marx and Weber and to highlight the distinctiveness of the schools of economic sociology to which they gave birth, in particular to emphasise the anti-Marxist inspiration of Weber's sociology. One alleged difference is that Marx dealt with the realm of production relations whereas Weber, like neoclassical economists, was concerned with exchange and market relations. This is not so. Weber gave an important place to the conditions of production as well as exchange. He did not subscribe to a labour theory of value, but he did describe in *Economy and Society* (published in Germany in 1922) the same state of affairs as Marx when he dealt with the development of capitalism and appropriation. Weber claimed that workers, individually and collectively, had lost their former ownership of the means of production which passed to capitalists and their managers; that they had in turn lost control over the use of the means of production at work; and that workers had come to be regarded as 'hands' rather than people as the result of organisational and technical developments. Appropriation was central to his analysis of the social conditions of production.

Weber thought that appropriation of ownership and control and the subordination of the worker were necessary for the rational efficiency of any industrial economy and were not specific only to capitalism. The 'rationalising' tendency of modern life had two concrete forms: capitalism and bureaucracy. Capitalism, as a consequence of spiritual changes (the Protestant ethic) and new institutional developments (the market economy), embodied the qualities of impersonality, calculation and the purposive and rational pursuit of interests which constituted efficiency. Bureaucracy maximised rationality by means of the division of labour and specialisation, the hierarchical arrangement of tasks and authority, the impersonality and predictability of its operations, and its relentless, calculating search for productive efficiency. Both capitalism and bureaucracy depended on separating the individual from access to the means of control and placing him in a position of subordination. Weber predicted that even if a socialist revolution were to replace capitalism it would not halt the rationalising tendency, particularly in the form of bureaucratisation which he thought would transcend differences amongst economic systems.

On the contrary, Marx believed that the loss of ownership and control and the consequential subordination of workers were not to do with technical efficiency but were specific to the capitalist form of industrialism. This division has given rise to continuing debate about the logic of industrialism. A later chapter describes models of industrial organisation based on producer co-operation which combine a central characteristic of capitalism, that is profit maximisation within a market economy, with communal ownership and control. These indicate that conventional patterns of dispossession are not the necessary requirements of industrialism or even all forms of capitalism. The significance of Marx and Weber is of more than antiquarian interest. Both were concerned with what they saw as the enduring features of a particular form of economic organisation. Both helped to structure the concerns and conceptual apparatus of modern economic sociology. The subsequent polarisation of Marxist and Weberian sociologies has been unfortunate. An understanding of economic activity should draw more heavily on the areas of commonality and point out where the differences between the approaches have been exaggerated by defective arguments. The Marxist theory of labour value has been shown to have little scientific warrant. Equally, it can be shown that Weber did not satisfactorily establish his claim for the necessary requirements of a modern economy. This last assertion may be elaborated to throw light on economic processes and support a subsequent theme in this book, namely that existing patterns of exclusion from control and subordination are not technically required by industrialism.

In his empirical sociology of industrialism Weber devoted relatively little space to bureaucracy and dealt mainly with capitalism. But an examination of his evidence provides little support for his view that appropriation was technically required and was not simply a feature of exploitation. In an account of the forms of economic ownership he pointed out that workers individually must be dispossessed of the means of production, because the technical efficiency associated with large-scale production required centralised co-ordination of the people and commodities involved in production (Weber, 1964, p. 247). But he went on to say that this aspect of technical efficiency was quite compatible with the collective ownership and control found in producer co-operatives. The requirements of industrialism which Weber thought made collective dispossession necessary included only one element which at the time he might reasonably have associated with technical efficiency, which was the managerial direction of workers and production processes. Subsequent chapters of this book show that this element is now the subject of controversy. On his own evidence the other varieties of efficiency gain had more to do with a particular form of capitalism than industrialism. He suggested that financiers and investors looked more favourably on a firm when mangement possessed the means of production, because managers could offer better surety when they controlled the firm's physical assets. This assumed certain sorts of capital market. He also thought that when workers had no claim on the ownership and control of the means of production, they could more easily be subordinated within the labour market and the firm (1964, pp. 247–8). Subordination in the first area would weaken employees in the negotiation of employment contracts and enable managers to dictate the terms on which labour was bought, and in the second would make labour more amenable to discipline within the firm. Weber assumed a divergence of interest between employers and employees that was and remains meaningful only in the context of exploitation and collective dispossession.

He asserted that the equality of exchange supposedly enshrined in the contract of employment, and the voluntary nature of this contract, were fictions which concealed a reality of power and inequality, in which employers dominated the labour market (Weber, 1964, p. 248). Various directly and indirectly coercive measures were required to maximise output when labour could not be relied upon to work voluntarily. In addition to the direct compulsion of management on their employees there was the indirect and effective compulsion of their dependence on employment for their living standards. Historically, the conditions of this indirect compulsion were the rise of 'free' labour towards which employers had no obligation (unlike the unfree labour of slavery and patrimonialism which employers had to clothe, feed and house), the appropriation of the means of production so that workers depended on employment, and the state's support for dispossession against any challenge from below (Weber, 1964, pp. 262–5). This echoes Marx's celebrated description of the quality of economic life for people who, with no other means of livelihood than their labour, are obliged to work at the bidding of others and to defer to their commands, as the 'dull compulsion of economic relations' (1970, p. 737).

Weber also noted the inefficiencies that appropriation created in industrial organisations, a theme which is taken up elsewhere in this book. He described the difficulties facing managers in orthodox capitalism when they tried to make employees work hard and effectively. Collective dispossession required employees to carry out functions specifically designed to allow other people's objectives to be met, objectives in which they had no interest, and therefore they had to be compelled to work against their natural inclinations. In communally-owned industries there was little problem of motivation (1964, p. 261). Where production systems had a low division of labour and producers could see the completed products of their labours, motivation was also less of a problem (1964, p. 263). Weber believed that extreme specialisation and fragmentation were technically rather than organisationally required. This may perhaps have seemed reasonable when Weber was writing in the first two decades of the twentieth century, given the influence of the scientific management movement, though nowadays it is disputed as subsequent chapters show.

Modern research shows that bureaucratic organisation falls short of the rational efficiency attributed to it by Weber (see Chapter 4). It has often been rejected by modern corporations, though it still has a place in public administration which is less concerned with productive efficiency than impartiality and predictability. It is relevant to observe here that, where their analyses depended on appropriation, much of what Marx and Weber had to say about capitalism can be seen to apply to modern state socialism which also dispossesses labour.

Control and subordination

Modern sociologists have recast some of these ideas. Wright (1976) distinguishes the various modes of appropriation in a more precise and useful fashion which emphasises the importance of control. He suggests that the dispossession and exclusion of labour from control is meaningful in three dimensions. Direction of investments and resource allocation is one form. In modern capitalism this function is normally assumed by company directors, who effectively possess the power of economic ownership even if they do not themselves legally 'own' their companies. In state socialism appropriation is by the state. Control of labour power is a second form. This is achieved by managerial control, exercised through the hierarchy of supervision, of the people who are directly and indirectly involved in production. The third form is the appropriation of command of the physical apparatus of production, whereby employees are deprived of their autonomy in the immediate activity of production and of control of the instruments of production. In practice, this form of appropriation is achieved by organisational means such as increased division of labour and by new types of productive technique which replace men by machines. Workers, when excluded from the power of ownership, lose their influence over the means of production. This has consequences even for the smallest tasks that they perform in their work. Exclusion from control and its effect on industrial relations is a recurring issue in this book. To anticipate the evidence, it may be said here that when lack of control has become a source of industrial conflict the disagreements between employers and employees have centred principally on the second and third categories. Only in the last decade has industrial conflict openly shifted to the first dimension.

Dahrendorf (1959) focuses on opposition arising out of the disparity of power and influence between employers and employees. In many social organisations some roles exercise control over others. This differential distribution of power 'invariably becomes the determining factor of systematic social conflicts' (Dahrendorf, 1959, p. 168). The structural source of such conflict lies in the particular arrangement of social roles of domination and subordination. Following Dahrendorf it is now accepted that opposing interests will be created by the possession of and exclusion from power. Whenever there are hierarchical structures of power and influence, as in most commercial organisations, there will be the potential of social conflict.

Conceptions of the Firm

The assumptions made about employment relate to differing views about the firm. A rough-and-ready distinction may be made amongst models that are unitary and harmonistic, pluralist and oppositional, dichotomous and oppositional. These parallel the divisions of opinion that exist among the Durkheimian school, the utility and factors of production approach, and neo-Ricardian economics and the sociological tradition outlined above. Unitary conceptions portray the firm as a homogeneous community based on shared interests, united by shared values and with a high moral density. Pluralism suggests that interests are not homogeneous and are usually in competition. These divisions are plural rather than dichotomous because labour and management contain sectional interests within themselves. But because the firm is an association which enables all parties acting collectively to do better than they would on their own, self-interest means that the pursuit of sectional interests is restrained. Competition occurs anyway over the distribution of the product while the actual process of production is a collaborative enterprise. Labour markets are free, the contract of employment is a voluntary undertaking and people choose whether or not to work for a firm, so it may be assumed that employees have endorsed and will abide by the rules which regulate the competition of interests. Some accounts of pluralism also assume a common framework of values uniting the various parties (see Chapter 7 for this sociological version). Dichotomous models assert that the major line of cleavage lies between the two sides of industry and that sectional differences within the ranks of labour or management are subsidiary to this other division. Co-operation is not entirely voluntary but is sustained by forces of compulsion within the labour market and the firm. Contracts may appear to be freely entered but the disparity of power and the absence of meaningful choice make this freedom illusory. Interests are opposed even in the realm of production and co-operation there must be enforced.

The distinction between the unitary model and the other two is clear-cut. But the differences between a pluralist and a dichotomous conception are not absolute. Both focus on competitive behaviour, which gives them something in common even though their explanations of this behaviour differ. They each adopt aspects of the other's framework. For example, pluralists acknowledge that there must be a hierarchical structure of power to overcome the recalcitrance of those who wish to maximise their own rewards but contribute as little as possible to the common good. Those who subscribe to a dichotomous model recognise that it is in employees' interests to co-operate with employers in the creation of wealth within existing forms of economic organisation, even though these contain basic conflicts of interest. There are real conceptual differences between the two approaches but the models blur at the edges.

Conclusion

The theoretical orientation here draws on the classical traditions in economics and sociology and the modern adaptations of these which emphasise the far-reaching differences in employment and the organisation of economic activity within firms. Labour markets, employment relations and hierarchy will be shown to contain elements of compulsion which reflect an asymmetrical distribution of economic power between employers and employees. These remain despite union organisation in the economy and popular political organisation in the state which have reduced but not eliminated the power disparity. Only a relatively few employees with skills that are in very short supply and are not yet capable of being performed by machines have anything approaching equality of power in the labour market. Profitability within conventional capitalist and socialist economies appears to depend on depriving employees of their independence and ensuring their subordination. Taken together, these points mean that the clash of financial interests which is often a source of competitive behaviour in industrial relations and which many commentators confine to the sphere of exchange because it concerns the share of the surplus, is intimately linked with the opposition of interests in the production sphere. The way a surplus is distributed should not be separated from the conditions under which production takes place. In most modern organisations these conditions embody forms of compulsion which indicate that the neo-Ricardian perspective is indeed a useful addition to the mainstream tradition in economic sociology.

An implication of the ideas presented in this chapter is that the commonly-drawn distinction between financial and control issues, the latter relating to the realm of production and the competition to establish who will dominate the productive organisation, is not useful. Even the explanation of competition in terms of a simple clash of utilities, which at first sight seems to confine conflict to the distribution of the product and to make no assumption that production need be a locus of struggle, in fact promotes an awareness that conflicts over financial and control issues are associated. As will be shown, when employees conflict with employers over financial issues they are not simply concerned with the amount of their pay but with the ratio between reward and the effort or time they expend in gaining it. This ratio may be altered in favour of employees if they gain control of the labour process. Conversely, management tries to control production organisation and labour in order to promote a balance between reward and effort which favours its interests.

The perspective that the nature of economic exchange and distribution is to be understood in conjunction with the conditions of production is one which informs what follows. It is worth reiterating that this book assumes the primacy of economic competition and will demonstrate that the main division of interests is dichotomous, rather than following the Durkheimian perspective, but does not suggest that overt social conflict is always a necessary feature of industrial life nor that peaceful production does not occur. The ways in which differences of interest affect the fabric of social and economic life are various and display no simple or universal manifestation in the conduct of industrial relations. The differences create the potential of industrial social conflict but do not have determinate outcomes. Some methods of organising commercial enterprises do promote real teamwork between the various parties in the firm and foster harmonious relations which successfully contain the forces of competition. The Japanese corporation is an outstanding example. Enlightened personnel policy may reduce the intensity of social conflicts in industry. Other methods directly express the competition of interests in ways that foster hostile industrial relations. One form of organisation even manages to abolish most differences of interest. The different parties within the industrial relations arena thus have many courses of action open to them, and there is evidence of a wide variety of strategies and outcomes historically and comparatively. These are dealt with in Chapters 2–6 as part of an analysis of the social relations involved in production. Specialised institutions exist to regulate the ways conflict is expressed in social relations and minimise its effect on firms and society, if the forces of opposition cannot be constrained directly. These attempts to 'institutionalise' conflict are treated in Chapters 7 and 8. Chapters 9 and 10 change focus from the earlier concentration on the relations of production within the economy and discuss the links between social stratification and economic organisation. Chapter 11 changes the emphasis again to look at the relationship between the state and economic organisation in the light of the issues raised in the previous chapters.