



**David M. Hart, “A Classical Liberal approach to understanding  
Power and Class Conflict in Australia”  
[6 July, 2023]**



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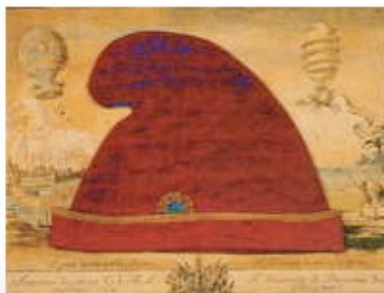
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[Updated: 5 July, 2023]

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2. the 400th anniversary of the birth of Algernon Sidney (1623-1683) whose posthumous work is [Discourses concerning Government \(1698\)](#)
3. the 300th anniversary of the birth of Adam Smith (1723-1790), who wrote [The Wealth of Nations \(1776\)](#) and [The Theory of Moral Sentiments \(1759, 1790\)](#)

<<http://www.davidmhart.com/liberty>>  
<<http://www.davidmhart.com/wordpress>>

# Rurther reading on Classical Liberal Class Analysis

- ❖ on my website <[davidmhart.com/liberty/index.html#clca](http://davidmhart.com/liberty/index.html#clca)>
- ❖ my chapter on “Class” in *The Routledge Companion to Libertarianism*. Edited by Matt Zwolinski and Benjamin Ferguson (Routledge, 2022) , pp. 291-307.
- ❖ a much longer version of which is here: “Libertarian Class Analysis: An Historical Survey” <[davidmhart.com/liberty/ClassAnalysis/HistoricalSurvey/Sept2020draft.html](http://davidmhart.com/liberty/ClassAnalysis/HistoricalSurvey/Sept2020draft.html)>
- ❖ a paper I gave at the 2018 Libertarian Scholars Conference, “Plunderers, Parasites, and Plutocrats: Some Reflections on the Rise and Fall and Rise and Fall of Classical Liberal Class Analysis” <[davidmhart.com/liberty/Papers/Plunderers/DMH-PPP-Oct2018.html](http://davidmhart.com/liberty/Papers/Plunderers/DMH-PPP-Oct2018.html)>
- ❖ the book I co-edited of a collection of texts in classical liberal and libertarian class analysis, *Social Class and State Power: Exploring an Alternative Radical Tradition*, ed. David M. Hart, Gary Chartier, Ross Miller Kenyon, and Roderick T. Long (Palgrave Macmillan, 2018).

# A Classical Liberal Theory of Class

- ❖ Some historic caricatures of class and government power
- ❖ Key ideas behind a CL theory of class
- ❖ A schematic depiction of power and class in society today
- ❖ What this means for Australia

1. Some historic caricatures of class and government power



THE BRITISH ATLAS, or John Bull supporting the Peace Establishment.

James Gillray, "The British Atlas, or John Bull supporting the Peace Establishment" (1816)



**Honoré Daumier, "Gargantua" (1831)  
[King Louis Philippe as a "Tax Eater"]**



**(Unknown artist), "John Bull as Gulliver" (1835)  
[John Wade, *The Black Book: An Exposition of Abuses in Church and State, Courts of Law, Municipal Corporations, and Public Companies* (1835)]**



## 2. The Key Ideas behind Classical Liberal Class Analysis

# “The Key Ideas behind Classical Liberal Class Analysis”

1. people have interests and goals
2. people associate to pursue these interests and goals
3. there are two ways to acquire “stuff”
4. the state is the organisation of the political means
5. the creation of two classes
6. antagonism and rivalry between/within these classes
7. the evolution of wealth creation and class structure  
over time

1. every individual has interests  
and goals

2. people associate with others in order to better pursue their interests and to achieve their goals

### 3. there are two mutually exclusive ways in which wealth can be acquired

- ❖ either by non-violent production and exchange (the “economic means of acquiring wealth”),
- ❖ or the use of violence and coercion to take what others have produced and created (“the political means”)

4. the state is the “organization and institutionalization of the “political means” of acquiring wealth and pursuing its members goals

## 5. this creates two “classes” within society

- ❖ those who use “the economic means” to acquire wealth and pursue their goals and who constitute the productive, exploited (plundered) class, or “the ruled”;
- ❖ those who use “the political means” to acquire wealth and pursue their goals and who constitute the unproductive, exploiting (plundering) class, or “the rulers.”

## 6. these two classes are in an antagonistic relationship

- ❖ between each other as the rulers try to keep or expand their power and the ruled try to keep as much stuff of theirs as possible
- ❖ within the ruling class as rival groups / factions jostle for dominance / control



## 7. the class structure of our society has evolved over centuries

- ❖ as the means of production of wealth has changed and
- ❖ as the particular groups which control the state have also changed

3. *A schematic depiction of power and class in society today*

# “A Taxonomy of Class Structure in the Modern Welfare/Administrative State”

1. **The Sovereign Power**
2. **The Ruling Elite**
3. **The Political Class**
4. **The Bureaucratic or Functionary Class**
  - ❖ Force Wielding Institutions
  - ❖ The Welfare State
  - ❖ The Regulatory State
5. **The Plutocratic or “Crony Capitalist” Class**
6. **State Privileged or Dependent Firms & their Employees**
  - ❖ State Owned Firms
  - ❖ State Privileged Firms
  - ❖ State Dependent Firms
7. **The Dependent Class**
8. **Net Tax Payers (NTP)**

# The Pyramid of State Power - Simplified

[Dr. David M. Hart, July 2023]

Taxes Coercion



The Ruling Elite



Net Tax Receivers



**SOVEREIGN & CLOSE ADVISORS**

**FINANCIAL, BUSINESS, & SECURITY ELITES**

**PARLIAMENT/CONGRESS - PARTY LEADERS**

**PARLIAMENT/CONGRESS - ORDINARY MEMBERS**

**MILITARY, INTELLIGENCE, & POLICE POWER**

**STATE FUNCTIONARIES & EMPLOYEES**

**EMPLOYEES OF FIRMS WITH STATE CONTRACTS/PRIVILEGES**

**DEPENDENT CLASS**

**NET TAX PAYERS - INDIVIDUALS & FIRMS**



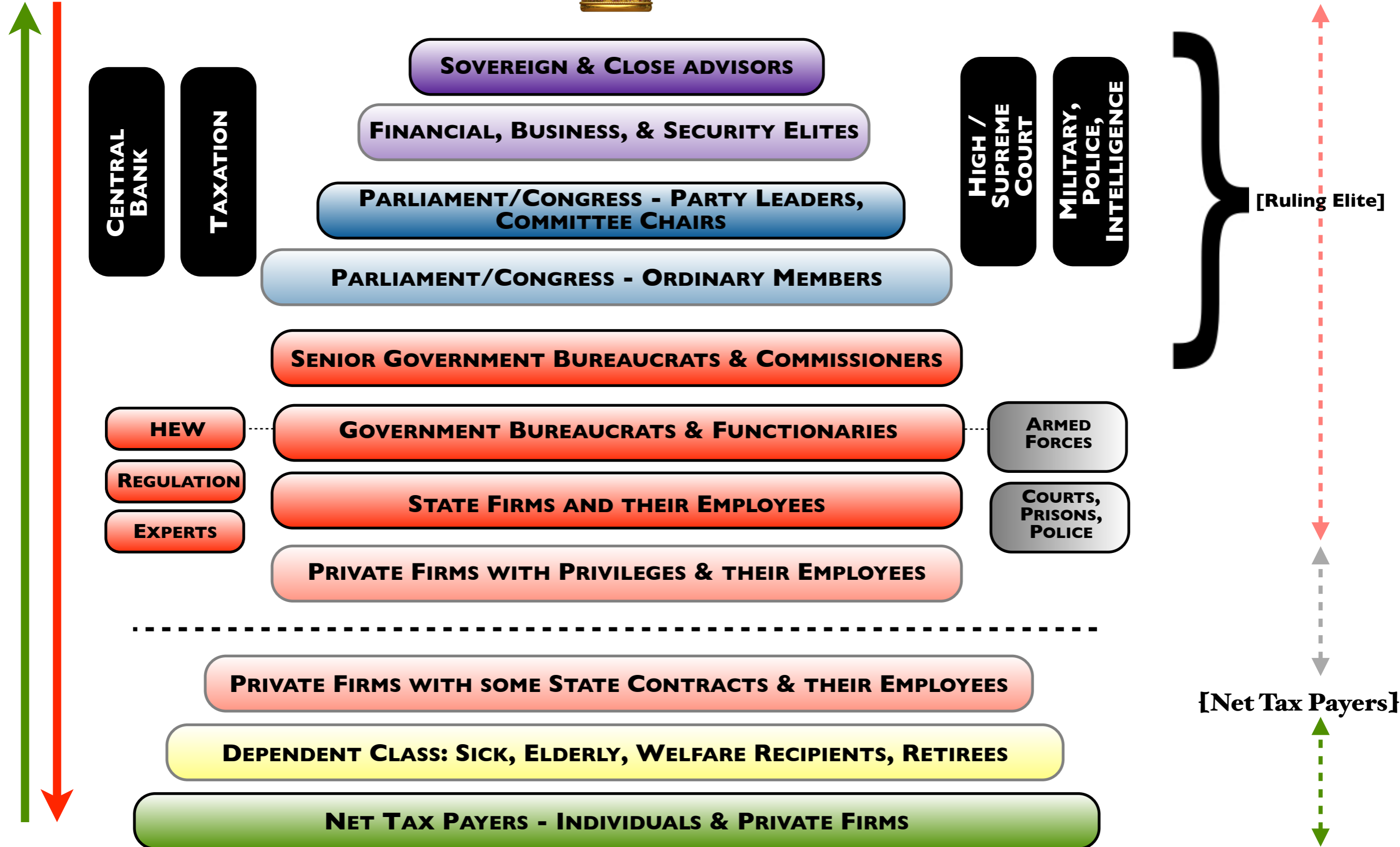
Net Tax Payers

# THE PYRAMID OF STATE POWER & CLASS IN THE WELFARE/ADMINISTRATIVE STATE



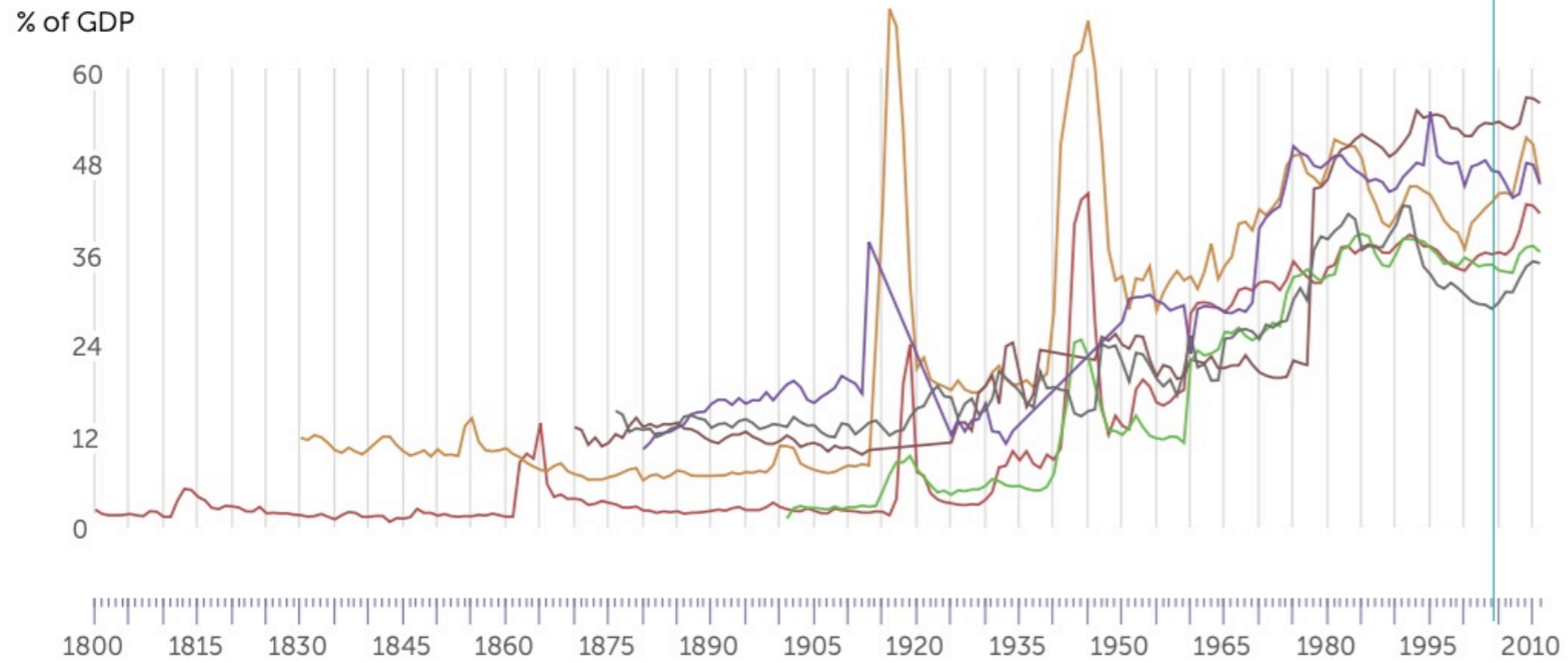
Taxes/Coercion  
and Spending

[Net Tax Receivers]



## 4. What this means for Australia

### TREND (1800-2011)



### SELECTION (2011)

United States	41.45
United Kingdom	45.34
France	56.02
Australia	36.37
Germany	45.33
New Zealand	34.88

ADD AN ITEM TO THE CHART

RESET

**Government Spending as % of GDP - Group of 6  
(International Monetary Fund)**

## List of countries by public sector size (selection)

Norway	35.6%
Singapore	32.0%
France	28.0%
UK	21.5%
Australia	20.4%
USA	17.6% <small>(Mercatus 19%)</small>
Germany	15.3%
NZ	13.4%

Wikipedia <[https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_public\\_sector\\_size](https://en.wikipedia.org/wiki/List_of_countries_by_public_sector_size)>



## Australian Public Sector: Key Statistics

	Employees June 2021	Cash wages and salaries 2020-21
Commonwealth Government	247,600	\$23,133.8 m.
State Government	1,662,400	\$145,644.9 m.
Local Government	190,800	\$14,161.7 m.
<b>Total Public Sector</b>	<b>2,100,800</b>	<b>\$182,940.4 m.</b>

**“Employment and Earnings, Public Sector, Australia (2020-21 FY)”  
Australian Bureau of Statistics**

## Public sector employees and cash wages and salaries (by industry)

	Employees		Cash wages and salaries	
	June '000	June 2021 '000	2019-20 \$m	2020-21 \$m
Electricity, gas, water and waste services	50.5	51.4	5,694.0	6,078.0
Construction	6.2	6.4	612.2	714.5
Transport, postal and warehousing	80.1	79.1	7,532.8	7,787.8
Information media and telecommunications	16.5	15.5	1,718.6	1,755.3
Financial and insurance services	14.0	14.9	1,703.2	1,852.0
Rental, hiring and real estate services	4.9	2.6	461.0	271.5
Professional, scientific and technical Services	26.6	28.2	2,664.9	2,846.2
Public administration and safety	637.4	659.8	56,520.3	59,521.7
Education and training	634.0	641.1	47,904.7	49,677.8
Health care and social assistance	543.3	570.8	47,220.0	50,239.4
Arts and recreation services	14.9	18.3	1,135.9	1,162.2
Other industries(a)	13.5	12.7	1,160.7	1,033.9
<b>All industries</b>	<b>2,041.9</b>	<b>2,100.8</b>	<b>174,328.2</b>	<b>182,940.4</b>

(a) Includes Agriculture, forestry and fishing, Mining, Manufacturing, Wholesale trade, Retail trade, Accommodation and food services, Administrative and support services and Other services.

**“Employment and Earnings, Public Sector, Australia (2020-21 FY)”**  
**Australian Bureau of Statistics**

# Australian Government Organisations Register (AGOR) - Key Statistics Tables

Updated: This is the 31/03/2022 AGOR statistical snapshot representing the total number of bodies in existence at that time.

## A. Body Classification and Governance Types Statistics

### 1. Count by Portfolios by Classification:

Portfolio	Principal	Secondary	Other-Body	Total	Percentage
Agriculture, Water and the Environment	14	136	13	163	12.5%
Attorney-General's	21	28	1	50	3.8%
Defence	12	40	6	58	4.4%
Education, Skills and Employment	7	28	12	47	3.6%
Finance	7	13	189	209	16.0%
Foreign Affairs and Trade	6	31		37	2.8%
Health	19	93	18	130	10.0%
Home Affairs	7	40	2	49	3.8%
Industry, Science, Energy and Resources	12	55	50	117	9.0%
Infrastructure, Transport, Regional Development and Communications	30	87	92	209	16.0%
Parliamentary Departments	4			4	0.3%
Prime Minister and Cabinet	22	28	54	104	8.0%
Social Services	6	14	2	22	1.7%
Treasury	18	59	3	80	6.1%
Veterans' Affairs (part of the Defence Portfolio)	2	25		27	2.1%
<b>Total</b>	<b>187</b>	<b>677</b>	<b>442</b>	<b>1,306</b>	<b>100%</b>

**Australian Government Organisations Register (AGOR) summary  
(31/03/2022)**

**2. Count of Body by Governance Type and Classification:**

<b>Governance Type</b>	<b>Total</b>	<b>Total Classification</b>	
A. Non Corporate Commonwealth Entity	98		
B. Corporate Commonwealth Entity	71		
C. Commonwealth Company	18	<b>187</b>	Principal Bodies
D. Advisory Body - Policy and Stakeholder Consultation	284		
E. Statutory Office Holder Offices and Committees	224		
F. Non-Statutory Function with Separate Branding	34		
G. Ministerial Councils and Related Bodies including those Established by the COAG	59		
H. Inter Jurisdictional and International Bodies	76	<b>677</b>	Secondary Bodies
I. Subsidiaries of Corporate Commonwealth Entities and Commonwealth Companies	118		
J. Joint Ventures, Partnerships and Interests in Other Companies	234		
K. National Law Bodies	26		
L. Bodies Linked to the Australian Government through Statutory Contracts Agreements and Delegations	64	<b>442</b>	Other Bodies
<b>Total</b>	<b>1,306</b>		

**Australian Government Organisations Register (AGOR) summary  
(31/03/2022)**

## NSW Government Structure - Departments (Wikipedia)

Department	Employees
Treasury	784
Ministry of Health	127,156
Department of Transport	11,875
Department of Regional NSW	3,067
Department of Premier and Cabinet	834
Department of Planning and	
Department of Enterprise, Investment	
Department of Education	99,702
Department of Customer Service	5,345
Department of Communities and	22,903
<b>Total</b>	<b>271,666</b>

**NSW  
Government  
Structure -  
Executive  
Agency  
(Wikipedia)**

Agency	Employees
Art Gallery of New South Wales Trust	266
Australian Museum Trust	346
Create NSW	
Crown Solicitor's Office	443
Destination NSW	199
Fire & Rescue NSW	15,589
Greater Sydney Commission	82
Health Professional Councils Authority	186
Infrastructure NSW	158
Investment NSW	
Library Council of New South Wales	297
Local Land Services	956
Mental Health Commission	303
Multicultural NSW	67
Natural Resources Commission	33
NSW Institute of Sport	90
NSW Rural Fire Service	936
NSW State Emergency Service	365
Office of Sport	368
Parliamentary Counsel's Office	74
Museum of Applied Arts and Sciences	281
Resilience NSW	105
SAS Trustee Corporation	32
Service NSW	3,433
State Archives and Records Authority	
Sydney Opera House Trust	499
Venues NSW	
Western Parkland City Authority	29
<b>Total</b>	<b>25,137</b>

## NSW Government Structure - Separate Agencies (Wikipedia)

Agency	Employees
Environment Protection Authority	586
Greyhound Welfare and Integrity Commission	84
Health Care Complaints Commission	125
Independent Liquor and Gaming Authority	
Independent Pricing and Regulatory Tribunal	
Information and Privacy Commission	34
Inspector of the Law Enforcement Conduct	1
Law Enforcement Conduct Commission	2
Legal Aid Commission of New South Wales	1,440
New South Wales Crime Commission	121
New South Wales Electoral Commission	165
NSW Education Standards Authority	437
Office of the Children's Guardian	219
Office of the Director of Public Prosecutions	141
Office of the Independent Planning Commission	15
Ombudsman	122
Public Service Commission	144
Technical & Further Education Commission	10,599
<b>Total</b>	<b>14,235</b>

## NSW Government Structure - Statutory State-owned corporations (Wikipedia)

Agency	Employees
Essential Energy	3,044
Forestry Corporation	549
Hunter Water Corporation	485
Landcom	
Port Authority of New South Wales	361
Sydney Water	2,939
Transport Asset Holding Entity	
WaterNSW	958
<b>Total</b>	<b>8,336</b>



## NSW Government Structure - Other Agencies (Wikipedia)

Agency	Employees
Audit Office of NSW	284
Health Service	127,156
Independent Commission Against Corruption	118
Judicial Commission	32
Parliament of New South Wales	51
NSW Police Force	21,879
Teaching Service	99,702
Transport Service	13,645
<b>Total</b>	<b>262,867</b>

## NSW Government Structure - Universities (Wikipedia)

Agency	Employees
Charles Sturt University	2,190
Macquarie University	3,737
University of New England	1,408
University of New South Wales	7,230
University of Newcastle	2,859
Southern Cross University	914
University of Sydney	8,531
University of Technology, Sydney	3,888
Western Sydney University	3,510
University of Wollongong	2,971
<b>Total</b>	<b>37,238</b>

# MERRIE MELODIES

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"That's all folks!"

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