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Symposium Introduction

The Trouble with Labour

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Guest Editors

Every commodity has its peculiarities. However, to the extent that labour is a commodity, its characteristics are arguably, in a league of their own. At the Constitutional Convention of 1878 Benjamin Franklin pinned down the essence of these peculiarities, with reference to slave labour, with the quip: *'Other cargoes do not rebel'*.[1] He could have added that other cargoes may leak, radiate, explode or simply entail significant logistical challenges relating to their transport, transfer and use. They may be troublesome, but they never *rebel* against their owner.

The emergence of capitalism represented a great change in labour relations. Successive waves of commodification emancipated bonded labour and turned societies that featured some markets (including markets for slaves) into fully fledged market societies. Vibrant markets for the *labour services* of free men and women underpinned exponential economic growth. The *labour contract* had arrived and humanity's productive capacities were enhanced immeasurably. And yet it is questionable whether feudalism's receding tide left behind a labour market which works, even approximately, like other markets. Whether the market for labour actually is a market, and whether it works like the market for coal, are questions that have found their way into the policy domain, notable in view of the ILO's pronouncement (1919) that *labour is not a commodity*.

To many, the ILO's policy statement that labour is *not* a mere commodity seems, understandably, self evident. Unlike commodities, the labour units for hire must, uniquely, remain physically attached to their 'seller' during the period it takes the 'buyer' to use them up. Thus, labour remains the only 'commodity' with a mind of its own; with a consciousness that its buyer can never fully tame because of its obligatory attachment to the seller. While the *ghost in the machine* is a metaphorical anthropomorphism by which to declare our puzzlement with our own artefacts, labour power is possessed by its seller in the most real and enduring manner. Once 'purchased', or more precisely hired, a grid of social relations between its individuated units, and also between them and their buyer, continually determine the buyer's utility from the purchase (see also Biernacki 1994).

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Characteristics distinguishing labour from commodities include agency, group identity and actions which challenge the notion of the workplace as a realm of consensual or pure exchanges (Thompson and Ackroyd 1995). Collective action, individual resistance to managerial imperatives, the links between productivity and workplace norms; these are all reasons to think of labour as an inalienable resource; an activity that combines, without conflating, work and labour, cooperation and resistance, constrained freedom and the opportunity to develop.[2] The value of labour is, therefore, derived not simply in relation to economic factors but also cultural, political and legal concerns (Orren 1991; Deakin and Wilkinson 2005).

Nonetheless, despite the obvious arguments distinguishing labour power from other commodities, many economists resist such a distinction passionately. And since the influence of economics on public debate, not to mention government policy, is ubiquitous, it is important to re-visit this question, asking: Why does labour's distinctive character warrant a serious examination? Does it matter whether it is ontologically a commodity, akin to for instance electrical power, or whether it is in a category of its own, a special resource? The idea behind the workshop that led to this special issue is that the mere possibility of an affirmative answer to these questions renders them important. It is an idea which, we believe, grew in pertinence with the events of 2008 and beyond.

As the papers in this issue were being prepared, the world was shocking itself in a manner not seen since 1929. The credit crunch of 2008, which spawned a global recession that is still reverberating, caused the greatest monetary and fiscal injection the world has seen. It has also caused a major rethink about the regulation of financial markets,[3] which, nevertheless, is being conducted as if financial markets are somehow fundamentally different from labour markets. It is our view that this segregation must end and that a good place to start in order to combine the ongoing discussion of financial regulation with that of labour market regulation is the nature of labour. Indeed, labour's vexing peculiarity, and the manner in which it is managed, may, after all, prove an important missing link in the contemporary mindset regarding the post-2008 consensus on capital, labour and democratic politics.

Prior to 2008, two central ideas were the pillars on which conventional wisdom rested: *First*, that the financial markets, banking on the wonders of financial engineering, had found a way to bestow increasing prosperity upon the nations with the courage and foresight to free capital from all bonds and all impediments, save for a fig-leaf of regulatory constraints to be honoured more in the breach than in the observance. *Second*, to shore up the unimpeded growth promised by the brave new global world of financialisation, labour markets had to be kept just as unregulated, flexible, and unsullied by 'extra-economic' interferences.

Of these two pillars, the first was washed away by the torrent of 2008. However, the second pillar, as recent events in Europe suggest, seems utterly unaffected. Governments, central banks, the IMF, the OECD etc. advocate in the same breath more regulation for the financial sector and more de-regulation for the labour market. Is this a wise prescription for a world struggling against a recession?

The basic underpinning of this prescription is that finance is not really like other commodity markets; at least since financial engineering spawned complex instruments which allow for unsustainable debt to be marketed as real wealth. Because of the slipperiness of the new financial products, and the fact that their prices can no longer be trusted to reflect their underlying value, financial institutions ought to be regulated, especially when they have become too big to fail. In contrast, this line of argument suggests, labour remains a commodity like all others and its price must be allowed to respond freely to the oscillations of demand and supply. Thus, de-regulation remains the order of the day when it comes to labour but not to financial services (see Lapavitsas et al 2010: Section 3).

With standard commodities, like apples and electricity generators, things are simple: If a commodity is not scarce, it can have no value; its price must be zero. If its price is *not* zero, it must be scarce and, therefore, in *equilibrium* there can be no unsold units of that commodity. Prices adjust to a level that: (a) eliminates excess supply, and (b) reflects relative scarcity or value. Assuming that labour is a standard *commodity*, workers wishing to find work at the prevailing wage (or slightly below it) should be able to do so. As for the wage, it reflects the relative scarcity of labour resources. If this is not what we observe, then 'something' alien to market forces must have interfered, producing involuntary unemployment as one of many deleterious effects. The solution cannot be to interfere even more; to add crime to crime in a misguided bid to restore 'innocence' and the 'natural order' of things. The only remedy must, surely, be to remove that exogenous 'something': the extra-economic interferences and their resulting inflexibilities.

The key to the truth of the above lies with the two italicised words: *commodity* and *equilibrium*. The objections to this powerful argument turn on them. **Objection 1** is the oldest and can be traced to the writings of the classical political economists who thought that, despite its many *commodity-like features*, labour differs substantially from standard commodities and, hence, labour markets do not function like those for apples and electricity generators. **Objection 2** is more general and questions whether a drop in the price of *any* commodity (produced and purveyed in a multi-commodity capitalist economy) can guarantee that demand for it will eventually match the produced supply as long as 'the (new) price is right'.

The articles in this symposium build on the traditional critiques of labour's commodity status and provide fresh theoretical and empirical insights. Additionally, they make a subtle case for re-thinking labour market policies in light of the post-2008 debates on financial market policies. It is time, we believe, to wonder analytically whether the GFC (the Global Financial Crisis) suggests that labour has more in common with finance than with electricity generators or coal; i.e. that, just as finance has belatedly been re-conceptualised as a 'resource' with characteristics differentiating it sufficiently from standard commodities to warrant scepticism on the merits of de-regulated financial markets (see Barth et al 2008, and Hahn 2009), labour too, and the peculiar market in which it is traded, ought to be similarly re-examined.

The papers in this collection aspire to offer a prelude to such a re-examination. The first three papers are on the political economics of labour while the remaining four papers cross from the realm of abstract analysis to more applied analyses of labour-in-action. **Nicholas Theocarakis** looks back to the evolution of the concept of labour from the Ancient Greek and Roman world (whose contempt for work impeded the development of any substantive economic theory of value) to the classical political economics of Adam Smith, David Ricardo and Karl Marx and then traces the emergence of the currently dominant neoclassical approach. His contribution from the past to the present, expunges all ambition to illuminate the parts of labour markets which simplistic demand and supply considerations cannot reach. **Tony Aspromourgos** reviews Adam Smith's ambiguous approach to labour (which oscillates between treating it as another commodity and alluding to features that no commodity can have) which he projects against the background of Smith's commitment to real improvements in the workers' living standards. **Dick Bryan** begins with Marx's insight that labour's dual nature (which may explain labour's unique peculiarity) is the source of profit. He builds on this analysis by arguing that, in the era of financialisation, labour's departure from standard commodity status has turned workers into entrepreneurs, with detrimental effects for the stability of the capitalist system as a whole.

The remaining four papers in the symposium question the completeness with which labour power has escaped its commodity status, and illustrate the ambiguous nature of workers' 'freedom'. **John Shields and David Grant** shift our focus from the market to the firm, highlighting the continued importance of Benjamin Franklin's insight for the modern corporation. Using a discourse-analytic method, Shields and Grant focus on the way in which management attempts to tame labour's 'peculiarity' through attempts to engage employees as subjects, using the language of commitment . The management-object/subject/employee relationship is, according to Shields and Grant, a work in progress, socially constructed across time and space.

Lucy Taksa and Dimitria Groutsis apply the preceding insights from economics and industrial relations to the specific experiences of migrant workers in Australia. They use an historical perspective to trace the nature and impact of international policy prescriptions (ILO, UN) in guiding the entry and use of immigrant labour in the Australian labour market with a focus on post-WWII migration. Through empirical case study, they show that regardless of whether immigrant labour is considered as 'factory fodder' or business asset, it retains commodity elements in the labour market space it occupies. **Stuart Rosewarne** also concentrates on labour migration but casts a wider net in that he focuses on perhaps the ultimate form of labour commodification: that is, temporary migrant labour. Pointing to the circumscribed employment rights of temporary migrants, he argues that globalisation has engendered a more profound commodification of labour, whereby migration is presented as a source of development, generating export revenue for the South. Going beyond Polanyi's critique of labour as 'fictitous capital', he argues that a Marxist analysis is needed to understand this transformation of labour. **John Connell** provides an historical insight into the nature and impact of temporary labour migration programs, in his examination of agricultural worker programs from the Pacific Islands to Australia. He raises several critical questions, including: Are these mobile cohorts of labour, commodities? Who benefits from this labour transfer? His historical insights provide a linear thread of comparison between the so-called 'blackbirding' programs of the past and the recent inflows of temporary migrant entrants.

Finally, **Diane van den Broek** takes our collective inquiry into the digital economy, exploring the nature of labour in the bravest of new worlds where the good consumed becomes part of the service 'sold'. She concludes that digital labour is neither fully commodified nor fully free; based on its immateriality, it is still defined by its relationship with capital.

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Notes

1. Quoted in Rediker (2007).
2. 'In performing work a person has agency, a sense of self-determination. By contrast, a worker required to perform labour lacks agency. In this sense, work involves human rights and real freedom, defined in terms of what Isaiah Berlin ([1958]1969) called negative liberty and positive liberty — the absence of controls not chosen or accepted willingly by the worker, and the opportunity to make choices, to pursue and to achieve a sense of fulfillment' Standing (2009: 7).
3. When Alan Greenspan, the former Chairman of the Federal Reserve confesses that his ideology was proven wrong by 2008, it is clear that the ongoing rethink is deep and provides a rare opportunity to reset the agenda. Greenspan's precise words were: '[I]deology is … a conceptual framework with the way people deal with reality. Everyone has one. You have to. To exist, you need an ideology. The question is whether it is accurate or not. And what I'm saying to you is, yes, I found a flaw. I don't know how significant or permanent it is, but I've been very distressed by that fact'. Alan Greenspan, appearing at the Government Oversight Committee in the US Congress on 23 October 2008 under questioning from Rep. Waxman.

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