WORK

The Last 1,000 Years

Andrea Komlosy

Translated by

Jacob K. Watson

with

Loren Balhorn

VERSO

London • New York

First published in English by Verso 2018
First published in German as *Arbeit. Eine globalhistorische Perspektive*

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1 3 5 7 9 10 8 6 4 2

Verso
UK: 6 Meard Street, London W1F 0EG
US: 20 Jay Street, Suite 1010, Brooklyn, NY 11201

versobooks.com

Verso is the imprint of New Left Books

ISBN-13: 978-1-78663-410-8
ISBN-13: 978-1-78663-412-2 (US EBK)
ISBN-13: 978-1-78663-411-5 (UK EBK)

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

Names: Komlosy, Andrea, author.
Title: Work : the last 1,000 years / Andrea Komlosy ; translated by Jacob K. Watson with Loren Balhorn.
Other titles: Arbeit. English
Description: London ; Brooklyn, NY : Verso, 2018. | Includes bibliographical references and index.
Identifiers: LCCN 2017051518 | ISBN 9781786634108 (hardback)
Subjects: LCSH: Employment (Economic theory) – History. | Labor – History. | Work – History.
Classification: LCC HD5701.5 .K6613 2018 | DDC 331.09 – dc23
LC record available at https://lccn.loc.gov/2017051518

Typeset in Minion Pro by MJ & N Gavan, Truro, Cornwall
Printed and bound by CPI Group (UK) Ltd, Croydon, CR0 4YY

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Divisions of Labour: The Simultaneity and Combination of (Different) Labour Relations

We must assume that the frames of reference for work and associated labour relations do not reflect a simple transition from reciprocal to market forms. Rather, each historical time period is characterized by a unique combination of frames and forms of work. These connections can be further delineated into local and interregional distinctions, depending on their geographic scope.

LOCAL CONNECTIONS

From the household perspective, it is quite normal to divide members' working time and capacity into work for subsistence, the community, the political sovereign and the market. Distribution ensures that unpaid domestic work and contributions to the community are performed alongside tribute or taxes paid to landlords and states, as well as work for the production of commodity goods. The household division of labour allows for each member to spend most of their time on an individual focus, usually according to gender, age, abilities and skills.

Because every household member is somehow involved (even if the household only consists of one person), the household perspective is crucial to understanding broader connections within the world of work.[1] In this case, we exclude completely self-sufficient households as subsistence households without any relation to the market. That said, producing for one's own consumption is usually insufficient to cover all needs, compelling the household to accrue some kind of monetary income by producing for the market or pursuing wage labour. Moreover, practically every household offers its extra labour power to fulfil communal duties or produce surplus to pay a political sovereign. While tribute and other feudal customs fall under conditions of servitude with the benefits going to the sovereign directly, taxes are generated indirectly through consumption, revenue, income or wages. Extra-domestic income flows back into the household in the form of the worker's income, where it can be used for consumer spending. Additionally, individual members of the household may receive state aid financed with tax revenues.

Subsistence and community work play little role in the microeconomic calculations of businesses and entrepreneurs. Hiring workers is a market-level concern, where a form of rent is paid for the labour power on offer in the form of wages. Whatever additional value an employer manages to extract from the expended labour power is what Karl Marx called 'surplus value'.[2] The employer profits because the wage labour purchased in contractual form produces values worth more than the wages paid out to workers. The employer also pays taxes, which constitute the means to cover public spending; at the same time, companies benefit from public spending themselves, both through specific funding measures and generally in the form of infrastructure and a legal system that supports entrepreneurial activity.

Organization and technology represent instruments of profit maximization in the face of competition: dividing work into manageable tasks and assigning it across the differently suited, educated and paid sections of the workforce plays a major role here. The use of machines, meanwhile, can increase productivity at each step of the work process as well as coordinate the individual steps more efficiently. As a result, a given company's operational division of labour will exhibit a highly varied distribution of pay, job security and education across its workforce – in terms of wages and other forms of remuneration, working hours and duration, prospects for advancement, safety and social security.

Each wage labourer employed in the workforce serves as a link to the subsistence work performed in his or her household. Their wage income must be made available to all members of the household, even if they are not wage labourers themselves or contribute only partially via extra-domestic income, as they depend on said income both to secure long-term needs and to satisfy short-term consumption. This connection, however, also has an outflow effect: work performed by other household members

flows outward to the company through the employed member, in the sense that housework regenerates the worker's labour power, while value drains out of the household to the employer of the household member in relation to their earnings. This drain can be seen as a 'transfer value of unpaid work'. When added to the 'surplus value from paid labour', these make up the sum value appropriated by the employer through contracting the workforce.[3]

If the worker earns enough money to support a family (the idea of the *family wage* arose with the concept of the male breadwinner in the nineteenth century), this can be seen as indirect remuneration for unpaid work taking place in the family household. This family wage simultaneously feeds family budgets, which in turn drives up demand and boosts commodity sales. Workers unable to support a family with their earnings, however, can only take part in consumption to a limited extent. In order to compensate for low wages, more family members are forced to seek employment or rely increasingly on unpaid activities performed within the household. Thus each wage labourer also activates a greater share of unpaid work, meaning that the volume of transferred value grows.

In the relationship between members of a household and employers, public redistribution schemes play a role in funding aid for needy households through taxes and social insurance funds. Depending on which particular redistribution framework has been negotiated or won in struggle and legally agreed upon, conditional wage losses and costs are compensated in cases of maternity, unemployment, education, illness or old age among household members. The effect is twofold: these forms of compensation reduce the need to compensate low wages with household work, while strengthening the workforce in general and thus (also) benefiting employers. A multi-layered macroeconomic perspective also comes into play, which can take on domestic, state, or even bi- or multi-state dimensions. According to the level of social, tax and economic policy, households, individual wage earners and companies are all tied into a system of public support, taxation and redistribution. These measures are pivotal in determining the composition of the social benefits that households can expect from paid and unpaid transfers and/or welfare.

INTERREGIONAL CONNECTIONS

Interregional connections occur when households and companies span multiple locations or production sites incorporated into interregional divisions of labour and multi-regional networks. Our study differentiates between the household and the company perspective here as well, although both are subject to the regulations of state, international and supranational institutions.

From the household perspective, interregional connections are created through migration. When individual family members manage to find extra-domestic employment away from their homes for shorter or longer periods of time, the result is a regional network that functions along the same lines as it would locally. Family members leave (or are sent away) to take up paid work in order to send back remittances to support those staying behind. Conversely, the household in the country of origin offers a social anchor for the worker, who can rely on their support in trying times and even return to them if necessary. Characteristic of these interregional combinations of paid and unpaid activities are the various differences in kinds of job available, as well as wage and price gaps between the migrants' countries of origin and their destinations. Family members choose or are chosen to stay or go according to personal situation, age, family status and personal suitability, as well as propensity and motivation.[4] Wage and price differentials compel many migrant workforces to resign themselves to lower wages, fewer social services and less job security. Nevertheless, they can save money to provide for their families back home by living cheaply and consuming less. Another motivation for frugality is that many wish to bring their families over, or save money to use as capital after returning home. The family thus provides more than simply refuge for reproduction, but rather includes self-employed or employed workers who can benefit from the extra income sent back by migrants, stabilizing and ameliorating their situation. This in turn also stabilizes the ability and willingness to send more workers to emigrate, and eventually take them back if they must return.

Interregional connections are not exclusively the products of family or household ties, as the contacts that emerge between regions also represent structures of opportunity which build the bridges and information channels that facilitate further migration. The direction and character of migration are shaped by differentials in supply and demand between

countries of origin and destination. Personal motivations to leave one's home country generally correspond to these uneven regional structures. Migrants' chosen destination, as well as a given country's willingness to accept political refugees, align with historical connections and responsibilities stemming from those connections, along with the opportunities posed by inviting a qualified workforce with lowered work expectations than the citizens of the target country. Migration is thus always tied to a loss for countries of origin, even when the individual migrant experiences migration as personal advancement or escapes political persecution. Destination countries then benefit from a migrant workforce, particularly when it fulfils local demand and contributes to lowering wage costs while externalizing social costs onto the countries of origin. This is especially the case when migrants maintain strong ties to their families at home and see their work mainly as a contribution to supporting their family or building up capital with which to return later on. Because they often evaluate their income in relation to purchasing power and consumption levels at home, migrants are more willing to work for lower wages and fewer social rights. General insecurity in terms of residency permits adds to this perspective, driving them to view family networks as their primary social safety net.

For companies, on the other hand, interregional connections between different labour relations express themselves in two ways: unequal exchange and interregional commodity chains.

In abstract terms, unequal exchange means that products are exchanged which represent different amounts of realized working time.[5] This can occur for various reasons: in the case of raw materials and finished commodities, goods can differ in terms of the amount of processing necessary, which delivers a higher degree of value added to the industrial producer. Inequality can also stem from differing levels of technology and logistics, which ensure better-equipped manufacturers advantages in productivity. Differences in labour costs are also a relevant factor: wage and price gaps between regions make imports from low-wage areas quite cheap, while export goods from high-wage regions become more expensive. That low-wage earners nevertheless manage to survive comes from their ability to combine several sources of income – individually and in the context of family networks – while supplementing this income with housework and subsistence work. Should family strife or a lack of access to their means of subsistence impede this process, then the exhaustion of

Value transfer	
Surplus value from paid work	**Surplus product/rent/tribute**
From free paid labour	Product of personal dependence on a landlord (servitude)
From unfree paid labour	Charges for use of land, buildings or privileges (entitlement of which was often based on feudal allocation)
Realization through employment of a wage labourer (free or unfree)	Realization through rent payments in the form of work, products or monetary tribute/taxation, or through pillaging
Transfer value from unpaid work	
Realization through:	
familial combination of paid, underpaid and unpaid work	
combination of different working conditions and rent income in the context of commodity chains or migration	

complementary and renewal sources undermines the very basis for this unequal exchange.

Both products and various types of work are traded in this unequal exchange. The forms are distinguished by their payment (or non-payment) and the level thereof, as well as levels of technological development. The exchange thus consists of a value transfer from producers of raw goods to those of finished goods – from low-tech regions to high-tech regions, from low-wage regions with high supplemental subsistence to high-wage regions with less demand for subsistence in the population's material survival. Differences in taxation and environmental and social laws also play a role in price gaps.

While the shifting of costs and profits in unequal exchange is based on existing regional differences, interregional commodity chains are the product of active corporate policies, arising when individual production steps are divided across different locations so that qualifications, wages, subsidies, taxes and political conditions at production sites can be combined in a way that cuts costs for the company.[6] Different amounts of paid and unpaid surplus work are activated in family households at each of the locations, and fed into the commodity chain through the employed member of the family. Global commodity chains can exist within companies or between formally independent enterprises. Some arrangements are organized at company headquarters, while others are set up by contractors, dealers or brand owners – these are known as producer- or buyer-dominated commodity chains. In both cases, those responsible for organizing these chains have the capability not only to combine different types of paid labour relations, but also to activate or tap into unpaid work activities at a more or less existential level to varying degrees.

Unequal exchange and interregional commodity chains are a prerequisite for incorporating transfer values from paid and unpaid work – which, in principle, can be incurred anywhere in the course of capitalist exploitation – into the unequal interregional division of labour. The same applies to migrant labour, which emerges from the decision to migrate, which is in turn made within the family context. Migrants then search for the best possible job offered by the interregional price gap, where they are predestined to undermine the labour laws and contractual practices of their new place of employment due to a combination of vulnerability in terms of residency, social and political discrimination, obligations to send back remittances, and the desire to ultimately return home themselves. They thus contribute to accelerating the dualization of the labour market. In other words, native labour movements often perceive migrants as competition; however, they themselves deepen labour market divisions by denying them union and political representation, regardless of whether this is done intentionally or not.

The circulation of capital, commodities and workforces is bound up in a macroeconomic context structured around the political conditions imposed by national laws, international treaties and agreements. For migrants, this means immigration laws, residency rules or labour market and employment policies concerning foreign workers. The effects of trade on the various parties can be influenced by customs and monetary policy. For interregional commodity chains, critical factors include (a lack of) controls on capital movements, most-favoured-nation status, and rules of origin. Through these means, it is possible to influence market mechanisms in the interests of individual actors.

Governments are confronted with myriad conflicting interests in both domestic and foreign policy. Migration policy, for example, is not merely a question of whether, how much, and what kind of emigration and immigration is best for the state, but rather raises issues like who covers the costs of raising children and training workers? And who pays for their social security? The instrument of citizenship allows for costs to be at least partially transferred to non-naturalized workers' countries of origin. Many states use similar restrictions on residency in large cities as control mechanisms for internal migration. Keeping migrants in a legally precarious state of residency forces them to work harder, maintains low wages and transfers social reproduction costs back to their regions of origin and family households.

The distribution of profit in international trade is influenced through pricing, taxation, customs, currency policy and investment protection agreements. Tariffs and barriers to trade can help protect the internal market from imports by preventing outflows of purchasing power and trade benefits of unequal exchange to the countries providing foreign imports. Economic policies of these sorts, along with other measures, can facilitate industrialization aimed at substituting the now overly expensive imports with a country's domestic production, which in turn bolsters employment and value creation in the former importing region. Conversely, while devaluation of a national currency may reduce the price of goods produced for export, the increase in export volume makes up for it in greater overall revenues.

Interregional commodity chains are only possible with the free movement of capital. Restrictions on the export of capital serve to promote investment and jobs domestically by preventing domestic capital from utilizing cheaper locations or production sites. Companies bypass such restrictions however they can, such as by establishing new branches abroad, while at the same striving to create national, international and supra-national frameworks and institutions to prohibit governments from interfering with capital movements. Multinationals thus not only secure the free movement of commodities and capital by establishing free-trade zones (EC/EU, NAFTA, ASEAN, and so on) and agreements (GATS, TRIPS, and so on) regulated by international financial institutions (IMF, WTO), they also conclude bilateral agreements with individual states to protect their assets, income and profit transfers against political intervention. Social and environmental regulations are considered forms of such political intervention, along with corporate taxation and expropriation via nationalization. The International Center for Investment Disputes, headquartered at the World Bank, is an international court of arbitration established in 1965 to adjudicate in such cases. It only hears suits by investors

against states, however, and not the other way around. In 70 per cent of cases, its verdict falls in favour of the plaintiff.[7]

Free movement of capital is thus clearly in the interests of multinational investors and organizers of commodity chains, but stands diametrically opposed to regional economic development and integration. Local industry and labour movement organizations often praise the perceived benefits of importing cheap goods and components from the global commodity chains, as it generates additional profits for their employers and grows workers' purchasing power. However, this perceived advantage ultimately stems from international investors' freedom to exploit cheap labour costs and an increased mobilization of under- and unpaid workforces at the low ends of commodity chains, allowing workers at the higher end to enjoy cheap goods and high levels of consumption.