

## 5 | The Commodity Form of Labor-Power

### The Concept of the Social Labor-Power

In a modern society virtually every person at every stage of life exerts productive effort either directly in the economy or ultimately helping to shape that economy. This is true even of the preschool child, at least insofar as those exertions prepare the child to go on to school and then to play some productive role in society. So, too, we have to count among modern producers those who parent, mentor, and teach them. This is the case regardless of whether the mentoring and teaching is or is not paid labor within the labor force. If, of course, the child and its parents lived in an isolated region, with only a subsistence economy and few or no economic relations with the larger world, and culturally isolated as well, we could view parenting, mentoring, learning, and socialization as substantially irrelevant to that larger economy. But surely such cases are rare in a modern society and growing even rarer. In a very palpable sense, a modern society seizes hold of the whole process of child rearing and the training of young persons and directs them into what it conceives to be channels that are particularly desirable from the standpoint of the existing and prospective economy—through the school system, through the medical and pharmaceutical industries, through the continual acculturation of parents into “up-to-date” thinking about child rearing, through the media, and even through the industries that produce children’s clothing, toys, and games. The mesh of this net of institutional activities is not so fine that children are as a rule directed into this or that specific skill, knowledge, or vocation, but neither is it so coarse that children and young people have no constraints in choosing their futures.

This near universality of productive effect of the people in a modern society is, of course, the reflex of the different forms of constrained productive consumption we explored in chapter 3.

These reflections immediately raise an analytical challenge. We really don't have a concept that comprehends the universal productive effort and effect so characteristic of a modern economy and society. As I'll shortly explain, neither of the terms drawn from the dominant economics traditions, the neoclassical "labor force" and Marxist "labor-power," are broad enough because both formally conceive of "work" as something that goes on within "the economy." The sort of work that preordains what sort of work the economy will and can exert tends to be analytically excluded. Accordingly, I want to define the *social labor-power* as comprised of all those persons, and particularly their exertions, both potential and actual, that either directly or indirectly affect the economy.<sup>1</sup>

The definition of the *social labor-power* is very broad and in fact makes it almost coterminous with the population itself. That's both deliberate and necessary, if for no other reason than the fact that few persons and efforts in a modern society stand entirely outside its overall productive apparatus; whether as consumers or workers, parents or mentors, tots or graduate students, most of our efforts most of the time are part of wider ensembles of relations of production, that is, of the economy. More simply, we produce things, and we produce the people who produce things, which of course affects the sort of people who will be produced in the next round. A modern labor force is continuously being altered by social action, often as a matter of deliberate government or industry policy. Thus, we need a somewhat wider concept than "manpower," the "labor force," the "working class," "labor," "labor-power," "workers," "producers," "the producing class," and other, analogous locutions. All these terms express the static result but not the constitutive processes of that altering. The concept of the social labor-power is the fundamental unit for study if we wish to investigate the commodity form of modern labor-power in all its dimensions, including its production.

The meaning of the *social labor-power* will be clearer if we contrast it with the two other, familiar ways of talking about our subject, the statistical labor force and Marx's (unqualified) labor-power.

### Rethinking "the Labor Force"

The expression, "the labor force" includes only the employed and those who are (estimated to be) unemployed. That reservation—"estimated to be"—is very substantial. Many would-be workers simply disappear from the official count. In the United States statistics number as unemployed only those who are, in the argot of the Labor Department, "ready, willing,

and able to work." Technically speaking, that means that the person has actively sought employment in the prior ten-day period. The Labor Department makes additional estimates of those who, working only part time, would like to work full time and of those who have temporarily given up the search for work either because their work is normally seasonal (as in agriculture and tourism) or because local prospects are very poor (as in "the Rust Belt"), or for other pressing reasons, such as a lack of affordable transportation or child care. But even these additional estimates of the unemployed fail to reflect the fact that the concept of the labor force has a false ring of definiteness to it. For example, the number of people who are "ready, willing, and able" to work varies with the wages that can be earned. If, for example, the costs of gasoline, work clothes, and/or child care eat up too much of one's potential wages, that will block a person otherwise desirous of working from taking a low-wage job. A rise in the level of wages will accordingly expand the labor force. Or a wife may want to work but is not permitted to do so by her husband; hence a decline in sexist practices will also expand the labor force. Or one may have to move to a new region or city to find work but cannot make the move for economic, family, or other reasons; again, a higher level of wages or a change in family practices may make the move possible, with the result that the labor force will be larger than it now appears.

There are even more varied cases that restrict admission to the labor force and, it should be added, serve to hide the real level of unemployment. One may be very keen to work but have no skills or abilities that employers will recognize. Or one may have an erratic employment history because of fluctuating local economic conditions, which diminishes the willingness of would-be employers to hire. Further, a person may be one of those millions who have served time in jail and want to start over again—in an economy deeply mistrustful of "convicted felons." One may have been forced into what one feels is premature retirement or have a health condition that would periodically—but only that—interrupt one's attendance on the job.<sup>2</sup>

Still another inadequacy in the concept of the labor force is that the force has been growing over time in virtually every industrialized country, notably in proportion to the relevant age cohort that participates in the labor force; this is mostly due to the increased participation of women in paid employment and to the increase in part-time jobs (see *Statistical Abstract* 1999: table 1377). All in all, as a measure of the numbers of people who are in some sense available to work for wages at any given point in time the concept of the labor force is an extremely narrow, often arbitrary device. Clearly, if we are to be able to understand the phenomenon

of work in our society we need a subject concept that, unlike labor force, doesn't analytically exclude the factors that govern its size and changes. In this context, the concept of the social labor-power prominently includes in the first instance all those persons in a society who might under appropriate circumstances seek and take a job. Technically speaking, the social labor-power is the independent variable in manpower discussions and the labor force is the resultant of factors acting on that social labor-power.

But this expansion of the meaning of the social labor-power is still not sufficient for our inquiry. We want to include in our subject concept all the changing productive services exerted by workers, hence all the persons who aid or participate in the production of workers. The fact that income in a capitalist economy is directly steered toward those who are in the labor force—though indirectly via such tax classifications as “dependents”—seems somewhat arbitrary to those deemed not to be part of it. We should include the labors of parenting, community or other volunteer service, and so forth. Here the criterion is not “does he or she have or can he or she take a job?” but “does his or her labor produce enhanced productive abilities in others?” If the answer is “Yes!” then that person is part of the social labor-power.

There is a third category of persons to be included under the concept of the social labor-power. The labor of trainees, students, apprentices, and so forth adds to their later productive capacity, that is, it contributes to the production of tomorrow's labor force. It, too, is included in the concept. This subject will receive particular attention in chapter 6.

The concept of the social labor-power is—to this point—only that, a concept, and one whose worth must be justified within commodity form analysis. By employing the concept we as yet suppose nothing about any empirical outcomes. But we must start with a concept that appears to be adequate to the scope of our inquiry or, equivalently, offers the possibility of expressive completeness.

## Labor and Labor-Power

The social labor-power comprises a modification of the concept of the labor force into a more inclusive group of persons. Further, however, this concept of a social labor-power also embodies the Marxist distinction between labor and labor-power but with a crucial difference.

Conventional economics generally speaks of the labor of workers, not their labor-power. In that usage, the labor of workers is analytically con-

stituted by the quanta of the physical product from the labor expended or, more commonly, from the money value of that product in relation to their wages; this is the familiar “marginal net product” analysis. For our purposes, what is significant here is that the workers’ productive qualities are taken as given in a particular analysis; as I pointed out in chapter 1, by aggregating this assumption, as one does in conventional “micro,” one is left with only a static view of the productive characteristics of the productive populace. Thus, it is said that some persons are in principle unemployable because their skill levels, or reliability, or stamina don’t exceed some threshold of employability, that is, their marginal product is or would be too low (unless, as in the 1940s, their labor is needed badly enough). Alternately, workers, it is said, may put themselves out of a job if they price themselves too high because the marginal product needed to pay them would exceed industry, regional, or some other standards.

On either supposition, the limits, indeed the inadequacy, of the static concept of labor as used in mainstream economics is apparent. It is also wrong-headed. The physical output of a worker or the money value of his or her output may vary enormously depending on factors other than skills, attitude, energy, and health. Obviously, the sort of tools, equipment, and systems he or she is given to work with will be of capital—pardon the cheap pun—importance. Just as significant, one of the most important economic developments of the past century has been the massive expansion of the ranks of managers and cognate professional and technical employees in industry. The rates vary in the different advanced economies, but basically such managerial and technological cadres have grown from less than 1 percent of the late-nineteenth-century labor force to a figure on the order of 15 to 25 percent of all those employed in such economies today, often with radically higher rates found in manufacturing. Industry believes, as apparently economics does not, that labor productivity varies with the number of managers and technological specialists. This division of labor between managers and production workers has been central to the development of the corporate form of business organization.<sup>3</sup>

Almost from their “invention” in the latter decades of the nineteenth century, modern corporate firms have tended to replace the earlier forms of organization of the productive population, the familiar “division of labor,” with a single, universal model based on the relationship between manager and worker. Earlier writers, of course, noted at least three historical forms of the division of labor. Adam Smith in his famous chapter 2 of *The Wealth of Nations* ([1776] 1970: 117ff.) emphasized the social division of labor, that is, a division between fisherman, farmer, trapper, merchant,

artisan, shepherd, swineherd, and so forth. Marx, writing roughly three-quarters of a century later, found it necessary to distinguish between the division of labor in society, as in Smith, and that which holds in manufacturing. In the former, he pointed out, each producer produces a commodity that can be exchanged with others. In the latter, several workmen combine to produce a single product, which under the factory system is sold as a commodity by the capitalist owner. The workers receive their income through the wage system rather than through a direct exchange of products ([1867] 1967: 331ff.).

With the rise of different, specialized technologies, often science based or science dependent, in the latter part of the nineteenth century one might want to add to this list a technical division of labor. This would appear to overlap but perhaps not replace both the other species.

What is most striking about the division of labor in a modern society is that the relationship between manager and worker has absorbed all three of these species. In this—often called the “industrial”—model the major division is between the manager, who (crudely) monopolizes the directing or brain functions of work, and the worker, whose effort is limited to physically carrying out tasks defined by and under the direction of the manager.<sup>4</sup>

In farming no less than manufacturing, in the research laboratory as in the school or university, in retailing as in fisheries, the organization of modern work features a sharp division between the manager and the managed, and the tendency is for that distinction to deepen. For example, in mass production manufacturing to date, the modal worker has been a machine operative, that is, someone who operates a machine of greater or lesser complexity, under a regimen presided over by a manager, while the machine itself carries out a task designed into it by the manager’s associated technical and engineering colleagues. In the post-World War II years and especially as abetted by later computer and electronic communications developments, the modern office worker, retail clerk, hospital employee, and even library worker has also become in good part a machine operative too. Or, to put the matter another way, the older hard and fast distinction between blue collar and white collar (or pink collar) workers has been rapidly eroding, the evident tendency of this erosion being to homogenize the work regimen of every sort of productive activity into the industrial model.

When we compare the potential productive services of workers with those they actually accomplish, the role of managers stands out. Even if we assume for the sake of the argument that managers engage in no direct production of a product it is still true that their effect on the workers’

efforts is as a multiplier of the workers' efficiency (within the terms of the management system) and output. But, however we interpret the productive effect of managers, this difference between the workers' "labor" and the workers' "labor-power" has been the fulcrum of a major, perhaps *the* major, change in the composition of the employed population in the past hundred years.<sup>5</sup>

Given this reality, Marx's concept of labor-power is more fundamental to studies of work organization and productivity than the current concept of labor because it makes explicit the point that the potential of workers is one thing, how much the workers produce is another, and that capacity may be well or poorly utilized in a given situation or an economy as a whole.

Marx appears to have understood that management and work organization deeply affect the productivity of workers; that very subject forms the substance of volume 1, part 4, of *Capital*. On the other hand, management systems in his time were relatively primitive and meagerly staffed. In the small, family-owned firms characteristic of the era, the owner carried out management functions along with a foreman or two, while back in the office a humble clerk scratched away at the accounts and the correspondence with a quill pen. More to the point, in Marx's "equilibrium model" of a capitalist economy, the distinct work of managing is analytically collapsed into that of the workers. He devotes little explicit analysis to the distinction between managers, who even then would have been relatively well off, and workers subject to the General Law of Capitalist Accumulation. This lacuna is partially explained by the fact that it was only in the decades just after Marx's death that the radical expansion of the management echelon began, most notably in the United States, during the "trustification" era.

Marx, however, did understand and stress that the wages paid to workers and the effort they expended (hence the location of their marginal net product) were affected by several factors: child labor, the length of the workday, the capital intensity of the productive system, and so forth. His discussions of labor-power also invariably take account of the effects of the unemployed, the hidden ones as well as the ones trekking about in search of work. This is essentially the meaning of his notion of "the reserve army of the unemployed" who influence wages, productivity, and working conditions because of their threat to take the employed person's job for less pay and under less favorable conditions.

Thus, Marx's "labor-power" is simultaneously a more useful, analytically acute concept than either the conventional macroeconomic "labor force" or the microeconomic "labor." The latter two concepts can be ana-

lytically developed within “labor-power,” as species of the genus or subsets of the set, whereupon their limits are more readily apparent than when they stand alone as fundamental concepts of analysis.

### The Social Labor-Power

However, today there is a problem with Marx’s “labor-power,” for his conception comprises simply the sum of the uniform labor-powers of individual workers ([1867] 1967: 45–47; for the quotation, see chap. 2, n. 10). This was perhaps apt to his times. Analogous to the way in which other commodities were being standardized in his time, he saw that the modal form of labor-power in capitalism then took—or was taking—the form of the proletarian, that is, a person who is forced into the capitalist labor force under such dire conditions that his or her other social and socially productive characteristics are milled into a relatively uniform labor-power of minimal skill. As Marx puts it with telling accuracy in *The Communist Manifesto*, the man and the woman and the child, the skilled worker and the novice, the urban dweller and the newly arrived migrant from the agrarian districts, the Scot, the Briton, the German, the Frenchman, and even the Chinese and the “Hindu,” are stripped by “the cash nexus” of their formerly differentiating social and other characteristics to become, in the argot of manufacturing, mere “hands” in the satanic mills.

But, as I suggested in speaking of other commodities of the time, Marx’s extrapolation of the processes of commodification of labor-power has not been borne out. In short, those processes acting to simplify and iron out the capitalist labor force that were anticipated in, say, the 1850s and 1860s and are reflected in the analyses and description of volume 1 of *Capital*, more or less reversed themselves in the latter part of the nineteenth century and throughout the twentieth. Taken as a whole, the labor-power of society could no longer be accurately depicted as made up of or tending to an additive aggregate of uniform labor-powers. Instead there developed a multiplication of the sorts and kinds of labor-powers within the manager-worker relationship.<sup>6</sup>

The concept of a “proletariat” still lurks in some Marxist discussions of labor-power issues, referring particularly to workers who have been “deskilled” by the development of modern management and technical productive systems.<sup>7</sup> But, looking at labor-power developments as a whole, whatever skills have been lost by the workers, it is evident that they have been more than made up for by the expansion of technical knowledge and ability among the managerial ranks. That is, in the social

labor-power taken as a whole there has been a dramatic amplification, not simplification, of its productive services and potential productive services. This comes of the explosion, still continuing, in the number and variety of professional specialties, technological specialists, types of line managers, types of specialized staff experts, and so forth. What the popular press calls “the knowledge explosion” of the twentieth century is actually a disembodied shorthand for this extraordinary proliferation of what the French call the “cadre” of modern society and industry. It is precisely that sort of phenomenon that requires a change in our concept of labor-power.

Analytically, the contemporary social labor-power cannot be well depicted as a sum of uniform productive services; it is an ensemble offering varied but complementary quasi services. That is, in a modern economy the work of no one person, of no individual kind of labor-power, constitutes of itself an integral productive service, just as in the world of commodities goods what we find among workers and producers of various kinds are quasi services that must be combined with the efforts of other workers to produce usable commodities. That is what I had in mind earlier in saying that the social labor-power was the proper unit of study for manpower, producer, and related issues. The social labor-power must be viewed as an aggregate of individual and even group labor-powers, which, taken together in various combinations and as a whole, are complements to one another, not merely replicas, with the ensemble forming more or less a single organic productive unit. These complements most prominently include the relationship between cadre and workers and, equally, the complementary activities of workers who today work in organized institutional productive systems in which the product is of the team and not of any individual worker. And, of course, they include the relationships between mentors and those they mentor.

### Courses/Channels and the Commodity Form of Labor-Power

There has been an evident change in the forms of sale/purchase of labor-power throughout the evolution of capitalism. For example, in the period just preceding Marx’s lifetime, there was, properly speaking, no employer-employee relationship; there one finds basically a master-servant world. This was as true in the workshop as in the home. The major difference was that between master and servant there were nets of mutual obligations that not only dealt with wages and tenure of employment but might obligate the servant to seek the master’s permission to marry and to

whom, to leave the employment, and perhaps even to frequent a tavern. Typically, the servant would have at least some tenure of employment, perhaps the right to receive special foods at different times of the year, a new suit and shoes, and so forth. Toward the end of the eighteenth century, at least in England, within the development of the private property system, the net of mutual obligations between master and servant gave way to the “cash nexus” or, in labor system terms, “free labor.” It was only then that there evolved what we see today as employer-employee relations, that is, a narrowing of the relations between master and servant to a few economic dimensions, with all other traditional obligations being effectively nullified. The change, of course, did not occur overnight. Even in the earlier decades of the twentieth century the system of free labor was not quite fully developed.<sup>8</sup>

Under free labor the laboring relation is stripped of every dimension save the fact that there is a contract “freely arrived at” between employer and employee. Accordingly, the employment is “at will”, that is, it can be terminated by either party. Wages and conditions of employment cease to be set by custom and precedent and instead are arrived at by means of bargaining in “the Market.” The development of this new free labor system in Britain during the Napoleonic era, and in France shortly afterward, also lurks behind the concept of a “proletarian” when, it seemed, the social, economic, and legal conditions of the proletariat would simply sweep away all other labor arrangements.

Sale/purchase of labor-power in an advanced economy shows a mixture of free labor and a variety of limitations on it. In spite of their current travails, unions remain important in many areas of economic activity and have won contractual rights limiting employers’ “free” scope of action. But even when there is no union, professional contract, or civil service, employment is, at least legally, still “at will,” though not cleanly or thoroughly. Virtually every employer in private industry effectively “tenures” (i.e., gives semiguaranteed employment to) a core work force, notably in middle management and among especially skilled or scarce categories of workers. Many also practice the layoff/recall system whereby workers are released from employment but retain an effective right to be called back to work, by order of seniority, at some later, often predictable time. On the other hand, employers still reserve the right to dismiss employees when and as they see fit.

Modern legislation forbidding discrimination against minorities, women, the handicapped, and older persons also materially restricts the scope of “at will” employment. As the system works in the United States, these categories of workers are specially protected in the law and employ-

ers are positively regulated in their dealings with them. Such protected persons have presumptive rights in the hiring queue; in their treatment when hired with respect to promotion, pay, and so forth; and in the manner in which they may be dismissed. In addition, they may bring complaints to special courtlike regulatory bodies in which the burden of proof may rest on the employer not the complainant. Minimum wage laws also restrict the operations of a pure system of free labor. Thus, at least in the private sector, free labor or at will employment is vastly hedged, perhaps even covering only a minority of the labor force. On the other hand, of course, all those historical measures limiting the free labor system have come only after epic labor-management or electoral battles, and most efforts to extend the system of modifications are resisted by employers and their elected representatives.

When we try to sum up a contemporary, modern employment system, we see an apparently limitless number of different kinds of jobs and employment conditions. Yet the industrial division of labor does tend to sort this mass of employment situations into a small number of types, and these bear the marks of modern commodity form.

I have adopted the terms *course* (from *life course*) and *channel* to characterize these types. It is my contention that, under analysis, each type of course and/or channel can be shown to possess the coordinate characteristics of commodity form and in fact that they constitute that form. Basically, I'm making three claims here. On the one hand, the most significant division of the social labor-power at present in the developed world is into the seven courses/channels shortly to be described. Second, those courses/channels together constitute the commodity form of contemporary labor-power. And, third, each consists of a distinct ensemble or family of related sale/purchase states more or less uniquely linked in time and keyed to the person's eventual place in the productive system.

A course should be understood in the first instance as the genus of the term *career*. We customarily use *career* to trace the course of a person's working life from their entry into the job world—in some cases nowadays from their entry into preschool—up to and perhaps beyond their retirement. The idea of a career is that one's work history, and the preparation for it, is "of a piece," so to speak, that someone who will become a bookkeeper will follow a different educational path, acquire different knowledge, learn different skills, earn more or less money, have different prospects for promotion, and consequently enter into a different set of social relationships and experiences extending over time than, say, someone who becomes a physicist or a laborer or a salesperson.

Unfortunately, the term *career* is normally class bound. It expresses the

fact that only some members of the working population require special, longer preparation; can confidently expect to greatly increase their incomes, authority, esteem, and job perquisites; and are likely to enjoy all the opportunities that a high and rising income affords for travel, hobbies, socially rich entertainments, and such. And of course they will pass some of these advantages on to their children when they embark on their life courses.

It is useful to strip the word *career* of its connotation of privilege and adopt in its place a cognate term that can be employed to talk about the life course of every sort of person with respect to the economy and the social labor-power. We can do that by generalizing the concept of a “career” into that of a “course,” whereby we can as easily speak of the life course of a factory hand as of a lawyer, of a homemaker as of a journalist. Because most of what we do and consume in every stage of life involves sale/purchase, those commodity transactions, including the sale/purchase of our labor-power, will, through the course of a lifetime, group themselves into distinct ensembles with a “family” similarity within the same course/channel and marked differences from those outside that course/channel. These family differences mark off the different commodity forms of the social labor-power.

The term *course* has some affinity with the concept of “roles” in contemporary sociology, although it is here intended to have a political-economic, not a sociological, meaning. Yet the sociological term suggests that the “roles” one plays out in life are to a degree crystallized for us ahead of time; we do not create them so much as step into them. I think it unexceptional to say that people’s courses tend for the most part to be mapped out for them; a course is normally a kind of prefigured channel for the different roles that one successively adopts over the period leading up to and throughout one’s working life. Thus, the concepts of course and, with subtly different emphasis, channel can serve as counterweights to the normal connotation of the word *career*, which is that a career is an individual’s unique creation and achievement.

I will use the terms *course* and *channel* more or less interchangeably. To speak of the course a person follows emphasizes the activity of that person; to speak of the same phenomenon as a channel emphasizes the social prestructuring that has already laid out the alternate paths that course may lead to, underlines the presence of key turning points, and in general looks at the person’s work as an element not solely of his or her individual life but as a constitutive element in the social labor-power. As a rule, when we employ either term we should understand that the other is implied.<sup>9</sup>

## Modal Courses

It is, I think, not accidental that as the number of discrete jobs, professions, and specialties has increased they all tend to be organized into only a few distinct courses. One can identify seven as by far the most significant. These are: (I) elite corporate employments or occupations at the top rungs of other major institutions or professions, henceforth abbreviated simply as “Elite”; (II) nonelite managerial, professional, and technical work, henceforth abbreviated “Managers”; (III) entrepreneurship and/or the individual operation of a entrepreneurial profession, as for many lawyers, henceforth abbreviated “Entrepreneurs”; (IV) nonmanagerial workers, normally full time and with a modicum of, if not job permanency, then regular employment, henceforth abbreviated “Regulars”; (V) workers whose occupational courses are irregular or typically only part time or characterized by moves from industry to industry, sometimes called contingent workers, henceforth abbreviated “Marginal Workers” or “Marginals”; (VI) workers generally excluded from paid work over their whole course, henceforth abbreviated “Excludeds.” There are, finally, (VII) homemakers and others whose kindred contributions lie outside the labor force but whose labors help to produce that labor force, henceforth abbreviated “L(abor)-P(ower) Producers.” Some employed persons, of course, help to produce labor-power—teachers, for example. But I want to include among the courses those labor-power producers outside the paid economy. By definition these people aren’t directly paid for their work, but socially patterned ways and amounts of resources are directed toward them, and to that degree they represent a commodity form of labor-power. I have not included students and trainees as a distinct course because Courses I–VII tend to comprise a different sort of education/training/acclulturation within themselves. This last point, in fact, seems to be emerging more and more as a feature of the modern commodity form for labor-power.<sup>10</sup>

Terms such as *Elite* and *Marginals* function as commodity forms, not “ideal types.” They assert a complex empirical claim that can only be illustrated here, not “proven.” On the other hand, if in fact each of the seven courses/channels represents a distinct commodity form, then it should be socially manifest that this is so, a question more of our recognizing an unusually prominent pattern than divining a secret meaning. Courses comprise integral life paths in preparation for, entry into, and activity within an “Americanist” world. Under examination each should embody a distinct process of production of recognizable, relatively standardized, productive services, a distinct path into or into relation with the

occupational world, typically a distinct job tenure, a pay and rewards system also unique to itself, and each should have a recognizable social evolution into its present form.

Taking a critical standpoint, we know that individuals can change course within a lifetime and also that there are course changes between generations. One way of dealing with this theoretically would be to allow the courses to shade into one another. Thus, we could postulate a course continuum with, in this case, seven nodal points. That formulation would in no wise falsify the reality and significance of the different courses but it is analytically more fruitful, I believe, to conceive of each course as an integral phenomenon marked off from the others but to conceive of there being especially important switching points between the courses. In this formulation, the schooling system functions not only as a labor-power producer but also as one of the main switching points wherein young people may change course, either to rise—as our national myths emphasize—or to fall—a less studied phenomenon, although the two are obviously related.

A course does not represent a genus of a group of jobs, a “dumb generality” reached through a process of abstracting. A claim is being made here, in principle empirically verifiable, that there exists a multidimensional pattern to the seven courses that corresponds to commodity form.

## The Higher Courses

At present a university or equivalent education constitutes the most important economic/vocational frontier in a modern economy. Not to have one is normally to be relegated to the ranks of Regulars, Marginals, or the Excluded, while to have completed a bachelor’s degree, and now perhaps a master’s or its equivalent, is to have acquired one’s ticket to the two higher courses.

In virtually any significant-sized corporate firm, a nongovernmental organization, other mainstream institutions, and the government itself the educational frontier is mirrored in the sharp distinction that is maintained between the managerial echelon and the production work force. While industrial practices have long distinguished between the generic manager and the generic worker the modern distinction was historically crystallized through the work of Taylor and other “efficiency experts” around the turn of the nineteenth century, most notably within the organization practices of the then new multisite, multiproduct firms being organized in the “trustification” movement. So universal has been the

distinction between manager and worker that it is routinely coded in the “rights of management” clause in virtually every labor contract and has been enshrined in law through a number of Supreme Court readings of the Taft-Hartley Act of 1947. It is also reflected in the statistical categories of the main data-collecting agencies, public as well as private. Like so much “Americanism” the distinction has become almost equally important in all the main capitalist countries.

Intuitively, we all appear to recognize the difference between a worker and a manager, and in this case that intuitive understanding is largely correct. Less intuitively clear, and less widely understood perhaps, is the strong modal difference between the Elite and Managers courses, as both are a kind of manager. Basically, modern firms and other organizations that copy corporate organizational form mark off a small group of upper managers as tending toward the strategic or “entrepreneurial” side of the business who—accordingly—will choose the lines of business in which the firm will be active and how it will pursue them. The firm’s strategic relations with its organized workers, government officials, and some of its main customers, suppliers, and rival firms will also tend to come within the purview of this upper or inner management group. Once these strategic directions are determined and decisions made, it is “middle and lower” management, or some such locution, that will be tasked with the details of carrying them out, both directly by supervising workers and indirectly by providing the staff services (legal research, accountancy, laboratory testing, etc.) that are ancillary to the firm’s various lines of activity. This prominent difference between the two management groups provides the analytical basis for the separation into two different courses/channels. (For more on this point, see Chandler 1962; and McDermott 1991.) When we conceive a course as an ensemble of closely linked, often overlapping sale/purchase states, the differences between Elites and Managers are readily clarified.

The significant elements of the course that will normally lead to and then constitute Elite employments in the United States today begin with the identity of one’s family, comprising most importantly its social standing, wealth, race/ethnic identity, and educational level or level of (high) culture. That will of itself skew the family to seek a prestigious preschool and elementary school for its Elite child following in the family’s footsteps. Here the privileges and economic advantages accruing to a well-off family enable it to make an integrated, patterned series of sale/purchases in tuition, camps, after-school activities, and so forth, which will assist the child to take the next step into either a prestigious private high school and/or an equally prestigious track within a highly esteemed public high

school. Obviously, in our highly commercial society most of the details of preparing for and passing through high school are carried out through patterned sale/purchase arrangements.<sup>11</sup>

There is of course no assurance that however affluent and well connected the parents their offspring will gain a privileged post at the next or university level, but the probabilities are heavily in their favor. In fact, we should methodologically conceive of a course as made up of probabilities related in time. Thus, the social associations one engages in come to be reflected in differential probable patterns of expenditure for clothes, travel, cultural pursuits, and so on, both prior to university and during the undergraduate years. Skipping ahead, if all goes well there will eventually be a degree from an elite postgraduate institution normally followed by direct entry into the “fast track” of an elite corporation, law firm, or other institution. This often promises relatively rapid promotion into the lower ranks of the institution’s “strategic” posts, and with this comes widening access to substantial proprietary income and/or perquisites from one’s institution; this represents the beginning of the net return from the considerable costs of the previous stages of this Elite course. Now there is some positive likelihood of eventual candidacy for upper management, the upper levels of one’s profession, or some equivalent post that will also be associated with greater access to proprietary income and/or perquisites in the form of stock options, large bonuses, partnerships, travel, conference invitations, and so forth.

The course/channel for non-Elite managerial, professional, and technical workers, what the French refer to as “cadre,” bears many formal similarities to the course/channel for Elite employment. There is the same progression through preschool and either a “good” elementary school and/or its higher “tracks.” There would normally be an academic degree in high school, itself in a higher track, then a bachelor’s degree, perhaps even begun at a community college, then either direct entry into the managerial echelon of some business or professional institution or the same but following the completion of a graduate program.

In this country at least, this Course/Channel II may at points overlap and intermingle with Course/Channel I. Even the most exclusive private schools and the most prestigious public ones, such as New Trier High School in Winnetka, Illinois, or Brookline High School in Massachusetts, mix boys and girls with vastly different prospects, but over time the courses will likely diverge. Even at the most prestigious institutions, for example, one can often identify those who are more likely to go on to high-flying careers because they come from the right social background, often including a particularly prestigious secondary school, or, just as

important, have been taken up by Elite mentors and are being groomed for a preferred future.

The secondary school and university are, I estimate, the points where one may switch from a course otherwise destined for modest success in business or the professions to the Elite channel. As above, this channel jumping, usually described under the rubrics of “social mobility” or “meritocracy,” is an important reality in a modern society and economy and, to repeat, an even more important myth.

In the posteducation world, most—nearly all—important mainstream U.S. institutions have different entry points for employment. The ordinary personnel office will normally suffice to hire and then place regular production workers who present themselves, while a different section of the Personnel Department will actively seek out and evaluate those with specialized degrees in management, science and technology, or some other university-created area of specialization and expertise. But there are special recruitment programs (e.g., “headhunters”) and special entry points for those who come from elite social and educational backgrounds, and their subsequent careers are not managed by the personnel specialists of middle management. Instead, as we colloquially put it, they are “groomed” by a “senior person” for eventual candidature for the highest levels of management.

### The “Worker” Courses

Course/channel differences are even more marked when one steps to the other side of the university-education frontier. Here we may most usefully shift the focus of our discussion from the production of labor-power to the modal differences in conditions of employment. One of the main dimensional differences between the three “worker” courses and the higher courses, respectively, and between the different kinds of workers, has to do with the degree of change one experiences, or is led to experience, within one’s course/channel.

While Managers and Elites have careers that are channeled by institutionalized promotion steps, this is not so for employees in the three worker courses. Occupational immobility is the rule there. In the same vein, while the two managerial courses feature relatively strong job tenure, job fragility is more often the rule for the worker courses. These differences are not only rooted in the industrial practices of the developed countries but often have, as in the United States, explicit legal backing. Thus, much of the point of employer efforts to keep unions out or weaken

them is aimed at preserving an “at will” employment relationship with Regulars. And, for all but the most fortunate Regulars in private industry, the best one can say of a worker’s job tenure is that seniority places the older worker farther up the list whose bottom rungs are surely destined for the layoff or even permanent separation. On the other hand, compared to the employment security of Marginals and the Excluded, Regulars often do enjoy the benefits of unions, with their seniority lists and other forms of job and task protections.<sup>12</sup>

Reality is always more messy than any law can prescribe, but the manager/worker division is exceptionally well maintained in the United States, not least because whenever the division weakens to the detriment of managerial authority both management and the labor regulatory system have been prompt to reseal it.<sup>13</sup>

For a Regular the band of opportunity for “rising on the job” is very narrow. One is condemned to be a “hand” not a “brain” worker. Basically, it is the case that one doesn’t normally go from high school into management; one would lack both “qualifications” and credentials. And one doesn’t normally go from college into the production ranks, for then one would be “overqualified.” Further, there is no continuous path to promotion in industry. One does not normally gain management experience in the ranks of the workers, and that fact, like the lack of the proper educational credentials, tends to minimize “promotion from within the ranks.” The two different courses of labor-power, Managers and Regulars, are produced differently, and that productive difference carries over and is coordinated with their later utilization.<sup>14</sup>

The restriction of “brain work” to the management echelon has also served to make more homogeneous the productive qualities of workers, at least those in the Regulars. I don’t mean that the workers, as men and women, personalities, and so on, can thus be reduced to a type. One must not imagine that managers need or indeed employ more brainpower than production workers and that production work is therefore brainless. This common prejudice, like so many others, is rooted in a *mélange* of ignorance and class snobbery. The distinction between the two sorts of labor-power rests not on the personal productive qualities of the two sorts of employees but on the course/channel they occupy. Most managerial work consists essentially of supervising the work routines of production workers (or of designing new ones in which technology will do the supervising and pacing). From the nature of the case, the social role of the one emphasizes using one’s brain, while the role of the other is to obey someone else’s brain.

The most numerous category of the Regulars in mass production

industry are those occupationally described as “machine operatives.” While the absolute number of machine operatives would appear to have fallen with the decline in manufacturing, the introduction of industrial techniques and technologies to office work—computers, printers, fax machines, photocopiers, and so on—has in fact increased their number. Many members of the work force in sales also operate machines. Modally, such operatives feed and/or operate a machine that carries out one or a series of routinized operations and then route the product to the next step or stage of production. Paradoxically, this homogenization of their modal course role deceives the unwary as to their productive qualities, which must be rather high.<sup>15</sup>

### A Note on the Other Courses

I will not devote space and attention here to Course/Channel III, that for entrepreneurial pursuits either in business or as a freestanding professional, such as a lawyer practicing on his or her own. Very often persons who take this course come from backgrounds similar to those for Courses I and especially II, and their divergence from those courses is often a matter of personal choice, luck, family tradition, and so forth. Also the failure rates of modest-sized firms, professional or otherwise, are such that there is always much interchange between Courses/Channels II and III (i.e., Managers and Entrepreneurs). Primarily, however, the persons who run the most important and numerous entrepreneurial businesses or practice their professions through their firms are really part of Course II. Because of the rapid expansion of franchising and licensing, more and more small businesses, typically the most profitable and long-lived, are backward or forward satellites of larger firms, so their business systems—accounting, labor relations, technology, production processes, and distribution systems—are typically closely prescribed and monitored by the larger firm, as in the fast food industry. In these cases, the Entrepreneur is only partly that. He or she is also a quasi employee of the larger firm, almost as subject to its management system and relative success as are its employees.

As was suggested earlier, what is significant about Marginals is that they do not have the opportunities and job security of either of the managerial courses or the Regulars. Marginal workers include those who are part timers or work only when employers need them. Normally paid the minimum wage, and often less, without benefits, and with few seniority lists and no promotion path, they are often subject to the whims of foremen and other supervisors or to poor treatment because of their age, gen-

der, race, or ethnic background or because they are immigrants. Below them are only the Excluded, those who can find work rarely, if at all, and then only of the poorest kind.

The brevity of my remarks on Marginals and Excludeds should not belie their vast numbers or their economic importance. Further, I have not made a calculation, but the narrative evidence seems overwhelming that business firms have succeeded in using Marginals in many jobs that used to require higher paid, semitenured Regulars. A business friend once described to me the latest office system for processing credit card payments. The office in question was then located in Lower Manhattan where a large college student population guaranteed a regular and ample supply of educated, relatively reliable labor-power. As my friend explained, the managers expected to be able to replace any worker on half an hour's notice, that is, not only to place a new worker at a vacated station but to have completed his or her training to the acceptable productivity and reliability standard within that time period. At present, this sort of office production system is as likely to be found in Bombay or Dublin as in Lower Manhattan for the same reasons and to similar effect.

Course VII, L(abor)-P(ower) Producers will be taken up in chapter 6.

## Course, Commodity, and Conditions of Employment

To summarize, my argument is that the commodity form of labor-power within a modern economy per se is distinguished into subvariants by the several courses. This occurs in several coordinate dimensions, most significantly (1) in the juridical and customary employment relationship, which differs for each course; (2) in the actual differences in the ensembles of productive quasi services used and work routines carried out by different course participants; (3) in the form, quantity, and regularity of remuneration; (4) in the distribution of labor-power by course/channel across the economy or, equivalently, the dominant division of labor; and (5) in the manner of its differential production.

### *The Formal Employment Relationship*

In a modern economy the position of every person can be analyzed as an element in a five-termed relationship of both a juridical and practical nature whose other elements are (b) his or her employer, (c) profession or union (even when empirically absent), (d) government both de facto and de jure, and (e) the institutional network of L-P Producers, including, for

example, the university credentialling system. In these dimensions each of the courses importantly differs from the others as, to take an example, in the nature of job tenure or, more technically, in the way in which they have modified the doctrine of “at will” employment as it applies to the different categories and courses of employees.<sup>16</sup>

I earlier commented on the at will character of modern employment in the private sector. Yet each of the other four players in the employment relationship have seen fit to modify it with respect to the different courses

The private firms themselves cling to the doctrine of at will mainly for tactical reasons, but they have historically and unilaterally modified it, as we saw in their practice of maintaining a core group of employees. In their management echelons in particular, they have socially enacted the category “career” by unilaterally adopting regular promotion systems that lead some of their employees through a calculable number of steps from beginner to retiree. Then, too, it was the private firms that more or less unilaterally instituted the seniority governed layoff/callback system, thereby conferring a sort of limited and modified tenure on their workers.<sup>17</sup>

Unions, even when absent, have played an enormous role in modifying the employment relationship. The current reduced size and influence of the trade unions are in fact almost irrelevant here. Historically speaking, unions contributed to making socially manifest the distinction between, on the one hand, Managers and workers and on the other hand Regulars and Marginals. The historic introduction and maintenance of the relative privileges of the Regular course was probably as much due to the threat (or reality) of unionization as anything else. And it has been in part through union disinterest in organizing part-time and seasonal workers that the Marginal course has come to be socially enacted as a major mode within the labor force. It has been predominately through union cooperation that distribution of the narrow perquisites and rewards that are available to mere “hands” has been rationalized and systematized through the adoption of seniority provisions in the contract and/or just in routinized practice. Even today business firms typically try to treat their employees just well enough to keep a union out or to be adequately placed to defeat it if one turns up.

The professions have thrust themselves into the employment relationship both through the institution of credentialling, often accompanied by legal sanction, and, with the aid of the universities, by inducing employers to place their members within the privileged managerial echelon. In fact, the Managerial course can be seen as a joint creation, in the first instance, of employer and university.

Government enactment and influence have differentially altered the employment relationship through the (earlier) support of trade unionism and its later action in the labor regulatory system to restrict managerial tasks to management, more or less forbidding their performance by members of trade unions. More important at present have been government programs such as antidiscrimination law for several classes of employees—women, minorities, the handicapped, the older worker. In all of these cases, discretionary government authority is interposed between the contractual “at will” relationship of employer and employee and modifies it quite substantially. But by and large, the main weight of these antidiscrimination programs has been directed at and successful in the managerial echelon. One gains the distinct impression that, save a few dramatic cases mostly in the building trades, discriminatory practices in the worker courses are not viewed as of very great importance in U.S. public policy.

Seen as a labor-power-producing institution, the university system has importantly deepened course differences in employment relationships through its own promulgation of the roles and authority of the several professions and its joining with them to make sure that industry and government recognize those professional prerogatives. Government frequently assists them in this, for example, when the licensing of the professional is tied to his or her university-provided credentials, as in the law, medicine, civil engineering, and so on. Obviously, the Elite course is reciprocally enhanced by the continuing prestige of certain elite institutions.

### *Productive Services*

It would be belaboring the point to comment extensively on the productive services deployed in the different courses. If any overall tendency is to be marked here it is that the managerial capacities of management have been increasing in tandem with the growing adaptability of the various worker courses to be managed. Relatedly, the increasing capacity of the managerial profession to train and direct workers and the increasing scope of formal education have been shifting the borders between Regulars, Marginals, and even Excludeds. At one time, for example, industry often preferred to keep on the payroll workers who were temporarily not needed because it was too expensive to train their successors at a later time and because it was, probably with reason, assumed that inexperienced and very young workers were too irregular in quality. But the growth of the fast food industry in particular and of industrialized office work challenges those older truths. The very large pool of educated

women and high school and college students offers potential workers who are prescreened to some significant degree, and new management systems and techniques have enabled first the fast food industry and now many others to hire and train such workers as needed on a temporary or a part-time basis. The point I would make here is that the borders between Regulars and Marginals, once relatively fixed, are becoming more fluid and may become less important. Against this, the manager-worker divide seems to be becoming even more crystallized.

### *Pay Systems*

Payment and other rewards systems for different classes of employees are dominantly arranged by course. Here it is not simply a question of more or less; payments to members of the different courses may overlap at various points in the course. Equally important are the security of the wage or salary, whether it is programmed to rise and by how much, and the scale and surety of benefits and perquisites. On the other hand, the prices found in the sale/purchase of labor-power are differentiated considerably by course. Essentially, Elites receive some multiple of Manager pay primarily because their regular (higher) salaries are regularly augmented by special access to proprietary gains such as stock options, profit-related bonuses, or other indexing of their income to profits. Thus, over time they typically come to “earn” a much higher multiple of their starting salaries than ordinary managers, and of course the increase in their status and authority over the course of their careers is equally dramatic.

The pay of ordinary Managers, while not in the stratosphere, is conventionally set by taking a multiple of the wage of the workers they supervise. For all Managers, there are also modest opportunities for increases in pay, authority, and professional esteem over time, that is, over the course of their careers. Their benefit systems also tend to be calculated at some multiple of those accorded to workers in the same firm or industry.<sup>18</sup>

Regulars can normally count on some tenure of employment, hence regular wages over the course, and in addition they typically have their (higher) wage scales augmented with various benefit schemes such as sick or vacation pay. Pay is often increased simply due to length of service. There is also the opportunity for advancement, thus higher pay, though admittedly within only a very narrow band of increased pay and authority. On the other hand, workers still normally receive wages that are calculated in terms of hours worked or units produced; Managers classically receive salaries not for the number of time units they work but for the entire period they remain on the payroll.

The Marginal course is a relatively recent arrival in the employment picture. Until very recently it made sense to distinguish a corporate from a peripheral sector of the economy (see Averitt 1968). These two modal forms of business differed in firm size, product lines, pricing behaviors, the geographical size of their markets, their rates of technological change, and several other key business dimensions. Among other things, the employees of the peripheral sector of the economy had much in common with today's Marginals, earning a great deal less than those of the central economy and enjoying much less security of employment.

One of the most striking changes in U.S. business in recent years has been the invasion of firms from the central economy into the old periphery, for example, in fast food, apparel, real estate services, cinemas, poultry production, and a veritable host of other areas. The economic significance of truly entrepreneurial firms has radically declined as they have been replaced with franchises and other forms of satellite business (they have not, of course, lost their ideological significance in the "free enterprise system"). By and large this invasion—too carelessly grouped under the rubric services—while drawing these lines of business ostensibly into the central economy have not raised their workers to Regular status. Thus, the Marginal course, which at one time existed at a distance from the center, is now as often a course within the central economy. Its employees, though now clearly integrated into the national economy, still generally earn close to the minimum wage, even when they're performing the same tasks as Regulars and are almost universally excluded from benefit packages. Insofar as they remain in the Marginal course, there is little opportunity for advancement with pay raises, and, as their job tenure is almost nil, so is the security of their income.<sup>19</sup>

As I argued earlier, it has been due to advances in management techniques and the systems of production that Marginals are now able to carry out many of the same tasks, utilize the same quasi services, and staff the same productive systems as Regulars. While this implies a shift in the borders of these adjacent courses, the industrial/practical reasons why firms retain some core employees, even among their "hands," seem to be pressing enough that the Regular course cannot be entirely dispensed with, although it may continue to be radically reduced in scope.

In brief, then, the wage and rewards structure of a modern economy is organized in the first instance by course/channel. The empirical differences in amount of pay or other opportunities within each course/channel may be significant, but in general the kind, amount, regularity, and duration of an employee's income and other rewards are dominantly conditioned by his or her course.

### *Division of Labor*

As pointed out throughout this chapter, the division of labor by course, a major fragment of which is the industrial division of labor, has become dominant in every calling, in every area of productive activity, in town and country, and so forth. It is in fact especially striking that divisions within the work force as seemingly ancient and profound as those between town and country or fisheries and husbandry are now almost entirely encompassed within the different courses.<sup>20</sup>

### *The Production of Labor-Power*

We have yet to deal in a sufficiently systematic way with the modern production of the social labor-power, but, as I argue in the next chapter, that analysis also tends to confirm that courses/channels exemplify the modern commodity form of labor-power.