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Theory of Ownership of Labour Power

Introduction

While today's social science uses widely such terms, not to say buzzwords as human capital and social capital, we contend that the theory outlined in this paper constitutes, at least with reference to work and enterprise, a much more cognitively fruitful alternative.

Whilst the use of the category of labour power is widespread, notably in Marxian and Marxist writings, the fact remains that neither the former nor the latter *EXPRES-SIS VERBIS* defines what ownership of it consists in. The following set of about a dozen propositions is an attempt towards this goal.

1. A rent-based approach to economic ownership

First, however, the concept of economic ownership must be elucidated. According to our rent-based approach, it is benefit that constitutes the substance of ownership. The benefits inherent in the ownership of the factors of economic activity¹ always are, to a lesser or larger extent, gratuitous. It is precisely for that reason that, referring to the economic notion of rent as an unearned income, our whole approach to property may be called: "the rent theory". In both accounting for its origin and nature, as well as its ubiquity the approach outlined here substantially differs from a popular view, according to which some individuals receive an income that is higher than the competitive

¹ This is, then, a notion broader than the concept of means of production, commonly used in that connection. By the same token our conception avoids productionism, or kind of naive stretching the latter to include, contrary to fact, means of circulation (of commodities and money), or services, which generates an over-inclusive notion.

market would predict, as this hinges upon heroic assumptions posited by neoclassical economic theory. This income is often referred to as a “rent” because a component of the payment obtained from using the [individual’s] asset is obtained independently of the effort and past actions of the person who has the right to that income (Soøensen, 1996: 1338), which captures the content of our notion of ownership.

2. Ownership of labour power

The rent theory of ownership that has been outlined above is also applicable to ownership of labour power, whose existence is in fact one of the key reasons for the inadequacy of the jurisprudential approach to property. Labour power refers, of course, to all those physical and psychical human qualities that enable one to perform work in general or some specific type of work. That an individual owner of his or her labour power may derive gratuitous benefits from this ownership is shown by the literature which points to two main mechanisms through which unions boost workers’ wages. One is the union wage premium, which refers to the increased pay unions are able to provide their members directly through collective bargaining (cf. Lewis, 1986). This is more evident, but there exist also another, indirect effect that could be framed in terms of socialisation, or more precisely-collectivisation of the ownership of labour power. What is at issue is the well-documented mechanism whereby non-union employers, worried about the threat of labour organizing, seek to pre-empt unionization by raising wages to union levels (cf. Corneo & Lucifora, 1997; Leicht, 1989). In socio-economic terms, this means that given employees benefit from the general bargaining power of unions, including those they themselves do not belong to, which epitomises the ownership effect in the sense of a rent-based approach.

All what could be defined as a result of a class struggle, decreasing the scope of collectivised labour power, has a significant impact on the level of ownership pertaining to non-managerial labour power in general. According to Card’s findings (1998), between 10% and 20% of the recent growth in male earnings inequality is due to falling union membership. In turn, comparing wage inequality in Canada and the United States during the 1980s, Di Nardo and Lemieux (1997) draw the conclusion that as much as two-thirds of the differential in earnings inequality between the two nations can be attributed to America’s higher rate of de-unionisation.

Significantly, the aforementioned study also indicates that a loss of members due to union decertification results in 10–15% higher executive compensation for the CEOs of newly non-union firms. More broadly, at least equally relevant to the debate over income inequality is yet another concern of organised labour: some studies have identified cases of far wider goals of union actions than those ascribed to them by the received wisdom – viz. unions mobilize to reduce inequities, by the same token going beyond the narrow wage interests of their members (underscored even in the Marxist literature by the notion of trade-union consciousness which is a synonym of this kind

of narrow economism). By way of illustration of what is not that rare phenomenon, one may recall that CIO unions in the 1930s and 1940s pursued a broad egalitarian agenda by pushing for greater gender and racial equality in the workplace (Milkman, 1987).

Relatedly, considering the average annual increases in earnings in the USA, Japan, Germany, the UK and Sweden since 1960, in contrast to the idea of increasing wage differentials between countries, a picture emerges of a high degree of wage standardization in manufacturing.

The overall differences in wage developments between the countries in 1989–1995 are less than half the figures for 1960–1979, and substantially lower than in the 1980s, which is largely due to wage negotiations in Europe, North America and Asia being increasingly coupled to global wage standards at the level of firms, sectors and nations. Employers and trade unions use international industrial statistics and trend extrapolations in conjunction with national and local negotiations. Employers as well as trade unions are trying to legitimize their bargaining demands by referring to the situation in other countries. A good illustration of how cross-country comparisons may influence national wage negotiations is provided by the 1999 collective bargaining round in Germany. Employer federations rejected union wage claims based on internationally high wage costs. IG Metall argued that they have a special responsibility as ‘trend setters’ in other European countries. The outcome of these negotiations between IG Metall and the German employers has had a clear impact in terms of setting the negotiation standards for smaller economies such as Sweden whose representatives from the LO were even invited as observers to the negotiations between IG Metall and the German Metal Employers in 1999.

In most cases wage standardization of the kind reported above is a more implicit process. The fact that this kind of standardization may also be formally institutionalized is illustrated by the Belgian ‘Law of competitiveness’ 1997–1998, enacting a legal wage norm based on average wage increases in France, Germany and the Netherlands.

At the national level we may observe a high degree of synchronization in hourly earnings within industrial production ever since the 1960s.

Thus far, “there are no indications of a qualitative break and a restructuring of wages according to pure market criteria” (Hass & Leiulfstrud, 2002).

According to the AVAILABLE EVIDENCE, then, a given worker, by virtue of owning particular kind of labour power, that is, collective labour power connected with the fact that he or she belongs to a definite collectivity, defined in union, national or even transnational terms, receives certain benefits in the form of higher or stable wages. What should be especially pointed out in this context is the circumstance that those are extra advantages, i.e. independent of one’s work.

To the best of our knowledge, as HINTED above, there is only one scholar who, implicitly at that, assumes a somewhat related approach to class as based on economic ownership. His conception is, however, seriously compromised by, amongst other failings, a lack of the concept of labour power, due to which he is able to claim e.g. that “rents are created by social relationships of ownership of rent-producing assets (with the obvious exceptions of rents on natural abilities” (Sorensen, 2000). Meanwhile, natural abilities are part and parcel of labour power just as socially acquired ones.

But it is much more to the notion of labour-power ownership than that.

Whilst the use of the category of labour power is widespread, notably in Marxian and Marxist writings, the fact remains that neither the former nor the latter UN-EQUIVOCALLY defines what ownership of it consists in.

At the very outset we ought to explain why, instead of the concept of sale more commonly used by Marxist economists and sociologists, the lease of labour power is used. Marx, underlining that in the case of labour power we are dealing with a commodity, always emphasizes that this is a peculiar commodity. And in actuality, the peculiarities of that commodity, related to the fact that it is an inseparable part of human personality, are very significant. Any other commodity, for example consumer goods purchased in a store, are wholly owned by the purchaser, who may deal with it at will (and, let us add, according to the popular legal notion of property), including for example, destruction, donation, etc.

Meanwhile, there is no such thing in relation to labour which is supposed to be the object of sales, too.² It can be utilized only in a certain way: consumed by the owner in the production process or providing services, or more generally by servicing a given type of operating conditions. However, a capitalist cannot, for example, sell his or her worker or otherwise dispose of them. It results from the fact that the latter remains the owner of their labour power, which is reflected among other things in the possibility of its withdrawal, for example by a strike, or changes in the workplace. The relationship between the worker and the owner of the working conditions resembles, in my opinion, the relationship between the owner of the land and the farmer leasing it from the owner who uses the land under cultivation. In addition, the term “lease” rather than “rent” or “hire” has been chosen for important theoretical reasons; the latter concepts refer, in our view, to personal property, e.g. renting a house from someone for her / his own use, as opposed to its use in the character of business premises.

From a certain point of view we might say that this theory aims at reflecting the circulation or circuit (albeit not comprising its production and reproduction) of the labour power or otherwise its history from the moment of entering the plant until leaving it. It will be seen that the terminology draws to an extent on Parsons’ pattern variables.

² According to a typical statement “proletariat as the class of those who must sell their labor to the owners of the means to earn a wage and stay alive” (Gilbert, 200).

3. Leasing universalism and particularism versus lumpenownership and employee co-ownership

With regard to the first of the possible stages, the theory is interested in what recruitment criteria are used: general principles (e.g. tests based on science) vs. particular criteria: network of contacts, nepotism, corruption, role of characteristics associated with labour POWER: sex, age, etc. as the basis for negative and positive discrimination. On that basis, ONE CAN DISTINGUISH universalist and particularistic LABOUR POWER.

Related to this is the first proposition of the theory submitted here:

Proposition 1: The greater the role of universalism in lease relations of the LABOUR POWER, the smaller the range of LUMPENOWNERSHIP relations, worker co-ownership of resources and work time in the enterprise;

Proposition 1': universalist – unlike particularistic – labour power is not involved in the relationship of lumpenownership (co-ownership). Here the issue is the use of work resources for one's own needs (LUMPEN-PERSONAL property) and / or monetary gain (LUMPEN-PRIVATE ONE). Lumpen OWNERSHIP is distinguished not by its external material characteristics but by the fact that it IS not sanctioned BY THE OWNER OR THE MANAGEMENT, unlike the RELATION sanctioned by the owner OF THE company) – employee co-ownership.

4. Leasing collectivism and ownership of jobs

Going back to the stage of entering the employee to the company, the theory draws attention to what way contracts are entered into more individual or collective (collective bargaining, the role of trade unions). The greater the role of factors of the second type, the greater the degree of socialization (collectivization) of labour power we are dealing with.

Proposition 2: the greater the scope of socialization of labour power, the stronger the ownership of jobs on the part of employees (revealed in among others guarantees of employment, conditions of lay-offs (severance, outplacement), etc.

How important not only in practical (for persons involved and policy-makers) but also in theoretical terms is the category of ownership of labour power and its corollary in the form of the above-mentioned notion of ownership of jobs is shown, amongst others, by some claims put forward by Ulrich Beck and others believing that it is the notion of risk that is constitutive of modern society. Arguably “an increase in patterns of flexible working has intensified the degree of risk involved in acquiring and maintaining employment. In modern society, employees are required to be adaptable and receptive to change in a fluctuating labour market. In support of the risk society perspective, it is pointed out that flexibilization has eaten away at standardized full-time contracts and facilitated the diversification of employment practices.

In Britain, we are reminded, over six million people are currently employed on a part-time basis, with self-employment becoming an entrenched trend.

Beck argues that although predominantly located within manual and service industries, “self-employment” has also seeped into the professions, with employment agencies supplying lecturers, accountants, and computer analysts on demand. Again, at a surface level we can agree with Beck’s line of reasoning. It seems plausible that employment risks are impacting upon a wider section of society than in previous eras. However, “from this axiom, Beck superinduces that risk and insecurity are becoming universal features of employment. It is at this deeper structural level that the risk society thesis comes unstuck” (Mythen, 2005).

According to Beck, the overarching purpose of the Fordist system was to eliminate scarcity by producing sufficient goods to meet the collective needs of society. Hence, the central dynamic – or logic – of the Fordist regime revolved around the concept of class. Beck argues that the distributional patterns of the class society were noticeably interrupted in the 1970s when the distribution of social goods became augmented by a cachet of social bads, such as endemic unemployment, mass pollution and nuclear hazards. Underlying the division between goods and bads is a rudimentary distinction between social priorities under the two modes of organisation: class societies are bound up with issues of scarcity, risk societies are preoccupied with the problem of insecurity (Beck, 1992: 49). Of course, this claim could be regarded as a distorted reflection of the historical transition from the Keynesian era of economic growth and class peace to the neo-liberal one whose policies had a diametrically opposite, but equally strong class character, Reagan’s firing of striking air traffic controllers and Thatcher’s smashing of the striking miners being only most symbolic manifestations of the latter.

In the risk society perspective, labour market insecurity is emblematic of a new fleet of risks which undermine social structures and threaten established cultural practices. The most obvious manifestation of employment risk is the social diversification of joblessness. With the emergence of cyclical global recessions, unemployment and job insecurity no longer blight only the poorest and least academically qualified groups in society. In times of economic uncertainty, labour market fluctuations universalise the threat of redundancy: “you can run into anyone down at the unemployment office” (Beck, 1998: 55). Not only does employment insecurity undercut established class and gender divides, the new logic of risk produces a circular motion of “boomerang effects”, as risks return to haunt their original generators. For example, high-status business elites well-schooled in dispensing with labour, themselves become dispensable. In this way, the sectoral effects of the class society are juxtaposed with the universalising effects of the risk society: “poverty is hierarchic, smog is democratic” (Beck, 1992: 36). The social diffusion of unemployment, combined with the flexibilization and casualization of labour, leads Beck to postulate that the

traditional logic of the wealth distributing society is being replaced by a burgeoning logic of risk. In the risk society, new inequalities and unions emerge as "class positions" become superseded by "risk positions". As risk and insecurity become routine features of the employment system, the distributive motor of the class society misfires, leading to widespread uncertainty. The relative rise in cross-class unemployment in Europe leads Beck to the apocalyptic conclusion that post-industrial nations are headed towards "capitalism without work": Insecurity on the labour market has long since spread beyond the lower classes. It has become the mark of our times. The old "lifetime profession" is threatened with extinction. No one wants to admit that with it an entire value system, a society based on gainful employment, will disappear" (Beck 1998: 55).

Similar considerations apply to Manuel Castells' approach which addresses the issue under consideration and would greatly benefit from the notion of ownership of labour power; Castells' (1966) labour is divided into networked labour, which serves the goals of the network, and switched-off labour, which has nothing to offer the network and in the context of the network economy is non-labour.

On the other hand, short-term contracts, casual labour practices and other processes considered under the rubric named "individualisation" express depriving of a given worker of his/her property of his/her job. Even granted wide incidence of such practices, Beck's far-fetched conclusion about his "risk society" as replacing "class society" is unfounded.

Essentially, the issue at stake is whether there has been a discernible shift from a sectoral logic of class to a universal logic of risk. However, if we approach the issue in terms of objective empirical criteria rather than sweeping and abstract generalisations, the logic of class demonstrates remarkable continuity (Goldthorpe and McKnight, 2003; Mackintosh and Mooney, 2004: 93). Despite being aware of the resilience of economic inequalities (1992: 35), Beck is adamant that risk positions are steadily supplanting class positions as principal markers of identity and experience. Beck conflates two different levels of analysis and corresponding facts. Granted, at a subjective level class may well be losing its power as a social glue that binds individuals and communities together (see Furlong and Cartmel, 1997; Saunders, 1984).

Yet while class identities may be receding, class location remains a key determinant of employment opportunities, and, more broadly, general life chances (Nolan and Whelan, 1999). There are a number of studies showing classes vis-a-vis arrange of dependent outcomes, such as educational attainment (Halsey, Heath and Ridge, 1980), social mobility prospects (Erikson and Goldthorpe, 1992), voting behaviour (Evans, 1999), health outcomes (Bartley, 2004; Savage et al., 2006).

The diffusion of employment risk remains stubbornly uneven; hence labour power market insecurity can be deemed universal, if anything, only in a strictly hypothetical sense. Whilst theoretically it may be possible to "run into anyone down at the unem-

ployment office”, in reality, it is the most underprivileged in terms of ownership of both material property and labour power social classes that remain routinely dependent on social security. Class position remains a fundamental indicator of vulnerability to unemployment (see Gallie et al., 1998; Goldthorpe, 2002).

If one focuses on people’s objective situation rather than their awareness, the critical issue is not one of risk perception, but risk impact. In a changeable economic climate, we may all sense labour market insecurity, but it does not follow that we will share the consequences. Indeed, in Britain, empirical evidence suggests that the socio-economic divide is widening, rather than contracting:

Between 1979 and 1996, while average income increased by 44 percent, the income of the lowest decile fell by 9 percent and that of the top decile increased by 70 percent the growing inequalities are evident in the falling life expectancy for the lowest two social classes, the first time a fall has been recorded since Victorian times. (Perrons 2000: 290).

Moreover, one of Beck’s central claims that long-term stable employment is a relic of the past is not born out by empirical research. As a case in point, (Doogan 2001) on the basis of EUROSTAT data demonstrates that average job tenure in Britain remained relatively constant between 1992 and 1999, with long-term employment showing a significant increase from 7.4 million in 1992, to 9 million in 1999. Thus, the British case shows that the general trend toward downsizing (taking place in the 1990s) can co-exist with an extension of long-term employment.

Overall, it would be extremely hard to find any evidence pointing to the emergence of a “universalising logic of risk”.

“A fortunate group of employees remain insulated against risk, whilst the unlucky numbers find themselves episodically out in the cold. From a theoretical point of view, the distinction between class and risk positions is far from drum tight. At best, the risk society thesis makes an unclean separation between class and risk effects. At worst, Beck’s presentation of distributional logics is internally inconsistent, with his vista obscured by an unrelenting fixation with risk” (Mythen 2005).

This biased perspective also applies to the above-mentioned maxim which is to illustrate the divergent social effects of each logic:

The wealthy were protected from scarcity and remain protected from risk; “protection” here being understood as “relative protection”. Smog is just as hierarchical as poverty so long as some places are less smoggy than others (Scott, 2000: 36).

One may wonder how such highly regarded sociologists can commit such empirical blunders. It appears we know the answer. At a deeper structural level, the risk theory stems from the same intellectual roots as e.g. Parsons’ general value system theory or Lukacs’ notion of alienation or reification as an overriding principle of capitalist society. All these conceptions, and our list could be easily extended, con-

ceive the relationship to society of their selected idea just as Hegel conceptualised his “spirits”. Well, the term itself may be outdated, but this by no means applies to the underlying logic. All conceptions establishing one key principle permeating the entire social world bear thus strong resemblance to Hegelian explanations. Hegel’s philosophy of history is termed objective idealism, belonging to one family with e.g. Platonism. Well, the Platonic cage is not, to put it mildly, the best vantage point from which to observe and describe the empirical reality. From this standpoint, the above-mentioned errors are not accidental, which of course constitutes no justification.

4. Horizontal and Vertical Socialization Versus Diffuse, Detail and Combined Labour Power

While translating into socio-economic terms the above-mentioned concept of social capital, we can point out that it is about synergies or the so-called effects of structure arising thanks to mutual relationships, in which participants of given work processes and production come into an investment-free surplus of efficiency gains due to specialisation, division of labour, proper chains of communication, etc. Related to this is the definition of the scope of ownership of horizontally socialized labour power (in the work process) included in the relations of developed cooperation (based on the division of labour) and a description of the property relations of vertically socialized labour power (incorporated in the vertical hierarchy of command). The use in this double context of the term “sociation”³ is justified by the essential meaning of the term, which is based on the interdependence of given individuals and other people. We are social beings, because our very existence, behaviour and thinking is dependent on the actions and hence the existence of other people.

Proposition 3: lower horizontal socialization of the labour power (technical autonomy in the work process) is combined with a smaller vertical sociation (authority autonomy, independent place in the hierarchy of command).

Proposition 4: more functionally autonomous (technologically) labour power coexists with a combined labour power that is encompassing qualitatively different types of work – for example, apart from the machine operator’s job, a job in providing materials for a work place, cleaning the factory floor, etc.

Proposition 5: Poorly socialized horizontally (functionally), although strongly vertically, hierarchically (involved in the processes of simple heterogeneous co-oper-

³ According to Simmel, “sociation” refers to particular patterns and forms in which people associate and interact with one another. Sociation (*Vergesellschaftung*) is a crucial concept in Simmel’s formal sociology and constitutes the process that ties the parts to the whole, individuals to one another and society. “Sociation is the form (realized in innumerable different ways) in which individuals grow together into a unity and within which their interests are realized” (Simmel, 1971: 24).

ation) labour implies the labour power in real terms (at the level of practical competence), including mono-skills.

5. Types of cooperation

A less well known part of Durkheim's work consists in his discussion regarding co-operation. Co-operation in terms of the French sociologist consists in sharing a common task. If the division is of relatively qualitatively homogeneous tasks, it is a simple division (the division of the first degree), and if tasks are qualitatively different, heterogeneous division of labour is complex and involves specialization (Durkheim, 1983:158).

Expanding on this pair of concepts, one could propose a more fine-grained distinction.

An inherent component of the theory under discussion is the description of cooperation relationships and the division of labour within the plant, which involves types of the means (tools, machines, automatic machines) and objects of work; relations of organic cooperation and heterogeneous cooperation as conditioned by the characteristics of objects and means of labour. Conditioning of material work by the structure of its means is reflected, among others, in the necessity of a certain number of people to perform a specific job. A single person cannot cope with a huge log; it can only be lifted in a collective effort of a group of people. Those employed at such a task therefore enter a certain relationship, called a simple cooperation.

Thus, a simple cooperation is a combination of the same type of work for the achievement of a specific result in the work process (production, such as for example while digging ditches, picking potatoes, etc.). Thanks to cooperation there is created a new production force which exceeds the arithmetic sum of production capacities of individual labour powers. The unification of efforts of a lot of people enables the implementation of actions unattainable for a single man, such as lifting of a significant weight, or such that could be done only in a much longer time. Bricklayers arranged in a series of twenty will transmit a brick on top of scaffolding much faster than it would be done by a single worker running back and forth. Collective work also stimulates the spirit of competition, contributing to the intensification of activity and the capacity of individual participants.

In many types of production and work without the cooperation it could be impossible to achieve the desired result or achieve it only partly, for example sheep shearing requires that work starts and finishes at a certain time. Achieving this result in this time depends on the simultaneous use of a numerous labour force. A grower cannot wait indefinitely to gather fruit from trees, and if he or she cannot find a certain number of hands in the specified time, they will have to come to terms with the loss of a substantial portion of his or her crop.

Referring to the terminology and category, not necessarily used in the same sense, of Weber, Durkheim and Marx, we can distinguish between simple cooperation (heterogeneous) and simple organic cooperation. Simple heterogeneous cooperation occurs when those working exercise their qualitatively homogeneous activities independently. Therefore, the same result can be achieved here in whole or in part by an individual labourer or by a few individual direct producers engaged in the job not next to each other, but consecutively. Employment of only one worker to lay the parquet in the flat will extend the period of completion of works, but it will still be done. However, in the case of simple organic cooperation, the expected outcome may not occur at all without the simultaneous operation of a number of people. Simple organic cooperation is a necessary condition for the creation of a particular product or useful effect. Time will not compensate for joint collaborative work here. Neither within a minute nor within an hour will a single worker be able to lift a heavy log, which can be handled easily by twenty people.

Simple cooperation may be, however, not only cooperation in space (synchronic or simultaneous) denoting the simultaneous execution of the same work by a group of individuals working together, but also in time (successive or diachronic), comprising a sequence of consecutive, equal actions of a number of individuals. Such a relay, for instance, is the way the Australian natives hunt the kangaroo. Members of the group replace one another in the activity of hunting the animal, until it is completely exhausted. If a simple cooperation creates a social productive force, the greater production force is created thanks to complex or developed cooperation, i.e. based on the division of labour. It differs from a simple cooperation in which the units perform not the same, but qualitatively different work. In complex cooperation the division of individual operations between various units allows their simultaneous execution, thus shortening the time required to produce the final product, and in many cases, the mere production of this product. The difference between these two types of cooperation reflects the distinction, analogous to the above, between heterogeneously developed cooperation (complex) and organic cooperation.

Heterogeneous developed cooperation is based on the performance of various technically and directly independent jobs, setting up a certain result. This work could take place simultaneously or consecutively. The first of these cases is called synchronic or simultaneous cooperation (spatial), the second successive or diachronic (temporal). An example of cooperation in space may be the production of watches: the body, clock face, hands, etc. are manufactured by separate workers, and only then all the parts are assembled together into the finished product. Whilst cooperation in time indicates that the result of one worker is the starting point of the second, these works are carried out independently. Plasterers, for instance, can start their job only after the walls are erected by the masons.

Meanwhile, complex organic cooperation requires the simultaneous performance of various different but mutually supporting activities. To use an example borrowed from Marx, when one person is paddling, the other is steering, and the third is casting a net or is harpooning a fish. The fishing therefore yields results that would be impossible without this cooperation. Developed cooperation or, in other words, work combined by distributing the production process into small components, gives specialisation to workers in performing the same actions, which increases the efficiency of their work. Increased operating efficiency, in turn, reduces the time consumed to perform each operation. Saving time is also created by the elimination of loss of time associated with moving from one operation to another. Relations of cooperation and division of labour are not limited to one type of manual labour associated with handling the principal means of work in order to process the object of labour. The division of labour also takes place between different categories of material workers. The complex relationship of cooperation, mostly heterogeneous, is entered into by workers carrying out the basic production processes and workers carrying out repairs of work resources, as well as workers supporting auxiliary work resources (plumbers etc.). The work of these two categories of workers ensures efficiency and continuity of the functioning of means of production. On the basis of division of labour, activities such as maintaining cleanliness in the premises, administration, and delivery of work resources on directly material workplaces become independent and are assigned to separate workers. Thanks to this exemption of the executor of directly material work from executing activities of loading and transportation of parts, tools and finished products may be realised, which increases the relative amount of time that they can devote to direct the exercise of their own work. Cooperated jobs require adequate supervision and management. Allocation of tasks scheduled between direct producers, organizing, controlling and coordinating the conduct of their current implementation are tasks of a special category of employees (masters, foremen). Managerial and organizational work is also performed by mid-level managers (e.g. heads of departments) and highest level managers (e.g. chief executive officers and chief operating officers). The division of labour also leads to a separation of functions of development of resources, processes and production methods performed by the staff of scientific and technical backgrounds.

Relations of cooperation and division of the above-mentioned types of material work are not only between each of these types of work and work directly material, but also between individual types of indirectly material work. Description of cooperation and division of labour within the workplace leads us inevitably outside⁴ its framework in the field of supra-plant division of labour. For example: analyzing the work of services providing technology and materials we go inevitably beyond the walls

⁴ This is an example of what has been referred to above as the interdependence of micro – and higher-level analysis.

of the undertaking, even taking into consideration the “external” transport cooperating with it. Cooperation of individual companies includes the relationship of both temporal and spatial character. Just as the division of labour within the enterprise is subject to dismemberment of the production process into separate stages carried out by different workers, so the process of production of a particular product may be distributed among a number of factories, which carry out particular phases of the process. Cooperation and division of labour on a supra-plant scale includes also the relationship between individuals performing directly material and conceptual work (e.g. laboratories and research and development centres belonging and not belonging to the company), managerial work (e.g. holding companies, etc.), or the material and technological sale and supply (e.g. wholesale centrals), etc. A number of respective relations of cooperation are also entered into by agents of specific areas of the supra-plant division of indirectly material labour.

6. Real and Formal Labour Power

The analysis of these types of relationships brings to light many aspects of, as is termed by sociologists, “social capital.” To use another widespread in sociology term, the analysis below leads to identifying the traditional accounting forms of “human capital.” It assumes that description of: (1) qualifications (education, training) and (2) skills (not formal, certified as having the relevant certificates, but real competences of employees).

7. Detail and Diffuse Labour Power

This piece of analysis is used to distinguish between the types of ownership of the labour power located along a continuum: detail-diffuse or comprehensive. The holder of detail, in the terms of Talcott Parsons, is functionally specific in contrast to the diffuse labour power, characterized by the fact that he or she performs only a part of the activities and operations necessary for the formation of the final product. This type of labour power tied to routinized work is best exemplified by Fordism. As Marx writes:

The implements of labour, in the form of machinery, necessitate the substitution of natural forces for human force, and the conscious application of science, instead of rule of thumb. In Manufacture, the organisation of the social labour-process is purely subjective; it is a combination of detail labourers; in its machinery system, modern industry has a productive organism that is purely objective, in which the labourer becomes a mere appendage to an already existing material condition of production. In simple co-operation, and even in that founded on division of labour, the suppression of the isolated, by the collective, workman still appears to be more or less accidental. Machinery, with a few exceptions, operates only by means of associated labour, or labour in common. Hence the co-operative character of the labour-process is, in the latter case, a technical necessity dictated by the instrument of labour itself (Marx, 1976).

The product is converted from direct product of the individual producer into social product of a combined worker, i.e. combined production personnel work turned into a series of individual operations in a number of social activities, and products from the products of individuals transformed into products of society. Yarn, textiles and metal products coming from the factory are a joint product of many workers, through whose hands it had successively passed before it became a final product. However, no one man can say: "I did it, it's my product"⁵: "In a manufacture and crafts a worker uses a tool used in a factory – a machine. There, he sets in motion the means of production, here he must follow their movement."

For a worker functioning as an operator of the craft or artisan means of production, diffuse labour power is more characteristic, i.e. an ability to perform all the different technical activities and actions that are necessary to achieve the final outcome of this type of work. More broadly, holders of diffuse, multi-skilled labour power prevail in flexible, small-batch production pertinent to post-Fordism with its multipurpose equipment as opposed to the specialised production machinery in Fordist industries characterised by mass production.

8. Combined labour power

The combination of advantages associated with both the concept of social capital and human capital pertains to the category of combined labour power; that is to say, apart from the main activities making up the actual content of work there are included some activities outside direct material labour such as maintenance of equipment or cleaning rooms, for example. For many workers functioning as a member of socialized labour, relations are entailed certain features of labour power. If a worker functions in practice in the work process only as part of the collective, diffuse workforce, that fact implies that the labour power receives some features of socialization, or more precisely, collectivization.

Other forms of collectivization of ownership of the labour power of industrial workers are collective forms of remuneration such as a brigade or team. The fundamental unit of distribution here is a definite work collective and only secondarily the indirectly individual workers. The dependence of wages on other workers' performance may relate to the results of work of the brigade, division, and the whole plant, or take the form of plans at the branch level, etc. Other types of work are characterized by a lower degree of concentration of work resources than the industry, and

⁵ A version of this statement included in *Grundrisse*: "the product ceases to be the product of isolated direct labour, and the *combination* of social activity appears, rather, as the producer. 'As soon as the division of labour is developed, almost every piece of work done by a single individual is a part of a whole, having no value or utility of itself. There is nothing on which the labourer can seize: this is my produce, this I will keep to myself'."

greater autonomy of the individual work process and its reduced dependence on the work of the work collective.

9. Operationally Particularistic and Universalist Labour Power

Another axis of the analysis of ownership of the labour power compares the operationally particularistic ownership to the universalistic, based on a formal basis. At one extreme is a situation that can be expressed through the saying: “do what the procedure requires,” or do what you want, just to reach the desired effect.

10. Labour Power Receiving Achievement-Based Wage and Labour Power Obtaining Ascription-Based Salary

Proposition 6: In terms of remuneration, the higher the practical skills related to the real, as opposed to the formal labour power, the more often it coincides with achievement-based, as opposed to ascriptive, labour power.

A formal, or credentialed labour power could be distinguished from a substantive one in the case of which practical skills are preponderant. Systems of remuneration of individual categories of employees can be divided into two major types:

- remuneratively ascriptive (salary based on the characteristics of the labour power: its qualifications, work experience, etc.) labour power,
- achievement-based (remuneration dependent on performance) labour power.

Proposition 7: The higher the formal qualifications of the labour power, the more often it coincides with the ascription-based pay.

11. Collectivity-Based Wage of Labour Power and Ascriptive Labour Power

Proposition 8: The weaker the socialization of the labour power (colloquially: unionisation), the less likely that Proposition 7 will come true.

12. Instrumentally particularistic labour power

Proposition 9: In the firm instrumentally particularistic labour power, characterised by interpersonal, communicative skills characterizes office workers, and other departments that are in contact with the external environment. The adjective “instrumental” used in this context comes from Parsons formulated opposition between the consumption action (expressive) oriented to the inside of the system and instrumental: facing out of the system.

13. Ownership of Labour Power and Labour Market

For starters, the conceptualisation of labour power adopted here makes it imperative for the notion of labour market to be rejected, as it is not labour as such but only labour power that is a commodity – which moreover is leased out rather than sold, as

argued above. But in the present context the point is that the supposed object of market transactions does not yet exist at the stage in which the concept of “labour market” (being thereby an ontologically incorrect one) prejudges its presence; it is only upon signing in employment contract when an employee gets assigned to a concrete job and tasks and starts actually to work.

The type of labour power referred to in the former section can also be described as interactive and contrasted with the other two varieties of operational labour power: manipulative-having to do with material objects or things and analytical-dealing with symbols.

Proposition 9: the direction of occupational mobility is determined by the type of operational labour power.

Each task, and thus occupation is characterised by a particular mix of the above-mentioned three types, e.g. they are jobs where analytical tasks predominate, and others in which interactive, communicative skills are prominent. Generally, people move to such jobs in which their skills can be used. For instance, it is far easier, and thus more likely, to move from sales to advertising in both of which affective (interactive) labour power is required, than for a construction labourer to find a job in the latter, since his labour power is completely different. As for each job a specific type of operational labour power pertaining to it can be determined, the above-mentioned proposition should possess a substantial explanatory and predictive power.

Proposition 9': The more complex (with multi-faceted skills), and on the other hand, simpler labour power, the easier it is employed in the labour market. It is the hardest thing to find a job for the employees with an average level of competence.

The pattern referred to above can be observed, *inter alia*, in the present-day American economy.

Many commentators argue that the American middle class has been “hollowed out” over the past three decades because job growth is increasingly concentrated at the high and low ends of the wage distribution.

The fact of the matter is, the prospects of those at the upper end of the skill distribution continue to improve, while on the other hand growth in menial, low-paying positions has remained steady. Meanwhile, middle-income job opportunities are shrinking.

Proposition 10: Both the horizontal sociation and vertical sociation are greater in industry than in transport, trade and services. When performing tasks requires the involvement of machines and humans, then the hierarchy increases, because very strict coordination of the work of people and machines is necessary.

When the company's task is services, and not production of material goods, the hierarchy is significantly reduced because there is no need to control almost every move. Supervision is, rather, viewing the documents and verifying information to

ensure that the work has been done properly; workers have a much greater autonomy both in functional and authority terms.

14. Theory of Ownership of Labour Power and the Conventional Theory of the Firm

The set of propositions presented above leads to conclusions that undermine the dominant, not only in the so-called mainstream economics, company image, and thus a paradigm of thought on which the majority of sciences concerned in one way or another with the economy.

The intellectual basis for this paradigm lies in the theory of rational choice derived from liberal political philosophy and the doctrine of utilitarianism, which is the core method used by neoclassical economics. It assumes that agents make such a choice, from among the available alternatives, which will allow them to maximize their benefit (utility, satisfaction). Although it is based on methodological individualism (concentration on an individual), thus excluding the possibility of collective action taken under the influence of social environment, it is not a theory applied only to analyze the behaviour of individuals. It is also applied to the debate about companies and countries, and it is often used in other social sciences.

This applies also to sociologists, from whose ranks on the other hand the largest legion of critics of this paradigm is recruited. On the other hand, it is sociology, classical sociology at that, which have contributed in no little measure to the preservation of essential conditions for this one-sided (in the categories of the theory of property introduced here) universalist concept of the company. Karl Marx should be counted among this group with his notion of capitalist enterprise as a machine for the production of surplus value and its accompanying assumption, which when removed from its context may well reinforce the stylised and idealized (in a theoretical and methodological, not normative sense) account of relationships governing it, according to which, as the author declares in the preface to the *Capital*:

I paint the capitalist and the landlord in no sense *couleur de rose* (i.e. seen through rose-tinted glasses). But here individuals are dealt with only in so far as they are the personifications of economic categories, embodiments of particular class-relations and class-interests. My standpoint, from which the evolution of the economic formation of society is viewed as a process of natural history, can less than any other make the individual responsible for relations whose creature he socially remains, however much he may subjectively raise himself above them (Marx, 1976).

Max Weber, in turn, considered “rational enterprise, division of labour and fixed capital” to be the basis of modern capitalism. Features of this enterprise as a rational organisation are best expressed by a model comprised of the following elements: First, a clearly defined division of labour, and each position with a fixed range of responsibility. Second, the norms governing behaviour within the scope of a given po-

sition, and the relationships between positions are bright and clear, and formulated in writing. Third, various positions are arranged hierarchically, with those higher controlling and managing those that take lower places. Fourth, the people occupying the positions perform their assigned roles in an emotionally neutral and impassive way, suppressing all their emotions and passions. Fifth, the people are assigned individual positions because of their professional competence, not for personal reasons. Sixth, the positions and offices are not the property of the people involved in them, but the larger organization. And seventh, career lies in the fact that individual people climb up the hierarchy through a combination of these features, such as their qualifications and achievements, as well as seniority.

It has been pointed out that perhaps the best example of formal rationality in Weber's thought is found in his theory of modern bureaucracy. For Weber, bureaucracy is characterized by increasing formalization, technical efficiency and specialized technical expertise. When fully developed, it is dominated by pervasive impersonality, operating *sine ira et studio*, without hatred or passion, increasingly resistant to substantive moralizing about compassion, fraternity, equality or *caritas*. Formal rationality is increasingly characterized by abstraction, impersonality and quantification, even to the extent of "quantifying even the unquantifiable." Weber argued that: "Bureaucracy develops the more perfectly, the more it is 'dehumanized,' the more completely it succeeds in eliminating from official business love, hatred, and all purely personal, irrational, and emotional elements which escape calculation" (Weber, 1947).

Meanwhile, there is ample evidence of the presence within the firm of numerous elements pertaining to an alternative to rationalist universalism particularistic model of socio-economic relations, starting from the recruitment stage, where the existence of several deviations from Weber's model of selection according to ability and merit could be observed, through a variety of relationships within the company, including the diverse nature of, as opposed to optimal performance-based,⁶ pay system, to the abundant manifestations of lumpen ownership of the labour power, resources and working time.

Meanwhile, any treatment of such relationships as only the pathological deviations from the major reality and in accordance with the ideal model is becoming increasingly untenable in the face of overwhelming empirical evidence. Even leaving aside more serious cases of white-collar crime, corporate fraud and misappropriation, there remain many types of employee misbehaviour that can cost the firm dearly. Ac-

⁶ In this respect as well in others our evidence-based theory is in conflict with all those approaches in which the move from ascription to achievement as a primary basis of social selection is seen to be one of the defining characteristics of modern societies (Parsons & Bales 1956; Blau & Duncan 1967; Kerr, et al. 1960). Ascriptive characteristics are deemed irrelevant to the judgment of an individual's merit, and are necessarily superseded by achievement criteria designed to allow for the efficient allocation of occupational positions.

According to the employment industry, so-called cyberslacking – surfing the Web while one should be working – is a huge, multibillion-dollar problem. A survey conducted in 2013 by Salary.com found that every day, at least 64 percent of employees visit websites that have nothing to do with their work. While most people only admitted to doing this for about an hour per week, it adds up. Supposedly, social media alone costs U.S. employers \$650 billion every year in lost productivity. That's \$4,452 per employee, according to an infographic published by Mashable and Learn Stuff (Platt, 2013).

From the perspective of an employing company, what matters is not just the Web surfing; it is the transition between tasks. If one takes a few minutes to check Facebook, it might take one twice as long to get back into one's work.

Concluding (largely) methodological remarks

To endorse the theoretical quality of the set of propositions laid out above, it is useful to underline that it got a baptism of fire, and even more – it was successfully applied in a big research project covering about 100 small and medium-sized enterprises, and separately in a series of small-scale or case studies of assorted firms. It is also well to clarify what is meant by the claim that the theory in question has been vindicated in the aforementioned research, as this is concerned with a key methodological issue. The theory has certainly met Popper's criterion of scientificity. This means that it has been proved that the concepts forming particular propositions are substantive in nature, i.e. they refer to some real phenomena or processes, which constitutes a minimum condition for the theory to be either positively or negatively verified; empty concepts and non-empirical, not referring to definite real-world objects assertions fall beyond the confines of science, social science being no different in that regard than the so-called hard or natural sciences. But after surmounting this primal barrier the consensus ends and a couple of different methodological views and positions are possible. The most widespread methodology could be defined as a binary one; that is to say, it envisages only two polar states of affairs: a given proposition either comes true or not, there are no "third way". To put it another way, the said binary methodology implies that the theory in question may be falsified and thereby discarded or, conversely, its propositions are found to be true. But this is an ill-considered view, one which significantly narrows down the horizon and scope of research. In the case of sociology, this type of methodological approach could be also described as an arm-chair science-in the sense that a researcher is expected to produce a set of working hypotheses, whose principal function consists in facilitating their confirmation or falsification. While the former outcome is perhaps more welcome, the latter situation is no big deal; the theory has fulfilled its task, and the outcome achieved will be relevant to those who will later investigate the same area. And yet, there are good reasons for this common position to be called into question. It implies sort of tunnel vision of the

researcher in question, she or he is pre-set, so to speak, to seek and expect only two sorts of research results.

But in point of fact there is no reason why one should wear such blinkers; this was the thinking behind the purpose of developing a perspective that would go beyond the tunnel vision of neopositivist methodologists and those social scientists who abide by their guidelines. This alternative methodology might be described as a “searchlight” whereby the paramount purpose of one’s research premises is to cast light on a given fragment of reality; one’s research apparatus should be configured in such a way as to find an optimum middle ground between the two extremes of an intensive spotlight casting light on a narrow chunk of social reality, while enabling the researcher in question thoroughly to screen the area in question on the one hand and, on the other hand a broader vision that captures a wider area of reality, but at the expense of precision and depth available in the first instance. At any rate, the fundamental merit of the recommended research approach is an enhanced ability to make true discoveries which are possible in the social sciences to the same extent as in the life sciences. One could state it in even stronger terms – as follows from the aforementioned account of the predominant conventional methodology, in its case such discoveries are possible only accidentally and by mistake, as it were, since the chief goal of the researcher is to check out whether one’s-formulated in principle independently of any research of one’s own-hypotheses are false or true, period. This makes clear why the binary neopositivist methodology impoverishes the research process and limits the range and sort of its findings. And, after all, the basic goal of scientific research is to discover some previously unknown relationships between the phenomena of social life or even new phenomena present in that life.

Although due to circumstances this contention must remain proofless, it is nevertheless worthwhile to declare that the above named methodological approach proved to be a fruitful one in a series of field studies, leading in many cases to the discovery of certain hitherto unknown aspects of social reality, which discoveries, in turn, have in a number of instances led to the realization of the need to modify, broaden or in some other way refine and ameliorate the existing theory which has produced its upgraded versions. It is useful to sum up some main cognitive achievements of the theory of labour-power ownership developed in the body of the article. It introduces a number of real innovations-whose soundness, to be sure, is not predetermined by their sheer novelty. Anyway, the framework laid out above modifies in a substantial fashion the conventional treatment of the relation between the owner of the means of production and the owner of (usually the adjective “the sole” is added at this point, although strictly speaking there is no imperative needed for this addition – a worker may well own even substantial personal property, and in some cases s/he will hold private property as well) labour power. According to our approach, the employee leases out his/her labour power rather than s/he sells it, as the received wisdom would

have it. A set of interrelated concepts and claims taking the latter point as its frame of reference have been developed to make up a fully-fledged analytic framework being a potential versatile tool of fruitful empirical research. To this author's knowledge, this is the first such an attempt to develop a set of concepts and assertions referring in a number of ways to the notion of labour power, which is frequently used, but usually in a definitely under-, theorised and under-developed form. By contrast, the set of interconnected propositions presented in the paper offers an all-round, comprehensive framework within which to illuminate a wide range of aspects to the notion of comprehensive labour power. Among other specific accomplishments of the theoretical perspective expounded here, a typology or systematisation of co-operation and its forms stand out, again a pioneering conception tapping what are all the popularity and relevance of the notion of co-operation to a wide variety of sciences notwithstanding essentially uncharted waters. The theory in question elucidates also an alternative to the common wisdom model of relations within the capitalist firm. It might be objected that observations of the presence and importance of informal relations at an enterprise level are not new, but this is only a half-truth, as our approach offers for the first time an evidence-based and theoretically informed framework within which given relations are construed in a way that makes clear its common features or core in the shape of the particularistic pattern, which, being uniform throughout, can at the same time be shown to be objectified in a number of multifarious ways. The latter point touches on a key trait of the entire approach – its dialectical shape making, it possible to capture within a single analytic framework both the shared and distinctive characteristics of the kind of relations falling within its bounds. And a key feature of the framework propounded here is its open-ended form; in its case not only “the proof of the pudding is in the eating”, but each such proof or application of the scheme can potentially lead to its change and upgrade.

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THEORY OF OWNERSHIP OF LABOUR POWER

Abstract

Although the use of the term “labour power” is widespread, especially in Marxian and Marxist writings, the fact of the matter is that the question of its ownership remains undertheorized. The present paper aims to fill in this gap. For it expounds what can be termed a full-fledged theory of economic ownership of labour power. The theory consists of more than ten propositions which refer to various dimensions of working conditions and industrial relations. It describes the relations concerned in a novel theoretical language that draws on Marx, Parsons, Durkheim and Simmel. The theory entails some modifications of Marx’s position and reveals a number of links between economic phenomena which have been so far considered separately.

KEYWORDS: Labour power, ownership, Marx, pattern variables, cooperation