Critical Political Economy

Lecture 5

The Labour Market and Production

For Marx the military metaphor of the 'industrial army of labour' was used in his analysis of the labour market.

Brings out the conflictual nature of capitalist social relations
Occasionally used by orthodoxy Benjamin and Kochin, Shapiro and Stiglitz, but usually just unemployment

Basic theory

1. Unemployment is systemic and can't be avoided in CMP
   Periodic crises require IRA >>> expansion
   Replenished through crises, capital accumulation increases OCC
   Absolute mass of IRA rises with capital accumulation

2. IRA functions by regulating wages and other benefits over the course of the cycle
   Debate over its long run effect on real wages
   Workers accept jobs on lower pay
   Reduces trade union power
   It is the weapon of class struggle

3. IRA helps to enforce the pace of work
   Threat of job loss
   Uneven in its impact however

2 and 3 together mean the IRA is the regulator of the wage relation. NB regulatory functions are not reducible to individualistic conflict. Need to see in class terms

3. Marx distinguished groups: prominent in different time and places
   Floating
   Latent
   Stagnant
   Strata of the reserve army, but no theory of why particular groups fall into the IRA.
   Similar to later argument of hysteresis!

Note that the IRA is a stock of workers with continual flows in and out. Accumulation both increases flows to and from.

See diagram

Long run Factors

When Marx wrote agriculture was very important
   - Technology and industrial change were taking place
   - Changing participation saw increases in women and children working
Technology was labour saving
Accumulation offset shed of labour by machine production
But effect dependent on OCC
Prediction of increasing IRA rejected by historical trends
Slowdown from agriculture
Government legislation - Factory Act
TP not labour saving in aggregate

Wages

Commonly held view that the IRA role is to decrease wages to subsistence
NB value of labour power is independent of market conditions and is equal to the value of commodities necessary to produce and reproduce labour power
>>nothing to do with supply and demand
>> there is a long run equilibrium wage defined in prices of production which is determined in the process of circulation
>>> market wage circulates round it and is affected by demand and supply

see Francis Green article in CJE

Marx's view changed from an iron law of wages to a subsistence level that would increase over time.

For Marx increase in the real wage rate was because of increases in productivity, a decrease in the value of labour power, even though the wage in the price system is constant or falling

There are moral and historical elements in the value of labour power, it is not a purely economic concept. Although there is a physical minimum to the value of labour power, the moral/social/political considerations are flexible and it is this that increases over time

Have to ask how an economy gets wages to subsistence to get profits made.
For Malthus and Ricardo it was population
For Marx it was the IRA (argue Sweezy and Dobb) that pushes wages to subsistence level equal to the value of labour power

But there is confusion: wages in the price system are not equal to value of labour power

For Marx profits and surplus value is guaranteed by the system, otherwise it would collapse. Crisis leads to new accumulation and the IRA is one aspect of dynamics. Marx saw movement of wages determined by IRA but cyclical variations around a trend -see Junankar

Marx argued against the role of population, as it take too long to act. He saw an important role of actors in bargaining such as unions to effect wages

Misery
Some argue that Marx argues that wages are driven to subsistence, but he argues about increasing misery and attacking the whole wage system. NB Marx rejected calls for equal pay
CMP>>> increase e by decreasing labour power, increasing intensity of production, decreasing bargaining power and most of all increasing alienation.
The Labour Process

Marxist analysis of the labour process and the debates it created have had a considerable impact on sociology, industrial relations and human resource management.

Marx identified elements of the labour process independent of social formation - general preconditions for production:
1. purposeful activity of man directed to work
2. object on which work is performed
3. instruments of the work

The last two are the means of production.

The specific nature of production under capitalism:
- Production for exchange: absolute and relative surplus value
- Accumulation >>> subordination of labour
- CMP revolutionised the means of production and the relations of production
- Competition >>> continual change
- Increasing intensity of work

Cottage >>> Workshops >>> large scale industry (a process well documented by Marx)
Labour process >>> increasing direct control over production
Co-operation >>> Manufacture >>> Large scale industry

Division of labour:
- workshops - attacks on guilds
- Babbage: dividing tasks
- Deskilling
- Reduction in autonomy

There was considerable resistance

Manufacture >>> large scale: Labour process transformed by science and Machinery trying to cheapen labour and increase s
Creation of machines by machines
- Increase in productivity: alienation
- Intensification of labour: alienation
- Homogenisation of labour: deskilling; increasing participation

But conflict

Accumulation >>> concentration and socialisation of labour: contradiction: free individual labour becomes concentrated wage labour and competition leading to monopoly.

Braverman

Renewal of Marx's categories in early 1970.

Provided an explanation of dominants trends in work this century. Had started as a copper beater and seen deskilling at first hand.

Concern with the degradation of work and alienation.

Emphasises
1. Necessity for capital to realise the potential of purchased labour power by
transforming it into labour under control >>> alienation

2. Origins of management >> ways of imposing employers will within a new social relations of production different in kind and scope to what existed before

3. A division of labour based on systematic subdivision of work -rather than crafts- is generalised only under capitalism.

Baverman uses Marx's concepts but shows that more recent development increased the possibilities for deskilling and provided more scope for managerial control, than when Marx was writing

**Taylorism:** see also Marglin "What Bosses do"

Explicit recognition that general managerial setting of task order and discipline insufficient even within the factory system identified by Marx. Machinery alone was not reliable

Taylor >>> gather information and knowledge possessed by the workers and reduce it to rule and laws, with individual incentive schemes. Remove the brain work form the shop floor and remove the craft knowledge which give the worker power.

Separate conception from execution

Deskilling leads to weaker position for worker >>> homogenisation of labour

Taylorism extended from simple to complex production processes and from blue collar to white collar over the years

Taylorism coincided with technical advance, mechanisation and scientific revolution post WW2. A system in the US with state intervention in R&D and planning -through the defence sector.

Intensive/ sophisticated machines incorporated within a management effort to dissolve the labour process as a process conducted by the worker and reconstitute it as process conducted by the management.

This adds the concept of motion to time study

Deepened the trend to deskilling; task fragmentation; emergence of the assembly line

**Fordism**

Innovated and extended Taylorism

- Controlled pace of work directly
- Controlled movement
- Deskilled labour

Braverman linked this with monopoly Capital view

- Effect on family life through the commoditification of social life
- Growth of the service sector
- Changing structure of classes

Considerable debate sparked off by Braverman over point of substance and detail.

**Important developments**
Important developments in the debate where attempts to typify a particular period as Fordist and to argue that there is a "Post Fordism". Linked in with crisis theory.

Number of strands:

1. French Regulation School: structures of accumulation: Aglietta, Lipietz etc…
2. American Social Structures of Accumulation School: accords between labour and capital: Bowles, Gintis, Gordon, Weisskopf etc…
3. Flexible Specialisation: Argue mass production of Fordism has given way to flexible specialisation, which represents a fundamental change in CMP. Allows the potential to improve work and control, with small firms, industrial districts etc competing with MNCs