

The Stakes of Law, or Hale and Foucault!

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The Importance of Legal Rules in Determining the Distribution of Income Between Social Classes

The market value of a property or of a service is merely a measure of the strength of the bargaining power of the person who owns the one or renders the other, under the particular legal rights with which the law endows him, and the legal restrictions which it places on others (Hale 1943, 625).

A crucial factor in the distribution of income between social classes is bargaining between capital and labor over wages. Labor and capital cooperate (and battle) in the production process, so that the output is a joint product. Nothing tells us a priori how the value of the joint product will be divided. If we analogize bargaining to a game played under rules, the outcome of the game is the distribution of the benefits of cooperation. Each rule of the game, even if stated in a way that “applies to all players,” can be analyzed for its impact on the chances of all players. For example, the rules of basketball could be changed so as to increase or decrease the advantages of tall players over short ones, fast ones over slow ones, and so forth. Lowering the height of the hoop would affect, in complex ways, the relative “ability” of each player.

Bargaining over joint products differs from many games in that the outcome is an agreement. An important goal of the realists was to show that it was unreal to treat the agreement as an instance of “freedom,” if what we mean by that is “doing or getting what you want.” They preferred to characterize the outcome as the product of “coercion,” by which they meant that neither party got what it wanted (the whole joint product) and each had the experience of being “forced” to settle for less.

This recharacterization was important in part because it punctured the conservative economic rhetoric of the time. That rhetoric justified the existing capitalist system on the ground that it was based on freedom (the free market, free labor, freedom of contract, consumer sovereignty) by contrast to socialism, which supposedly replaced all these freedoms with their opposite, namely state coercion. According to the realists, capitalism was as coercive in its way as socialism (see Samuels, 1973, 302-23, 354-68).

The realist analysis was equally hostile to the Marxism of the time, which offered a model in which the “absolute impoverishment” of the working class meant that capital was “free” (within the constraints of competition

among capitalists), but the working class was coerced into “accepting” an exploitative wage rate. In that model, there is no bargaining at all, since one side has no bargaining power. In the realist model, each side is constrained, each can inflict harm on the other in some ways but not in others, each has limited alternatives to cooperation, and capitalists are as much coerced as workers.

The realists’ coercion analysis contained a substantive insight as well, an insight into the role of legal rules. The state uses force to ensure obedience to the rules of the game of bargaining over a joint product. To the extent that these rules affect the outcome, forcing the parties to settle for X rather than Y percent of the joint product, the state is implicated in the outcome. It is an author of the distribution even though that distribution appears to be determined solely by the “voluntary” agreement of the parties (see Samuels 1973, 323-44).

Looked at in this way, judges influenced the distribution of income between workers and owners when they decided whether or not a secondary boycott (union refuses to deal with employer X to induce him to stop dealing with employer Y, with whom the union has a dispute) was legal or illegal. When Congress much later outlawed secondary boycotts, it changed the balance of power between labor and capital. And when judges today decide in doubtful cases whether a particular tactic falls into that category, they are deciding the distributive consequences of the statute.

This example is an easy one, because it is intuitively plausible that there was an open legal question at the end of the nineteenth century about the legality of secondary boycotts, and we are now used to thinking of legislation in the labor/management area as at least partly distributively motivated. It seems plausible to see this as a situation in which the contribution of the judges and the legislature was to deal with a new situation and then work out the implications of the solution (the National Labor Relations Act ban on secondary boycotts).

The problem with this way of looking at it is that it distracts attention from the fact that legislators and judges are responsible for the framework of ground rules within which labor conflict is conducted, including such basic rules as that corporations can “own” factories, that no one “owns” the ocean, that you have no legal obligation to help a starving stranger, that workers can sell their labor and must refrain from taking its product home with them when they have agreed that it will belong to their employer.

Most of the time these ground rules of the system are just assumed, as are the hundreds and hundreds of other articulated rules that it takes to decide what we mean by “owning a factory.” But someone had to decide whether the recognition of employee rights to self-organization in the National Labor Relations Act did or did not imply a right of union organizers to go onto employers’ premises against their

will. In other words, they had to decide whether the property rights of the employer, which most laypeople assume must include as a matter of course a right to exclude trespassers (just like the right of a residential homeowner to exclude trespassers) would or would not trump the right to organize. When the judges decided that under some circumstances the organizer can enter the plant against the employer's will, they potentially altered the distribution of income between the parties.

In the realist analysis, there are two particularly important general categories of rules affecting bargaining strength. The first and more obvious contains the rules governing the conduct of the parties during bargaining. The second is the set of rules that structure the alternatives to remaining in the bargaining situation³.

In the first category are the rules governing strikes, lockouts, picketing, blacklisting, dismissal for union activity, sabotage, boycotts, and so forth. These include both general tort law rules and the rules governing "labor torts" (torts that occur only in labor situations or that have been defined differently in those situations than in situations not involving labor and management). The category also includes the rules about which contracts will be enforced (for example, the rule invalidating individual worker-employer contracts that attempt to supersede a collective bargaining agreement), about remedies for breach of contract (say, limiting the remedy for an unfair labor practice to back pay and an injunction against future violation), and about compulsory contractual terms (say, the incorporation of the Fair Labor Standards Act into collective bargaining agreements).

The second category includes both the rules that influence the availability and desirability of alternative employment and those that influence the possibility and desirability of abandoning employment altogether and taking up either self-sufficiency or self-employment.

Rules Structuring Bargaining Conduct

The legal rules in the first category appear to most observers to be of no more than marginal interest, because it seems obvious that in the negotiation of the division of the joint products of labor the parties' shares are determined by such things as (1) their marginal productivity, meaning that how much they get is proportional to their contribution; (2) the scarcity of what they have to offer, so that they can "hold up" others, who need what they have to offer and can't get it elsewhere; (3) their strategic position, say, in providing a service that's a small part of the total cost but is absolutely indispensable to the whole operation, so it makes sense to avoid large-scale disruption by giving in to what seem disproportionate demands; (4) their bargaining resources, that is, wealth

that allows them to hold out for a long time rather than caving in; (5) allies to help out in the struggle; (6) bargaining skill; (7) crazy intense commitment that makes some people willing to do things that the other party regards as irrational (Nixon's theory in bombing Hanoi). The realist analysis does not deny that all these factors are profoundly significant. Indeed, the analysis takes them as a starting point.

The point is that each has significance in practice only within the framework of legal rules, and the rules affect each factor's "value" to the parties. If you can't strike at all (public employees), the size of the strike fund is irrelevant. If legal rules impose strict requirements on how much training you must give substitute workers before they can take over strikers' jobs, you have less bargaining power than if you can deploy them immediately. If the employer can discharge you for engaging in union activities (supervisory personnel, such as university professors), you won't be able to cooperate with allies with the same effectiveness as you would if you were protected by law from such conduct. And so forth.

The obvious ways in which legal rules structure the bargain, which mostly have to do with acts of aggression by one party against the other, such as strikes and blacklisting, are only the tip of the iceberg. The whole list of factors that we include in bargaining power is subtly constituted by the legal background. The word constituted signals that there wouldn't be a balance of bargaining power in the way we customarily refer to it without a set of ground rules defining what you can and cannot do to the people you are cooperating with in production when the moment comes when you are fighting over the product.

We can imagine enormous variation in the definition of the ground rules. In almost any type of situation, we can imagine modifying them so far in one direction or another that the outcome of struggles in that type of situation will also be dramatically modified. In this sense, law is at least partially responsible for the outcome of every distributive conflict between classes (see Samuels 1973, 342-44).

The first way to grasp this is with a "partial equilibrium" analysis, in which we imagine a bargaining relationship in which all the listed factors are relevant, but all are constant. The parties bargain repeatedly and come up with more or less the same outcome every time. Then imagine changing just one of the relevant background legal rules, say, the rule that an employer can spend money to inform workers of why it opposes their joining a union. Changing the legal rule should, other things being equal, marginally shift bargaining power from employers to workers.

Now imagine changing a very large number of the background rules, all in favor of one of the parties. It is easy to imagine an additive process by

which each rule change modifies the bargaining outcome marginally until it has shifted substantially toward one side at the expense of the other. The outcome is still in one sense determined by the list of factors above (marginal productivity and so forth), but because they play out within a different framework they yield a different outcome.

The Significance of Hale's Analysis

Hale's analysis of the impact of law on distribution has two quite different kinds of significance. First, it suggests a method of analysis of particular legal rules in order to determine their effect on bargaining power and thereby on the distribution of income between whatever groups are concerned³. It seems to me truly extraordinary how little of this kind of analysis gets done by legal academics. But, of course, those who propose legislation, and legislators, and their staffs, do it every day.

It is obvious that one can do a distributive analysis of any set of possible solutions to a legal problem, and do it from the point of view of whatever interest one cares about. It is equally obvious that the answer may be that there is little distributive difference between the alternative rules under discussion. Even rules that seem radically different from the point of view of justice between particular parties may turn out to have little or no impact on any significant question of justice between social groups. But it is no objection to the method that it sometimes reaches this conclusion; indeed it is a strength of the method.

The second significance of Hale's analysis is in a quite different domain: that of the social theory of law. The analysis suggests a theory about the distribution of wealth, income, power, and knowledge in capitalist society. That theory is that law, or rather the legal ground rules that structure bargains between competitive/cooperative groups, plays a larger "causal" role in distribution than it is allotted in either conventional Marxist or conventional liberal accounts.

In conventional Marxist accounts, law plays a minor role because distribution is determined by the "relations of production." There are a capitalist class and a proletariat, defined by their ownership or non-ownership of the means of production. Although these relationships to capital and land have a legal form, that form is merely reflective of an underlying set of material conditions. Once the basic structure is in place -- numerous proletarians bargaining with capitalists from a position of destitution -- the capitalists expropriate the whole joint product except for what is necessary to reproduce the working class. In this model, the kinds of variations in the rules about bargaining that I discussed above have no significance whatsoever.

In the liberal model, law plays a major role in the form of “the rule of law,” a defining element in the liberal conception of a good society. But the content of the background of legal rules is seen to flow either as a matter of logic from regime-defining first principles (rights of bodily security, private property, freedom of contract) or from the will of the people, or from both together in some complex combination. The distributive issue is present, but understood as a matter of legislative intervention (e.g., progressive taxation, labor legislation) to achieve distributive objectives by superimposition on an essentially apolitical private law background.

The mere possibility of doing a distributive analysis of changes in the legal rules does not, of course, establish that they play a larger role than they are generally accorded in these theories, and such an assertion is interesting precisely because it is controversial. I will argue it briefly later on, but it seems a good idea to get a fuller version of the analytic method on the table first.

I will do this by extending the analysis in two directions. One direction is toward complicating the “partial equilibrium” point by adding the dimensions of circular causation, unstable equilibrium, unstable legal background, “crisis”, and rules structuring alternatives to staying in the bargaining situation. The other involves extending the analysis to subjects other than conflict between labor and capital over wages. Before beginning, though, there is a legal realist point that will, I hope, be useful both for the methodological and for the social theoretical agenda.

A basic reason for the invisibility of the distributional consequences of law is that we don’t think of ground rules of permission as ground rules at all, by contrast with ground rules of prohibition. This is Wesley Hohfeld’s insight: the legal order permits as well as prohibits, in the simple-minded sense that it could prohibit, but judges and legislators reject demands from those injured that the injurers be restrained (see Hohfeld 1917; Singer 1988, 482)⁴. For example, in most jurisdictions a homeowner or developer can block the light and air of neighboring buildings with impunity, even though doing so reduces real estate values dramatically and deeply annoys the victims. This is not a “gap” in the law, but a conscious decision that it is better to let builders have their way, and make victims buy them out if they care that much about their view.

Permissions to injure play an enormously important role in economic life, since all competition is legalized injury, as is the strike, the lockout, picketing, the consumer boycott, and the leveraged buyout. Think also of our refusal to impose liability in many cases of non-negligent injury. The invisibility of legal ground rules comes from the fact that when lawmakers do nothing, they appear to have nothing to do with the outcome. But when one thinks that many other forms of injury are prohibited, it becomes clear that

inaction is a policy, and that the law is responsible for the outcome, at least in the abstract sense that the law “could have made it otherwise.”

Within this category of legal permissions, perhaps the most invisible is the decision not to impose a duty to act on a person who is capable of preventing another’s loss or injury or misfortune. Cases in which lawmakers do require action include: obligations of parents to children, teachers to students, contractual partners to one another in some but not all imaginable cases; hospital emergency rooms are required to take in patients, even if they have no money; restaurants are required to act up to various standards in food preparation. It is clear that lawmakers could require almost anything. When they require nothing, it looks as though the law is uninvolved in the situation, though the legal decision not to impose a duty is in another sense the cause of the outcome when one person is allowed to ignore another’s plight (see Hale 1946).

The Hohfeldian insistence on the legal character of permissions allows us to distinguish the realist analysis of distribution from the familiar notion that law has become distributively central, but only as a result of the increasing ordering role of courts and legislatures. It is a long-running cliché that statutes have “proliferated” and that we face a litigation “explosion.” In the realist sense, these developments do not increase the distributive importance of law, but only bring to visibility what was there all along.

Before the regulation of workplace safety, the employer’s legal permission to operate with no other threatened sanctions for dangerous conditions than the possibility of worker job actions, or tort suits for injuries, structured the distribution of welfare just as fully as does a legal prohibition through the Occupational Safety and Health Administration. The law has no greater impact on wages after enactment of a comparable worth statute than it has when it permits employers to set wages according to “supply and demand.”

When lawmakers change lots and lots of background rules in a short time, it looks as though the law itself is playing a larger role than before. When many of those changes shift us from permitting to prohibiting or compensating harm, law is more intrusive, in the sense that injurers more often have to deal with regulators. But the question of intrusiveness is different from that of causal responsibility. Once there is a legal system, the choice of any particular set of background rules is a choice of a set of distributive outcomes, whether achieved through many rules or only a few.

Circular Causation and Unstable Equilibrium

We can go beyond the partial equilibrium framework and recognize that other things are never equal in reality. The various factors that affect bargaining power are changing all the time for all parties, and the changes are

interrelated or mutually interactive. This is the phenomenon of circular causation, or the feedback effect. Sometimes the effects are cumulative, and the system is consequently in unstable equilibrium⁵.

In a situation of circular causation and unstable equilibrium, a small change in one factor initiates a small change in another factor, which “feeds back” or reinforces the first change. This initiates a second change in the second factor, another reaction back, and so forth, until the system restabilizes at a new level that is much further from the starting point than would seem plausible if we looked at the first small change in isolation. For example, a set of plant-specific factors that allow a union to win a single union election by a very small margin might increase union resources for organizing enough to win another election by a small margin, providing yet more organizing resources and starting a “snowball.”

By contrast, a change that looks as though it would substantially increase the union share, if other things remained equal, may bring about a countervailing change in another factor that nullifies the first impact. For example, an increase in the willingness of unions to support each other in secondary boycotts might produce a reaction of public opinion against unions inconveniencing the public that would cancel out the increased leverage from specific boycotts.

The Instability of the Legal Framework

The context of legal rules within which these shifting factors are deployed is itself constantly shifting, not in the sense of our experiment with a deliberate “change” in a preexisting rule, but in the sense of evolution of the existing set of legal rules and materials as new situations arise. It is easy to see that a new bargaining situation, resulting from a change in one of the factors, may provoke new bargaining tactics whose legality or illegality is unclear. For example, can a large union pension fund, on whose viability depend the retirement incomes of the union members, engage in aggressive buying and selling of the stock of an employer with whom the union has a dispute? The question won’t arise unless and until unions acquire pension funds large enough so that the tactic has a chance of success.

It is less obvious but no less important that new tactics whose legality is unclear are constantly invented by smart people looking for ways to modify the balance of power without a change in the intractable, large, general determinants of strength. Legal innovation is built into the system: the parties deliberately confront the courts with the necessity to make new law, because the parties are intensely aware of the significance of the legal background and try to manipulate it. As union pension funds grew, someone had

to come up with the idea of the “corporate campaign.” It didn’t “invent itself,” so to speak.

Finally, the lawmaking process itself is dependent on the balance of forces in the “private” sphere of economic conflict and cooperation. Hale wrote almost nothing on how law is made by legislators, let alone by judges, except to insist that they all make policy choices willy-nilly. He wrote throughout his life as a member of a ruling elite addressing other members of the elite on the subject, first, of how their actions as rulers worked or operated in determining the distribution of income and, second, how they ought to exercise their responsibilities given the description of the world he had developed.

What he has to teach us is that the legal ground rules of economic struggle constitute the economic bargaining power of the combatants. But he was aware that the ground rules are themselves at least in part the product of the conflicts they condition. The process of circular causation works between the private economic system and the public lawmaking system as well as within the economy (see Hale 1952, 541-50; Samuels 1973, 344-54; Kennedy 1973, 383-86).

Thus an increase in labor’s economic power may translate into an increase in legislative power, which may then feed back into further economic gains. Or the increase in economic power may set off a counteracting reduction in legislative power, so that the system restabilizes itself rather than moving through a series of cumulative changes. This is much less obvious but just as true for the judicial process as it is for the legislative.

Crisis

One kind of “crisis” in the relationship between workers and owners occurs when the parties believe that the outcome of a particular bargaining session will initiate a series of changes that will cumulate and bring about much larger changes in rapid succession. The parties believe the system is in unstable equilibrium, at a “tipping” point or “threshold” beyond which the bargaining situation may be “transformed” rather than modified additively or incrementally. One side may end up, when the situation restabilizes, with a much larger and the other side with a much smaller share of the joint product.

In this situation it will seem worthwhile for the parties to mobilize all their resources to control this outcome, whereas within a stable equilibrium situation neither party would have seen the small change as meaning anything at all. Once the parties are mobilized, the outcome may hinge on a very small difference in the comparative force of the parties, as in the classic “for want of a nail ... the kingdom was lost.” Their comparative force is determined by the total set of all

factors contributing to bargaining power, and it makes no sense to attribute the margin of victory to any of these, where they are combined indiscriminately into the force that produces the final result. When you win by one vote, everyone's vote determines the outcome.

In this sort of crisis, small changes in the legal system may have dramatic long-term effects. Where there are many union organizing campaigns going on, and many of them produce close elections won by management, a relatively small change in the rules governing the elections might almost immediately dramatically increase the number of successful union organizing drives, and ultimately significantly modify the distribution of income between workers and owners and between union and nonunion workers.

In a crisis, the parties are particularly likely to devote resources to throwing the established rules into legal doubt, to inventing new tactics whose legal treatment presents a case of first impression, and to mobilizing legislative resources. The basic claims about the legal rules governing bargaining between capital and labor are therefore twofold:

(1) If you went about systematically changing the rules of bargaining behavior that affect an outcome, you could dramatically change that outcome, so that law is a major "cause" of the existing distribution, even if we restrict our focus to situations of stable equilibrium.

(2) In situations of unstable equilibrium, small changes in apparently insignificant legal rules can make the difference between victory and defeat for one side or the other and thereby affect subsequent distributions much more dramatically than seems at first sight compatible with the minor character of the rules and the changes. A rule is sometimes the "nail" for want of which a kingdom is lost.

Sometimes a rule may be plausibly regarded as causal even though the participants never focused on it as something that might have been changed to the advantage of one side or another. But often a crisis evokes behavior that is not easily or unselfconsciously disposed of by the rule, or that spurs people to look for reinterpretation of what seemed clear rules. Then people are aware that lots is at stake.

Rules Structuring Alternatives to the Bargaining Situation

Hale described the second category of legal rules, those structuring the parties' alternatives to remaining in the bargaining situation, as follows:

If the non-owner works for anyone, it is for the purpose of warding off the threat of at least one owner of money to withhold that money from him (with the help of the law). Suppose, now, the worker

were to refuse to yield to the coercion of any employer, but were to choose instead to remain under the legal duty to abstain from the use of any of the money which anyone owns. He must eat. While there is no law against eating in the abstract, there is a law which forbids him to eat any of the food which actually exists in the community -- and that law is the law of property. It can be lifted as to any specific food at the discretion of its owner, but if the owners unanimously refuse to lift the prohibition, the non-owner will starve unless he can himself produce food. And there is every likelihood that the owners will be unanimous in refusing, if he has no money. There is no law to compel them to part with their food for nothing. Unless, then, the non-owner can produce his own food, the law compels him to starve if he has no wages, and compels him to go without wages unless he obeys the behests of some employer. It is the law that coerces him into wage-work under penalty of starvation -- unless he can produce food. Can he? Here again there is no law to prevent the production of food in the abstract; but in every settled country there is a law which forbids him to cultivate any particular piece of ground unless he happens to be an owner. This again is the law of property. And this again will not be likely to be lifted unless he already has money. That way of escape from the law-made dilemma of starvation or obedience is closed to him. It may seem that one way of escape has been overlooked -- the acquisition of money in other ways than by wage-work. Can he not "make money" by selling goods? But here again, things cannot be produced in quantities sufficient to keep him alive, except with the use of elaborate mechanical equipment. To use any such equipment is unlawful, except on the owner's terms. These terms usually include an implied abandonment of any claim of title to the products. In short, if he be not a property owner, the law which forbids him to produce with any of the existing equipment, and the law which forbids him to eat any of the existing food, will be lifted only in case he works for an employer. It is the law of property which coerces people into working for factory owners -- though, as we shall see shortly, the workers can as a rule exert sufficient counter-coercion to limit materially the governing power of the owners (Hale 1923, 472-73).

At first glance, this second version of Hale's assertion of the centrality of law to distribution seems to say no more than that if we had a different system than capitalism, or a system not based on private property, we would have a different distribution of income. Since what we mean by capitalism or by private property is a particular legal regime, then law, in the form of that regime choice, is responsible for the distribution of income that we actually get.

The point Hale emphasized repeatedly was that this particular property regime allows something close to unlimited accumulation of property at one extreme, and something close to absolute destitution at the other. Property rights may be formally the same for all citizens, but given the unequal distribution of “factor endowments” or actual property, Hale argued that:

[T]he law endows some with rights that are more advantageous than those with which it endows others ... It is with these unequal rights that men bargain and exert pressure on one another. These rights give birth to the unequal fruits of bargaining . . . With different rules as to the assignment of property rights, particularly by way of inheritance or government grant, we could have just as strict a protection of each person’s property rights, and just as little governmental interference with freedom of contract, but a very different pattern of economic relationships (Hale 1943, 628).

This seems uncontroversial but also not very interesting, or only historically interesting. To see the modern power of Hale’s insight, we have to follow him in abandoning the one/off all-or-nothing understanding of capitalism and private property. What we have in fact is a “mixed” capitalist system in which (a) nothing like the whole economy is organized in terms of wage labor and the confrontation between worker and capitalist, and (b) property rights are neither “absolute” nor self-defining.

In our system there are well-established alternatives to wage labor, and each has a legal structure that affects how available and desirable it is. Six examples are: (1) welfare; (2) criminal activity; (3) independent petty commerce, from the corner store to the street vendor; (4) the status of franchisee; and (5) independent professional activity, from the therapist, to the real estate broker working on commission, to the “consultant”; and providing household services in a marriage, or equivalent form, in exchange for support.

In Hale’s initial very global analysis, it seems obvious that having “capitalism” or “private property” just plain “means” that a worker can’t compel anyone to give him any money, because he doesn’t “own” that money. So he has to “bribe” someone to release money to him by offering to work for him in exchange. It also seems an obvious consequence of the initial regime choice for capitalism or private property that if he can’t occupy free land or get free access to capital to go into business on his own, the worker will starve.

But as we have seen already, the mere choice of a regime doesn’t settle the thousands of questions that will arise about the ground rules in particular situations. We have private property, but the courts have held that a factory owner must permit various kinds of access to union organizers. Just as legal choice about bargaining conduct and the content of agreements structures the

parties' deployment of power in negotiations, so legal choices about the alternatives to bargaining structure the desirability of the alternatives. Increasing welfare payments reduces the incentive to take unskilled, dead-end jobs. Pervasive licensing of petty commerce (say, driving a taxi), designed perhaps both to guarantee quality and to restrict competition, reduces the bargaining power of wage workers.

Whereas it is generally fairly easy to predict the distributional effect of a change in the rules of bargaining, it is often hard to figure out how improving alternatives affects the parties' power. When marriage and the role of wife-homemaker is a widely available alternative to unskilled labor, the effect may be to make women demand more from their employers to "keep them in the labor market." Or it may be that many women come to see wage labor as temporary or incidental to other obligations and activities, so that they invest less time and energy in securing good terms and conditions for themselves than they would if they saw themselves as committed to the labor market for life. Making divorce easy may increase the bargaining power of women at work by making marriage more desirable, or it may reduce their power by reducing the security available outside the labor market.

However it works out in particular cases, it seems clear that we can extend the partial equilibrium analysis of rule changes to the alternatives to bargaining. In other words, we can imagine the impact of legal rules on bargaining power by imagining small rule changes that make the alternatives more or less desirable, with the indirect effect of making workers more or less willing to settle for what the employer is offering. And we can do the same with the more general analysis that emphasizes the interdependence and changeability of all the factors making up bargaining power. A change in welfare eligibility rules might set off a cumulative series of changes in the low-income job market that would react back to the size of the welfare rolls, cause a crisis, legislative reform, and so on.

To sum up: when people think about what determined the outcome of a conflict over distribution, they tend to ignore the role of law in setting the background conditions of the conflict. As a final example, why was Reagan able to break the Professional Air Traffic Controllers (PATCO) strike of 1981? The factors that we think of first are his choice of a public relations strategy, the "power of the Presidency," the effect on that power of a recent massive electoral victory, the choice of a set of demands by the union, the union's strategic mistakes in dealing with the other airline unions, the availability of substitutes, their role in the production process, the overall state of the economy, and so forth.

If we think of law as having played a significant role, we might focus on the fact that the whole strike was illegal, because federal employees have no right to strike. Because the strike was illegal, it was enjoined, and some union

officials and members went to jail. This may have determined the outcome (although it may also have built striker morale). Then there is the fact that because a public employee strike is not protected under the NLRA, the government can fire all the strikers and permanently replace them. This too may have determined the outcome, even though under the NLRA a private employer can hire temporary replacements for legal strikers, and the fact that the employer doesn't formally "fire" the strikers may make very little difference.

But of course the employer can hire substitute workers only because she or he is "legally privileged" to do so. Suppose a law forbids this practice, so that the employer negotiates from a closed plant. The choice between that hypothetical legal ground rule and the one actually in force plausibly "caused" the outcome of the PATCO strike, in the simple sense that the union might have won the strike under the alternative regime.

Most of the time, the role of legal rules in labor-capital conflict over distributive shares is even less visible than it was in the PATCO strike. There are few occasions on which the police are called in or a party goes to court alleging that the other side is breaking a rule. Law-abidingness is usually a relatively small issue. Usually neither side argues to the legislature or the courts that they should make changes in the ground rules or that they are unclear in important ways. Yet in the legal realist sense, law plays a very large role, because it is easy to imagine changes in legal rules governing the conduct of the parties that would have brought about a different outcome.

Some Objections to the Claim of Pervasiveness of Distributive Impact

When we want to explain why something happened, we look at the options that seemed open to the actors at the time of the conflict, rather than at stable factors that were present before and are expected to be present after. We don't explain the outcome of a strike by looking to the absence of superhuman powers in the strikers, though such powers would have changed the outcome. We assume the legal ground rules are stable, and that what "counts" is the ability of actors to work within them, "bend" them, or get good interpretations "at the margin." Law as ground rules therefore seems uninteresting as a focus of explanation.

Yet even if we remedy this blindness by looking hard at the ground rules, and begin to trace the ways in which they structure bargaining, it does not follow that we will reach the conclusion that law is an important cause of distributions we consider unjust. There are limits to the plausibility of legal explanations of distribution that might lead us to award the causal palm to other factors in the situation.

Limits on the Ability of the Legal System to Affect Behavior

I keep saying that law constitutes bargaining power in the sense that the context of background rules conditions the outcome of conflict. I make this point by showing that changing the legal rules would change the bargaining outcome. But what of the response that the legal system, and the state apparatus in general, including police, prosecutors, judges, hearing officers, and so on, just don't have the capacity to enforce legal rules in the way that would be necessary if we were to make the changes I'm suggesting?

We shouldn't assume that the remedial availability of the legal system is just fixed, so that if a given law is unenforced it is unenforceable. We may be dealing with a covert legal permission, which would often be highly controversial if formalized. Thus the remedies for a worker discharged for union activity are not adequate to assure a realistic person contemplating getting involved in organizing that her employer will have to leave her alone. This looks like one of those situations in which the law is not a factor because it is ineffective. But the legal system could dramatically increase enforcement efforts if those who define the ground rules decided that would be a good idea.

Maybe it wouldn't work. We operate with a weak federal government, inept and unprofessional state government, and local institutions that have shown over and over that they are terrible at affecting behavior, whether it be through local sanitation codes, the collection of taxes, assuring competence among school teachers, or whatever. The law in books is different from the law in action, according to this view, because there is a lot less law in action than law in books.

To the extent the legal system just can't get a deterrent handle on an aspect of social reality, its role in distributional issues is less than it appears to be. But it is easy by focusing on noncompliance to underestimate how much difference ineffectual enforcement makes by comparison with no enforcement at all, or with legalization. The National Labor Relations Board is ineffective at protecting workers from being discharged for exercising their right to organize, but if there were no protection at all there would be a lot more discharges. We shouldn't believe claims about the limits of legal ordering in any particular context until we've tried massive enforcement, and kept it up for long enough to change people's expectations of future enforcement.

Still, the argument for the pervasive causal significance of law in distribution is meant to be more than the tautology that because the legal system could imaginably make anything happen, it is causally responsible for everything that does happen. Limits on effectiveness of law, whether we attribute them to the "nature of bureaucracy" or to "human nature," are limits on the claim that law is causally central.

Social Norms Rather than Legal Rules Are Responsible for Distribution

Another critique of my position goes like this: The legal system deals with extreme cases, and with only a few of those. Most people go through their lives without ever invoking them one way or another. Most men aren't rapists. Most employees never go out on strike. Very few blacks are lynched. Most people pass their whole lives with little or no direct contact with the legal system. So the legal rules governing these behaviors can't possibly be as important in constituting bargaining power as this makes it sound.

It is clear that background rules may be important even if never invoked. The prohibition against murder would have the greatest, not the smallest, impact on everyone's bargaining power vis-à-vis everyone else if the rules against it were successful in completely eliminating murder. So the mere frequency of invocation doesn't mean much.

In another version the objection cuts deeper: it is that the behavior controlled by law should be understood as the violation of widely internalized social norms. If the restraint on rape or union busting or lynching is that people are socialized to have internal inhibitions against them, then law is a mere tidying-up operation. Law is important, because "there has to be some mechanism of social control to deal with deviance," but not "constitutive."

First, the legal system draws its lines in thousands of situations in which there are no deep-seated internalized norms that are the same across the culture, shared by the disputing parties, about what behavior is clearly wrong or crazy. Workers and employers don't assess the legitimacy of tactics in labor disputes from a position of agreement about what, in the absence of legal rules, it would be fair to do to each other. Neither do couples living together, or whites and blacks working out the difference between kidding and racial harassment in bureaucracies like the Federal Bureau of Investigation.

I think it would be possible to make "revolutionary" changes in the distribution of income, wealth, power, and knowledge between social groups by changing only ground rules (without using, say, the tax system), and only ground rules governing areas in which there is normative conflict rather than deeply internalized consensus.

Second, the legal system creates as well as reflects consensus (this is true both of legislation and of adjudication). Its institutional mechanism "legitimizes," in the sense of exercising normative force on the citizenry. Even when we are dealing with very deep-seated norms, like that against intentional killing of another person, the legal system can be an important vehicle of change, as is shown by the example of the evolution of the battered woman's right to kill in self-defense.

My point is only that legal ground rules are more important to distribution than conventional liberal or Marxist accounts have recognized. There are often nondistributive reasons for a rule that would prevent us from changing it in order to modify a particular distribution. When that is the case, it is implausible to hold that rule responsible for the distribution in question. The law forbids murder as an aggressive tactic in labor disputes. But it wouldn't be sensible to figure out what the distribution of income would be if murder were legalized in collective bargaining, and then attribute to law the difference between that distribution and what occurs in fact⁶.

The Importance of Judicial as Opposed to Legislative Lawmaking

After all this, there remains what I suspect is the most important objection to the claim that law is pervasively important in distribution. To some extent, law is simply the medium for popular consensus worked out within a set of democratic procedures. When this is the case, we can plausibly disregard it in analysis, when we are trying to explain a given distribution, in favor of the forces that shape consensus.

For example, if we want to explain the shift in bargaining power between labor and capital during the New Deal, it would seem odd to focus on law as a significant causal factor, as opposed to focusing on Roosevelt's presidential and congressional victories. Although it is true that NLRA affected distribution, it did so as an instrument of the will of a political majority. To the extent that the NLRA still structures distribution, it still does so as an instrument.

This view is complex, as well as intuitively plausible and familiar, and I think quite misleading. My line of critique is legal realist. It is that there is an (often implicit) untenable assumption behind the notion that it is consensus rather than legal institutions that is responsible for distributive outcomes. That assumption is that there is a sharp distinction between legislation (lawmaking) and adjudication (law application), with legislation allocated to democratically elected bodies, and adjudication (including enforcement of the Constitution) to courts. We can therefore dismiss the distributive impact of background rules by referring it to the combination of consensus in legislative lawmaking (subject to constitutional constraints) and judicial adherence to the constraints implicit in the role of adjudicator.

The case for the distributive significance of law turns out to be linked to the realist critique of adjudication. It makes sense for the social theory of law to attribute distributive importance to the background rules just because the above assumptions are wrong. The background rules are largely the responsibility of judges who have made and continue to

make and unmake them without seeing, and without other political actors' seeing, that what they are engaged in is independent decision-making about distribution. From the social theoretical point of view, the background rules are causally significant just because they are made in large part by a group acting politically, but using a technique of rationalization that (a) denies the political component, and (b) justifies limited democratic control of their work.

This is not the place to argue the case that adjudication should be understood as a mystified political activity, or to examine the distributional consequences of doing politics in this rather than in some other way. My purpose here is only to show the link between Hale's analysis of the distributive role of background rules and the more familiar part of the realist project (see Singer 1988, 499-503)⁷. Here are three qualifying remarks.

First, no one involved in academic legal theory believes anything quite so simple as the primal argument that judges apply rather than make law. Indeed, one might say that academic jurisprudence is mainly concerned in showing that there is some attenuated, highly sophisticated judge/legislator distinction that legitimates our form of judicial lawmaking and preserves judges from responsibility for distributive justice in society, without falling into the vulgar error of formalism.

On the other side, the attack on the judge/legislator distinction by the realists and their successors didn't, and didn't need to, deny that much judicial activity is "just" rule-following, or that, for all its sacred-cow status, the rule of law, in the basic sense of judicial independence, is a very good thing, even if judges exercise their independence in a political culture that mystifies their political role and thereby, as a matter of fact, reinforces social injustice of various kinds.

Second, the stakes in the discussion of the judicial role are high because judicial activity has a very large place in the total legal picture. Judges seem to be involved in constant making and remaking of the background rules for distributive conflict. This is most obvious in the case of constitutional law, and particularly the lawmaking activity of the U.S. Supreme Court. Indeed, for several decades we have thought of the Supreme Court as perhaps the single most important institution influencing the structure of distributional conflicts between whites and blacks and between men and women.

The role of the courts in interpreting broad statutes like the Reconstruction Civil Rights Act, the Sherman and Clayton antitrust statutes, the NLRA, modern voting rights laws, and antidiscrimination statutes governing employment and housing is also obviously important. But one of Hale's most basic points was that the very visibility of the role of the courts in these "exceptional" cases tends to obscure the power over distribution they exercise in the course of their "normal," common or garden variety of resolving what looks like purely private civil disputes.

For example, it never occurred to me until I went to law school that the basic ground rules defining property, tort, and contract had no other textual authority behind them than judicial decision. I knew perfectly well that we have a “common law” rather than a “code” system. But I hadn’t really absorbed the idea that this meant there was no other basis for the enforcement of contracts than cases, citing earlier cases, citing earlier cases ... And it hadn’t occurred to me to understand the body of statutory law as a set of ad hoc changes in a complete pre-existing judge-made system presumed “still in effect everywhere except where modified”.

What this means is that judges, not the legislature, typically decide in the first instance whether a new technology or a new resource is “property” or not, whether a new contract clause is enforceable, and so on. In other words, in cases in which it is obvious to everyone that there is a gap, a conflict, or an ambiguity in the system, the judges resolve it.

But it also means that it is up to the judge to decide when to change the rules of the complete preexisting system even in the absence of a gap, conflict or ambiguity. Again, I knew that judges overrule cases, but I had not absorbed the importance of the fact that the rules about when to overrule are judge-made rules. The judges see themselves as empowered to override any rule in the whole system if there are “good legal reasons” for doing so, and good legal reasons include both the notion that the rule was “wrong” or “unjust” from the beginning, and the idea that though it may once have been good, “changing circumstances” “mean” that it is now bad.

Against this background, it should be clear why so much depends on the notion that judges have a well-defined role in settling disputes “according to law.” If, but only if that is the case, we can concede that judges play a major role in setting ground rules and could change the distribution of income dramatically by changing those rules, but still deny that either the judges or the ground rules are “really” that important. To change outcomes, we might imagine, judges would have to violate the “well-defined procedures” that they are supposed to follow in interpreting constitutions and statutes and common law precedents. It’s not very interesting to say that judge-made rules play a major role, if what we mean by judges is people following these procedures, and these procedures determine their rule making.

Third, the social theoretical assertion of the distributive importance of the ground rules of economic struggle is as valid for code as for common law systems. True, in code countries adjudication is far less salient as lawmaking than it is in the United States. It may actually be true (though I doubt it) that legislatures play a larger and judges a smaller role in determining the actual content of law. It is certainly true that judges do not play the counter-majoritarian role that they do here.

But the crucial similarity is that civilian legal culture presupposes a radical difference between the general law of property and contracts, understood as neutral background rules, or as rules derived from regime-defining abstractions, and special legislation (e. g., labor law), understood as distributively motivated. Legal ideologists legitimate distributional outcomes by depoliticizing them, just as they do in the United States. The difference is merely that a sovereign legislature has formally enacted the neutral background, and academic theorists and authorities produce the legitimating discourse, rather than leaving these functions to the judges (see Kennedy 1989).

Hale and Foucault!

It is, I think, instructive to compare Hale's approach to Michel Foucault's. Both start from the more or less categorical rejection of two great traditions: that of classical liberalism, which tended to restate the outcomes of social conflict as voluntary agreements; and that of orthodox Marxism, which tended to restate these same outcomes as the unilateral exercise of the power of capital over labor. Both writers choose power over liberty as a central concept (and in this extend the Marxist tradition), but both reject an understanding of power as unilateral imposition, emphasizing its situational, bilateral, and indeterminate character (and in this extend the liberal tradition).

For Hale, the point is that bargaining power is exercised within an institutional context all of whose elements influence the outcome, but none of which can be said to organize and determine it according to a single logic. "Law" is an element of the context, constitutive of bargaining power, and influential on the outcome, not as a single bloc that directs, but rather as an almost indefinitely long list of particular legal rules, each of which has a part in the strategic calculations of the parties⁸.

Owners coerce workers, deploying their legal right to withhold money unless they are offered labor; but workers coerce owners, deploying their legal right to withhold labor, unless offered money in return. When the bargaining begins, labor threatens to strike, picket or boycott, within the parameters set by the legal system, while capital threatens to lock out, blacklist, and permanently replace, likewise within legal parameters. "Bargaining power" is a complex, odd concept, ultimately a black box referring to all the factors that allowed each party to get so much but no more, within that particular context.

The notion of "power" that Foucault expounds in his (poststructuralist) discussion of "Method" in his *History of Sexuality* has many of the same qualities as Hale's (pragmatist, legal realist, institutionalist) "bargaining power."

Along with the similarities, there are great differences between the approaches of Hale and Foucault. There is, I think, a sense in which Foucault is inferior to Hale, and that is in his presentation of the role of law⁹. There is also a sense in which Foucault is his superior, and that is in his understanding of the pervasive constituting role of power in the “social body.”

Foucault’s totalizing scheme (he quite evidently has one) does not include the market, but rather brackets it. On one side, there is the state, the Law-and-Sovereign nexus. On the other, there are institutions -- the army, the prison, the church, the mental hospital, the medical hospital, the boarding school, the family -- and professions. Foucault criticizes a particular vision of the relationship between these bookends, a vision he sees as shared by liberalism and Marxism. This vision is that citizens either hand over power to the sovereign state, which then uses law to order society, with the issue being the prevention of abuse of state authority (liberalism), or have power expropriated from them by the ruling class (Marxism).

The first problem with this transactional analysis of power is that it overestimates the significance of ordering by the state (or the capitalist class) and underestimates the autonomy of actors in the institutional/professional sector, who do a great deal of “disciplinary” ordering under broad grants of legal authority. They pursue their own agendas of “control, surveillance, prohibition, and constraint” (Foucault 1977, 213). At the same time, private actors endlessly resist not just state ordering but all the other kinds of ordering as well.

Second, the “Law-and-Sovereign” theory overestimates the autonomy of the private actors who delegate power to the state, because it leaves out of account the processes not just of control but also of “subject-creation” that are located in the liminal institutions. In the institutions, professionals of all kinds are busy developing and deploying the “power/knowledge” that creates the particular effect or experience of individual subjectivity characteristic of our societies. For example, Foucault traces our modern understanding of “human” sexuality, an aspect of individuality, to the exercise of pastoral (confessional) power, to the practice of surveillance of boarding school students, and so forth (see Foucault 1978, 17-35). The “modern soul” is “the effect and instrument of a political anatomy” (Foucault 1979, 30), and likewise the “delinquent” (277)¹⁰.

Foucault’s understanding of power might have led him to explore economic life, including institutions like the factory and the firm, and the role

of law in the outcomes of public conflict. He believed that disciplinary power was a “fundamental instrument in the constitution of industrial capitalism” (Foucault 1980, 105). In “The Subject and Power” (1989) he proposes a scheme of dimensions for the study of power that treats the economic as strictly parallel to the specialized institutional domains that mainly interested him. Moreover, he presents laws and legal institutions as elements in power situations without sharply distinguishing them from other elements, such as professional knowledge and disciplinary authority (see Foucault 1989, 792).

But this passage, the closest (so far as I know) that he got to Hale’s analysis, is truly exceptional in Foucault’s work. He almost never focuses on the exercise of power in a bargaining situation in which the bargainers are cooperators in producing a joint product. Negotiation in the shadow of the law is just not part of his project. Neither are strikes, legislative reform movements, the transformation of the material conditions of working-class life, the vulgar category of distribution of income. When he focuses on the family, it is on the control of infantile sexuality, say, rather than the division of housework through a process that includes recrimination, slacking, and explosive anger, all against the background of legal rules as well as the background of disciplines.

Foucault takes, over and over again, the first step across this gap by listing the factory or the workshop as one of the disciplinary institutions¹¹. In *Discipline and Punish* he takes a second step, explicitly linking the development of disciplinary power/knowledge to the accumulation of capital and the modern transformation of the techniques of production: “[T]he two processes -- the accumulation of the men and the accumulation of capital -- cannot be separated; it would not have been possible to solve the problem of accumulation of men without the growth of an apparatus of production capable of both sustaining them and using them; conversely, the techniques that made the cumulative multiplicity of men useful accelerated the accumulation of capital,” and technological change as well (see Foucault 1979, 221, 224-25).

The third step should be to incorporate worker activity and resistance into the story of the factory, and the personal/political battle between men and women into the story of domestic production. Foucault repeatedly insists that there is no power without resistance, never a one-way imposition from above (see Foucault 1978, 92-96; 1979, 26-27; 219, 285-92; 1977, 148-52; 1988, 780-81, 190-95). The outcome of these confrontations is both the distribution of income and wealth between classes through bargaining, and the concrete forms of disciplinary power/knowledge in the presence of resistance. The two kinds of outcomes are related; the distributional outcome affects the forms of power/knowledge, and vice-versa.

To understand both, we need to bring the law back in. We need to bring it back in as rules and enforcement institutions that condition the struggle, in

the mode of Hale. Foucault doesn't do this, perhaps because the factory and marriage play compromised roles in his theory; they are unquestionably "like" the other disciplinary institutions, but at the same time operate under a legal/ideological regime that sharply distinguishes them.

The objects of discipline in the prison, the mental hospital, the barracks, and the school do not yet have, have never had, or have forfeited "normal" contractual capacity and many other rights as well. Workers and wives are supposed to be "free," in the sense of enjoying the "universal" rights of the citizen in a liberal state.

Foucault might have responded that this is a liberal distinction without a difference, that the appearance of bargaining and negotiation, of limits on mutual coercion in the style of Hale, is an illusion; the reality is discipline. There would have been an analogy to Marx's account of worker powerlessness in the first volume of *Capital*. And sometimes this seems to be just what he is doing. The problem is that his critique of legalist mystification of relations of domination applies equally to all disciplinary institutions. He doesn't take seriously the liberal claim that the factory and the suburban bungalow are different from the mental hospital or the barracks.

The disciplines should be regarded as a sort of counter-law. They have the precise role of introducing insuperable asymmetries and excluding reciprocities. First, because discipline creates between individuals a "private" link, which is a relation of constraint entirely different from contractual obligation; the acceptance of a discipline may be underwritten by contract; the way in which it is imposed, the mechanisms it brings into play, the nonreversible subordination of one group of people by another, the "surplus" power that is always fixed on the same side, the inequality of position of the different "partners" in relation to the common regulation, all these distinguish the disciplinary link from the contractual, and make it possible to distort the contractual link systematically from the moment it has as its content a mechanism of discipline. We know, for example, how many real procedures undermine the legal fiction of work contract; workshop discipline is not the least important (Foucault 1979, 222-23).

Foucault's goal is to refute a liberal legalist mystification, along the lines that because the worker-employer relation is contractual it is "free." Fair enough. But the value of Hale is to show that we can recognize the coercive element without ending the analysis there. Every contractual situation involves a different set of legal parameters, there is coercion from both sides, and the possible outcomes are various. Foucault is content to stop as soon as he has debunked the liberal myth, rather than proceeding to develop his own insight that there is worker and feminine agency in modern societies, and conflict and

bargaining, and many kinds of distributions. But then he would have had to produce something that seems unnecessary in a discussion of prisons, barracks, schools, and asylums: an analysis of the intersection of disciplinary with market power.

In "Two Lectures" (1980) one sees how Foucault's attitude toward the market (or toward the general phenomenon of bargaining over joint products) fits with a particular attitude toward law. To begin with, he claims that "the essential function of the discourse and techniques of law has been to efface the domination intrinsic to power," so that "law is the instrument of the domination -- which scarcely needs saying." Foucault aims to show "the extent to which, and the forms in which, law (not simply the rules but the whole complex of apparatuses, institutions and regulations responsible for their application) transmits and puts into motion relations that are not relations of sovereignty, but of domination" (Foucault 1980, 95-96).

But then it turns out that in order to avoid overestimation of the role of the "Law-and-Sovereign" complex, the study of power "should not concern itself with the regulated and legitimate forms of power in their central locations ... On the contrary it should be concerned with power at its extremities, in its ultimate destinations, with those points where it becomes capillary, that is, in its more regional and local forms and institutions" (Foucault 1980, 96). These are "extreme points of its exercise, where it is always less legal in character" (97).

The end point, in "Two Lectures," is Foucault's insistence on a radical discontinuity between legal power and disciplinary power, through which, he asserts, the real ordering of the society is produced piecemeal in its heterogeneous professionally dominated institutions.

But in the seventeenth and eighteenth centuries, we have the production of an important phenomenon, the emergence, or rather the invention, of a new mechanism of power possessed of highly specific procedural techniques, completely novel instruments, quite different apparatuses, and which is also, I believe, absolutely incompatible with the relations of sovereignty ... This type of power is in every respect the antithesis of that mechanism of [legal] power which the theory of sovereignty described or sought to transcribe ... The discourse of discipline has nothing in common with that of law, rule, or sovereign will (106). They are "two absolutely heterogeneous types of discourse" (107).

The relation between the two domains is that "the theory of sovereignty, and the organisation of a legal code centred upon it, have allowed a system of law to be superimposed upon the mechanisms of discipline in such a way as to conceal its actual procedures, the element of domination inherent in its techniques, and to guarantee to everyone, by virtue of the sovereignty of the State, the exercise of his proper sovereign rights" (105). In order for the "effec-

tive exercise of [disciplinary] power to be disguised, a theory of sovereignty was required to make an appearance at the level of the legal apparatus, and to re-emerge in its codes" (106; see also 1979, 221-22).

I don't find Foucault's assertion of "absolute heterogeneity" between legal and disciplinary discourse convincing¹², nor his very tight connection between law and sovereignty, nor his call to fight disciplinary power through "a new form of law, one which must indeed be anti-disciplinarian, but at the same time liberated from the principle of sovereignty" (Foucault 1980, 108). But the first point I want to develop here is that Foucault's totalizing scheme brackets, along with the market, the whole area of legality -- namely, the "private law" rule system that constitutes bargaining situations -- that is crucial to understanding economic (as opposed to disciplinary or sovereign) power. The second point is that Foucault's typical formulation of the role of legal rules in domination effaces legal institutions as loci of power/knowledge in their own right.

As to the first point, Oliver Wendell Holmes criticized the great English positivist John Austin on the ground that he approached law as a "criminalist," meaning that he was obsessively focused on the fact that the sovereign orders or prohibits acts on pain of a sanction. Holmes was much more preoccupied with law as a structure (rules of the game) within which people pursue objectives (see Howe 1963). In this perspective, which became that of the realists, law is important not because it orders in the sense of telling people what to do and not to do, but because "what the courts will do in fact" is an aspect of everyone's calculation of what they can get and get away with in their relationships with other people.

This is the perspective of the student of "private" as opposed to "criminal" law, whose main preoccupation is with how courts and legislatures, by defining and administering contract, tort, and property rules, influence the vast range of conduct that criminal law neither compels nor forbids. For example, the ordering of the workplace through collective bargaining agreements is neither compelled nor forbidden by the criminal law. To regard the sovereign as responsible for a particular agreement, in the sense in which we can say that the sovereign is responsible for attempts to stamp out witchcraft or consensual homosexual intercourse, seems absurd. Yet the whole point of the realist analysis is that the apparently "non-directive" background rules of contract, property, and tort do powerfully influence the social order that emerges from bargaining, even though they neither compel nor forbid that ordering.

Foucault is unmistakably a "criminalist" in his understanding of law, though his goal is to show that law so understood is far less important than European social theorists of the left and right have tended to think. What he is worried about is the misconception that the sovereign is the crucial ordering

agent in the society, using commands and prohibitions to bring about desired patterns of behavior.

The analysis, made in terms of power, must not assume that the sovereignty of the state, the form of the law, or the over-all unity of a domination are given at the outset; rather, these are only the terminal forms power takes ... It seems to me that power must be understood in the first instance as the multiplicity of force relations immanent in the sphere in which they operate ... and lastly, as the strategies in which they take effect, whose general design or institutional crystallization is embodied in the state apparatus, in the formulation of the law, in the various social hegemonies. Power's conditions of possibility ... must not be sought in a central point, in a unique source of sovereignty from which secondary and descendent forms would emanate; it is the moving substrate of force relations...

... It is in this sphere of force relations that we must try to analyze the mechanisms of power. In this way we will escape from the system of Law-and-Sovereign which has captivated political thought for such a long time. And if it is true that Machiavelli was among the few -- and this no doubt was the scandal of his "cynicism" -- who conceived the power of the Prince in terms of force relationships, perhaps we need to go one step further, do without the Prince, and decipher power mechanisms on the basis of a strategy that is immanent in force relationships (Foucault 1978, 92-97).

What is problematic here is that Foucault's critique of the fetishizing of sovereignty has led him to picture law as "only the terminal form" or "crystallization" of processes of power that take place at a distance from legal institutions. This understanding is no doubt superior to the animation of the legal form as something at once rational, authoritative, and all-powerful. But it ignores Hale's insight: that the play of forces that gets crystallized or formulated in a bargain or settlement between parties, or in a legislative compromise, is itself conditioned through and through by a preexisting legal context.

Suppose we want to understand the play of forces between labor and capital or husband and wife as always involving both power and counter-power, power and resistance; and suppose we conceptualize resistance as the "adversary, target, support, or handle in power relations." Then we should see state officials administering legal rules as the instruments of the combatants, and the anticipated outcomes of litigation as part of the context or field within which workers, owners, husbands, and wives pursue their strategies. There may be no new crystallization or "terminal form," but that doesn't mean that law played no role. If there is a new formulation of law, say, the NLRA or a change in

marital rape rules, it will be the end result of the play of power relations. But an earlier crystallization, defining, for example, picketing as a crime, was one of the conditions of that play.

If there is a tendency in the intellectual surround to reduce all social order to the working out of the will of the sovereign, it may be an intelligent first move in analyzing, say, the distribution of power between married couples, to “do without the Prince, and decipher power mechanisms on the basis of a strategy that is immanent in force relationships.” This frees you from the fictions and pious hopes that judges and legislators deploy in explaining legal rules.

But it is only a first step. The formal description of the marital relationship, say, as one in which neither party has legal power to compel any performance other than the provision of support, may give us no clue as to the typical constellations of forces within relationships in the real world. But that doesn’t mean we should ignore the various ways in which the legal context of marital relations affects the bargaining power of the parties. The law of divorce says nothing about who gets to choose a city for a two career family, and yet it may exert a not-so-subtle influence on that choice by empowering one partner to make threats that the other cannot ignore.

My second point is that the images of crystallization and formulation make it seem that the processes of lawmaking that intervene at the end of a social struggle are not only removed but also different in kind from the processes of power in the rest of society. They register and then administer outcomes (while “concealing” and “disguising” them at the level of discourse), rather than transforming them (see Foucault 1980, 105-106). The same view is implicit in Foucault’s presentation of the relationship between legal and disciplinary power through phrases like “law is, in a general way, the instrument of this domination,” or “[t]he system of right, the domain of the law, are permanent agents of these relations of domination, these polymorphous techniques of subjugation” (95-96).

Foucault doesn’t seem to see lawmaking (or judging) as a “praxis” in its own right (see Klare 1979, 123). Because it is a praxis in its own right, it adds or subtracts something. This happens in part through the deployment of power inside lawmaking institutions. We need to bring Foucault’s methodology into the courthouse, so to speak, rather than checking it before we go through the metal-detector.

Again, in fairness to Foucault, his purpose in speaking of “formulation,” “crystallization,” “instruments,” and “agents” of solutions worked out elsewhere is to combat the notion that the content of law flows in a necessary way from the combination of regime-defining abstract premises and technical legal reason-

ing. But in rejecting this notion (easier to do in the United States than in Europe), there is no need to go to the opposite extreme of reducing law to a reflection.

The problematic aspects of Foucault's treatment of law may flow from his complex relationship to Marxism. On the one hand he critiques (deliciously) its pretensions to scientificity and the indeterminacy of totalizing "class interest" analysis (see Foucault 1980, 84-85; 99-101). On the other, he seems to have thought that we have a theory of "exploitation," meaning Marxism, that has more or less solved the problem of understanding the economy. In "Intellectuals and Power" (1977) he says, "We know with reasonable certainty who exploits others, who receives the profits, which people are involved, and we know how these funds are reinvested. But as for power ..." (Foucault 1977, 213). Perhaps we should see him as trying to outdo the Marxist project by completing it rather than by taking on its legal/economic core.

Completing the project by doing for institutional life what Marx did for the economy -- revealing that in institutions, as in the market, results that look like mere consequences of "human nature" in a condition of "freedom" are socially constructed with a vengeance, that is, coerced. Law and legal discourse play superstructural and mystificatory roles in Foucault's disciplinary society analogous to their roles in Marx's political economy¹³.

The disciplinary society that underlies modern capitalism may have had its most nearly perfect expression under communism. "Is it surprising that prisons resemble factories, schools, barracks, hospitals, which all resemble prisons?" (1979, 228) -- is a question addressed to the East as well as the West.

Foucault is also undoing the Marxist project by making an end run around it: given the plurality of centers of disciplinary power, there is and can be no total system logic (though there are over arching tendencies -- such as the development of that kind of power); neither the People (through the democratic state) nor the capitalist class is or could be in charge; the economy certainly doesn't drive the society; "freedom" and "human nature" (species being) as commonly defined by Marxists (and liberals) are incoherent notions. "The man described for us, whom we are invited to free, is already in himself the effect of a subjection much more profound than himself" (Foucault 1979, 30). "[I]t is not that the beautiful totality of the individual is amputated, repressed, altered by our social order, it is rather that the individual is carefully fabricated in it, according to a whole technique of forces and bodies." (217).

But even if Foucault is wrong, and the state is no more the executive committee of the disciplinary than of the capitalist class, his understanding of power relations makes it possible to move beyond Hale once we decide to take law seriously. I mentioned above that Hale seems to me deficient in that he never tried to apply his theory of the impact of law on bargaining power to the legislative or judicial processes.

A second important flaw is his single-minded focus on worker-owner and consumer-producer conflict, to the total neglect of the other “wide ranging cleavages that run through the social body as a whole,” to use Foucault’s phrase. A third is that he writes throughout using the economist’s (even the institutional economist’s) assumption that the actors who fight, bargain and cooperate exist independently of those activities as “subjects” (that is, as autonomous, individual beings) with goals that are just a given of the analysis.

Foucault’s approach has two great strengths. The first is that he sees the play of force as pervading all aspects of social relations, including particularly institutions like the prison, the hospital, and the family, and the domain of sexual activity. The second is that he sees the distribution of power as one of the factors that determines the evolution of human knowledge in one direction rather than another. Power deployed across the whole range of social life shapes the consciousness of people who at any given moment in history pursue what appear to them to be their “freely chosen” or just their “natural” “human” goals through the strategic deployment of that very same power. In short, Foucault adds yet another system of circular causation and stable or unstable equilibrium to those sketched above.