Precarious work and contemporary capitalism

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There is understandably a lot of public discussion around the issue of what’s increasingly called precarious work. For some, this is evidence of the emergence of something qualitatively new in our economy. A fundamental shift has happened, the argument goes toward a ‘gig economy’ in which a whole set of assumptions about the world of work need to be changed. Some, like Guy Standing, have pushed this further to argue that a new class is emerging out of the ruins of the post-war consensus economy: a ‘precariat’ composed of downwardly mobile professionals, migrant workers and residual ‘left-behind’ communities. This precariat is a new dangerous class who if they mobilise properly, can abolish themselves by winning the argument with the established classes for ‘basic income’.  

There are some major problems with this analysis. Let’s take for example, the specificity of the precariat as a new class. Guy Standing argues that the precariat is ‘not part of the ‘working class’ or the ‘proletariat’. The latter terms suggest a society consisting mostly of workers in long-term, stable, fixed-hour jobs with established routes of advancement, subject to unionisation and collective agreements, with job titles their fathers and mothers would have understood, facing local employers whose names and features they were familiar with.

This is a caricature that does extreme violence to the actual historical development of the real working class. A properly historical analysis of the world of work in the history of capitalism would find that much of the precarious work discovered by current sociologists has been present from the inception of this particular mode of production. The female outworkers who finished cotton goods in the industrial revolution, the waves of agricultural workers who migrated into the cities during the 19th century, the dockers and matchwomen who unionised in the 1880s, all experienced extreme precariousness as part of their working-class lives. From this perspective, what needs to be explained is the relative lack of precariousness that characterised the world of work in the advanced capitalist countries of the second half of the twentieth century, a period that looks increasingly anomalous and exceptional with the passage of time.

The concept of the precariat operating in the gig economy doesn’t particularly help us today either. While it’s productive to identify insecurity and precariousness as a common experience in the world of work, the idea that this is a new class forming within a new type of economy obscures more than it reveals. The experience of migrant workers travelling huge distances to work in informal economies is different.
from that of workers in creative industries or public service professionals who find themselves unable to reproduce the lives their parents enjoyed. The ultimate forces driving the trajectories of these people and giving them a shared sense of exclusion and precariousness might have a common root, but their whole social experience is structured so differently that it doesn’t help to flatten this out by making them members of a new class, crudely counter-posed to anyone in a relatively secure job drawing a salary. Similarly, talk of a gig economy ignores the fact that the experience of most working adults in Britain is not structured by platform working, while it totally obscures the fact that the fastest growing section of the global working class is arguably working in forms of mass production that are supposed to have been historically transcended.

Yet the issue of precariousness should not be ignored. It has emerged because it does describe an important aspect of reality. We may need a better set of concepts for understanding this aspect of reality but it is undeniable that something is happening to workers, both in advanced capitalist countries and in the global South, something that is partially captured by the idea of that work has become more precarious and that employers treat workers more casually. As a labour movement, we need to understand what is happening because these workers need to be organised and need to build collective power. In Britain, organising precarious workers has become an issue for every union. Globally, the unorganised working class is huge and much of it is employed in sectors and working patterns that are understood to be ‘hard to organise’.

This essay will suggest that engaging with Marx’s idea of the direct relationship between capitalist accumulation and the ‘creation of an industrial reserve army’ can help us to see precarious work in a better way, as an organic and constantly recreated part of the wider working class on which capital feeds. The essay will then go on to apply this idea to the modern capitalist economy. In the current period of history, it argues, the patterns of capitalist accumulation mapped out by Marx have generated monopolistic multi-national corporations and finance capital, drawing workers from across the globe into wage labour and producing an industrial reserve army that is global in scale and which is beginning to be reproduced within the advanced capitalist states of the West. They have also used their domination of state apparatuses to actively de-regulate labour markets, reinforcing the downward pressure on wages, conditions of employment and job security. What some see as symptoms of the emergence of a new precarious class is better understood as parts of a wider recomposition of the global working class. Finally, the essay examines how this understanding can be applied to the British economy and its labour market and suggests some ways in which British unions can begin to organise among the unorganised.

Marx, working-class precariousness and the industrial reserve army

For Marx, precarious work was an inescapable feature of working class life that was born out of the way in which capital accumulates. Marx argues that capital accumulates through the exploitation of working people. As capitalists strive to maximise their profits, they drive down on the value they pay in wages in a range of ways: lengthening the working day, intensifying labour during the working day and by revolutionising the way in which production takes place to make labour more productive. This involves more efficient divisions of labour and the use of new technology to increase workers’ output while holding wages down. As capital accumulates and capitalists compete with one another, so they expand their operations and draw more workers into production. At the same time, as capital grows in scale, and sucks workers into production, so it also invests in new organisation of production and new technology to keep ahead of competitors and increase productivity. This creates a series of forces that draw new workers into the labour force even as they operate to forcibly expel others.

As production is revolutionised, the attempt to maximise profits at the expense of wages leads industrial capitalists to replace more expensive male workers with cheaper female or child labour or migrant workforces from rural areas or more economically dependent states. Competition destroys many individual capitals, throwing their workers out of work. Similarly, technological change destroys the need for certain
skills and operations, reducing the demand for specific kinds of workers previously brought into production. Even as accumulation expands, many workers are simply thrown out of work, their skills made redundant. The key point is that capital’s central drive to maximise profits to enable accumulation powers its efforts to drive down wages and increase productivity and that this, in itself creates what Marx called an ‘industrial reserve army’ of labour.

Marx gave concrete examples of the creation of this ‘industrial reserve army’ with reference to the English proletariat in his own lifetime. ‘Floating’ workers were created by the process of technological change in production or by the competitive destruction of capitalist firms. These included men expelled from skilled production and replaced by cheaper women and children operating new factory machinery. There was a ‘latent’ workforce of people moving into the towns and cities in search of work as capitalist agriculture reduced the need for labour and made subsistence farming impossible. This was supplemented by a flow of Irish migrant labour, fleeing the destruction of subsistence agriculture in their economically dependent homeland. And there was a stagnant population, comprised largely of women and children, under-employed in sub-contracted part-time and casual work, working in their homes and finishing goods whose lives began in the factories. 4

Marx’s argument, then, is that capitalism constantly creates a surplus population among the working class who live in a state of precariousness and poverty. This population, the ‘reserve army’ is both an inevitable effect of accumulation and a condition of further accumulation. It forms an ever-shifting pool of labour which capital both draws on and restocks in the process of accumulation. But Marx also regards the precariousness of the industrial reserve army as a feature or a moment of wider working-class life under capitalism. At any moment, a productive worker may find herself thrown into the ranks of the industrial reserve army. At the same time, workers in the reserve army are essential to accumulation and may find themselves drawn into production in new industries and used to drag down wages for established workers. From this perspective then, many, if not all, the sections of the so-called precariat, would in fact be members of a Marxist ‘industrial reserve army’ of the working class and not in any way a separate group. But is the concept of the industrial reserve army still adequate for describing modern capitalism and the people being described as precarious in today’s global economy?

**Precarious work and contemporary capitalism: Multinationals, financialisation and the global restructuring of the working class**

Above, we saw that a Marxist understanding of capitalist accumulation enables us to see precarious employment in a different aspect as a constant feature of capitalist production and accumulation and an organic part of the working class. Here we will look at how a Marxist analysis of the subsequent development of capitalism offers a better way of understanding precarious work as a feature of a recomposed industrial reserve army. To understand the contemporary industrial reserve army, we need to look at the role of multi-national corporations and their interaction with a capitalist economy increasingly dominated by finance capital.

Multinational corporations are now a huge force in the world economy. In the 1990s there were estimated to be 37,000 multinationals in the global economy. In 2004 this had risen to 77,000, employing some 62 million workers worldwide. 5 For some, multinationals are a distortion of capitalism, evidence of the emergence of monopolistic restraints on free enterprise that themselves need to be restrained in the interests of free trade. For Marxists however, multinational corporations are an inevitable outgrowth of the tendencies within capitalist accumulation. In ruthless competition, ‘one capitalist always kills many’ and capital tends to concentrate and centralise into larger and larger units, dominating entire industries and markets.

Multinationals have pursued a series of strategies that have drawn millions of workers across the globe workers into highly precarious waged work, particularly in the developing world. Multinationals have
pursued offshoring of jobs, as well as outsourcing and sub-contracting on a massive scale. Major US multinationals like General Electric, Exxon, Chevron, Ford, General Motors, Proctor and Gamble, IBM and Coca Cola now employ far more workers overseas than in the US. In part this is achieved by moving operations abroad and in part by developing complex international chains of sub-contracting and outsourcing arrangements, creating ‘global supply chains’. In this way, new workers from Asia and the global south are drawn into low paid, unregulated and precarious employment. In 1990, 50% of industrial production was located in developing world economies. In 2011 that figure was over 70%. And as workers in the global south have been drawn into industrial capitalist production, so the forces creating the industrial reserve army of precarious labour have also been unleashed across a worldwide division of labour. Workers in Southeast Asia for example have been sucked into the production and assembly of industrial components. Because of the vast reserves of workers employed in subsistence or marginal agriculture in countries like India, China and Latin America vast reserves of ‘pre-capitalist’ labour continue to exist, many of them migrating into cities in search of work as capitalist agricultural businesses destroy their livelihoods. Recent estimates based on ILO data indicate that there are 1.4 billion wage workers in the global economy and according to some estimates the global reserve army around this population may be as large as 2.4 billion, mainly but not exclusively, focused on the poorer countries. Consequently, wages can be maintained at historically low levels in these countries. Yet the multinationals using them as industrial wage labour are also driving productivity up through the use of new technology and automation, expelling many from the workforce in the process.

At the same time, of course, in the context of a global economy where capital is highly mobile but workers are not, this global division of labour is acting to drag down wages and conditions in the developed economies, leading multinationals to try to drive down wages and terms and conditions in the advanced capitalist states too. As Indian economist Prabhat Patnaik has argued, this helps to explain the paradox that workers’ wages and productivity are stagnating or falling in the advanced capitalist states while at the same time, in spite of rising productivity, wages in the developing world are not rising above historically low subsistence levels. Huge reserves of labour in the developing world are allowing multinationals to hold down wages there while helping to drag down wages and conditions in the advanced capitalist world. We can see, then, the same basic forces analysed by Marx, still at work today. Multinationals created by the concentration and centralisation of capital are expanding and drawing more and more workers into wage labour, but in the process, creating also their own precariously employed, global industrial reserve army.  

The imperative on multinationals to employ these strategies has been heightened by the fact that the world’s big companies, particularly in the advanced capitalist states, are increasingly owned and controlled by financial institutions. According to analysis by UNCTAD of the top 100 multinational corporations, 52% are owned only by financial institutions and this figure excludes those owned by private equity funds. Ownership of stock exchange listed companies has shifted away from pension funds or individuals, to be replaced by dispersed shareholdings managed by investment banks and other investment funds. These owners turn over their portfolios rapidly in search of consistently high dividends. The average holding of shares in stock exchange listed companies has fallen from six years in the 1950s to a mere six months now. New forms of ownership have emerged like private equity, similarly geared toward extracting high dividends. Multinationals now are more than ever focused on providing consistently high dividend payments, almost regardless of other considerations, including underlying profitability.  

This ‘financialisation’ of multinationals lies behind a series of corporate strategies designed to extract dividends for short-termist shareholders. For example, it helps to explain why giant companies are indulging in aggressive mergers and acquisitions. Companies retain large amounts of cash to deter hostile takeovers and also to acquire their competitors and dominate entire markets. Market domination is a faster way of maintaining profitability than investment. In 1954, the top 60 firms in the US accounted for less than 20% of GDP. Now, that quantity is accounted for by the top 20 firms. The drive to maintain dividend payouts also lies behind the moves to tie CEO remuneration to stock holdings, as well as...
explaining why those CEOs then go on to authorise share buybacks that artificially boost share prices and indulge in arbitrage with international tax regimes.

For workers, the consequence of financialisation has been to aggravate all the chaotic exploitative practices of capitalist firms. Financialisation of firms has been correlated with the use of HR practices aimed at reducing job security and increasing the amount of ‘flexible working’ within firms. A survey of senior executives in the US and UK, the most financialised advanced capitalist economies, revealed that the overwhelming majority said that shareholder dividend payment was more important than employee job security.9

Pete Rossm an and Gerard Greenfield, writing for the ITUF international trade union federation, have illustrated how this works in practice. The effect of financial ownership, they show, has been to drastically shorten the planning horizons of corporations and drive the introduction of management strategies to enhance shareholder value while undermining real economic performance: ‘Such strategies include restructuring and cost-cutting to reduce jobs and eliminate productive capacity for the purpose of generating cash for share buy-backs to further boost share prices.’ This is exemplified for them by the ‘Nestle model’. In 2006, Nestle announced a 21% increase in net profits and a 12.5% dividend, while Nestle workers faced diminished job security and job destruction through outsourcing, causalisation, production transfers and plant closures. ‘Of course, companies have always sought to maximize profit’ they argue:

“What is new is the drive for profit through the elimination of productive capacity and employment. Transnational food processors, for example, now invest a significantly lower proportion of their profits in expanding productive capacity. Financial markets today directly reward companies for reducing payroll through closures, restructuring and outsourcing. This reflects the way in which financialisation has driven the management of non-financial companies to “act more like financial market players.”10

The state and the restructuring of the working class

The activities of financialised multinationals have been assisted by their domination of national state apparatuses and their para-state organisations. Since the late 1970s, big business and finance capital have used their positions and their economic power to argue for states to de-regulate their labour markets, creating more flexible forms of work that are supposed to attract business investment. In response, states across the global economy have sought to capture multinational investment by engaging in competitive de-regulation of their labour markets, pursuing policies aimed at weakening the legal frameworks within which workers are employed and eroding the ability of unions to regulate the labour market through collective bargaining.11 In the Anglo-Saxon capitalist world, the succession of anti-trade union laws pursued by Conservative governments in Britain are an obvious example aimed explicitly at creating a flexible labour market.

But the same processes have been at work within the EU. The EU’s treaty commitments to freedom of movement for capital and labour always posed problems for unions looking to regulate European labour markets. The ECJ cases of Viking and Laval, which asserted the primacy of capital’s freedom of establishment over local collective bargaining arrangements, demonstrated that unions were fighting a losing battle in relation to EU law. But since the early 2000s, the leading EU states have promoted a vision of a more flexible European labour market within their own countries and through the institutions of the EU. Germany’s Agenda 2010 undermined collective bargaining and limits on temporary employment. Successive French administrations have pursued the same policies, most sharply under President Macron, but also under previous French Socialist governments. Accession states like Poland and the Baltic states weakened employment protections for workers to attract foreign investment on entry to the EU. The 2008 crisis presented new opportunities. States who ran into budgetary difficulties like Portugal, Spain, Greece
and Italy were strong-armed into catastrophic levels of labour market reform explicitly aimed at creating flexible, casualised labour as part of austerity packages in return for bailouts that were in any case simply agreements to pay off German, French and British creditors. In Portugal the number of sectoral collective agreements fell from 172 in 2008 to 36 in 2012, while the number of extensions fell from 137 to 12 in the same period. The number of employees covered by collective agreements fell from almost 1.9 million in 2008 to some 225,000 in 2014. Severance payments for permanent and temporary contracts were cut, with the express aim of reducing the cost to employers and the proportion of temporary employment in Portugal has grown. The result has been the creation of an industrial reserve army of precarious workers surviving within and moving between European states. “Four out of every five new jobs in the EU are part-time or temporary. States like Latvia, Lithuania and Poland have seen millions of workers pushed into ‘informal’ employment in highly precarious and poorly paid jobs. Poverty levels have spiked, leading to significant migrations among younger people, mostly into precarious work in other EU states.”

In the global south the drive to attract multinational capital investment drove states like India, Pakistan, Bangladesh, Japan, China, Indonesia and the Philippines to introduce rafts of reforms aimed at attracting foreign investment, including de-regulating their labour markets. Levels of temporary and casual work in these economies range between 25% and 70% of the wage-earning workforce and the use of temporary workers agencies by companies forming part of global supply chains dominated by multinationals based in the developing world has grown in recent years.

Finally, state policy has been geared to creating a reserve army within the extensive public sectors that developed in the post-war period. The same monopolistic multinationals and financial institutions who drives the thinking behind the pursuit of de-regulated labour markets, also strive for the creation of efficient markets within publicly owned industries and services. Privatisation of nationalised industries has pushed workers into the arms of multi-nationals or led to the downsizing or indeed destruction of entire industries. Neoliberal ‘new public management theory’ has been used to create pseudo market structures and imperatives within public services. Public services have been hived off to outsourcing or subcontracted provision, often provided by financialised services multinationals, while that which remains in the hands of public companies has been subject to budgetary restraint and new human resource management strategies aimed at driving down the cost of labour. A key aim and consequence of this project has been the creation ‘flexible labour’ within public sector employment.

So, at a general global level, the emergence of financialised multinationals and their domination of state apparatus in advanced capitalist states have operated to create a distinctively modern and globalised reserve army of labour. This new reserve army has been created partly out of the worldwide expansion of capitalism but partly also out of the conscious destruction of the labour securities in the socialist states and the wreckage of the so-called ‘Golden Age’ of capitalism in the post-war period. At the heart of this process lie the same basic forces and tendencies analysed by Marx in the mid nineteenth century. How have these forces played out in Britain?

**Precarious work and the industrial reserve army in Britain:**

In Britain, the processes analysed above have assumed a quite virulent form because of the extent to which British capitalism was vulnerable to early financialisation and has experienced an unusually rapid and extensive de-industrialisation. The long dominance of the City of London and what has been called the ‘Anglo-Saxon’ model of corporate ownership combined to prevent industrial modernisation over the long-term in the post-war period. Crudely, British finance capital has always had alternative sources of high rapid profit-making to long-term industrial investment. Once financialisation really took off in the global economy during the 1980s, this short-termism became fatal. British manufacturing companies have struggled to compete, hampered by low levels of Research and Development, dependent on their own retained profits and geared toward providing short-term profits for dispersed groups of fast-changing owners through the stock market.
The precipitous deindustrialisation and the recomposition of capital that followed from financialisation in Britain can be measured in the changing constitution of FTSE 100 companies in the period from the 1980s. In 1984 the FTSE 100 included 39 manufacturing giants in the food, tobacco aerospace and pharmaceutical sectors. In 2007 only 15 FTSE 100 firms were in manufacturing, employing between them no more than 100,000 workers. Instead, the FTSE 100 is now dominated by the big four retail banks, big retailers and supermarkets like M&S, Tesco and Sainsbury, utilities firms like BT, SSE and Centrica and outsourcing companies like Capita and Serco, between them employing many more people than the manufacturers. 16

Between 1990 and 2014, manufacturing employment fell from 4 million to 2 million while within that which remained we can see the familiar activities of monopolistic companies driving down working conditions and the labour rate. For example, in the meat processing industry, the grip of shareholder value-oriented supermarkets like Tesco, Asda and Sainsbury is felt by employees in the supplying manufacturing companies. The supermarkets’ quest for short-term profit margins drives them to squeeze their suppliers’ contracts. For workers in food processing companies the consequences have been below inflation pay awards, and a sharp growth in the use of highly precarious agency work. Agency workers comprise between 15 and 70% of the workforce in many meat processing factories. 17

The construction industry accounts for around 10% of all employment in the UK. The industry is dominated by a group of monopolistic big contractors including Balfour Beatty, Laing O’Rourke, Kier and of course, the recently liquidated Carillion. These companies then sub-contract a long tail of SME’s comprising 99.9% of the businesses operating in construction. Many of these firms have small numbers of workers but they are completely dependent on contracts won by the big multinationals and passed down the line. Because of their size and the small margins they operate with, these smaller firms have little incentive to invest in either the latest technologies or the skills of their employees, while the larger ones remain enslaved to the short-term interests of their shareholders and squeeze their sub-contractors’ margins. Not coincidentally, the industry has seen a growth in various forms of bogus self-employment. According to Unite the Union, more than 1 million construction workers, around 43% of the construction workforce are now paid via the Construction Industry Scheme which denies them basic employment rights. 18

As we’ve seen, with the recomposition of capital, as manufacturing has declined, so employment has grown in the business and services sectors. Employment in trade, accommodation and transport, for example, has grown from 7.4 million in 1994 to just under 9 million and is projected to rise further. This sector includes retail and wholesale employment, transport, accommodation and food services. 19 These sub-sectors are also those with very high levels of insecure employment. According to research by the Learning and Work Institute, food and beverage services, land transport and retail were among the biggest employers of workers on zero hours contracts, low paid self-employment and other forms of precarious contract. 20 The growth of automation in some of these sub-sectors such as retail, in the form of e-commerce, also threatens to throw some of these workers into even more dependent parts of the industrial reserve army in Britain. Again, financialised monopolistic companies predominate in many of these sectors.

In addition, whatever one’s view of the cost benefits of Britain’s membership of the European Union, it is a fact that with the accession of austerity-battered Eastern-European economies in 2004 and 2007, its labour market has been entangled with the migration of a ‘ready, flexible and well-educated labour force’ that could be tapped into as a huge ‘reserve army of labour’ to perform jobs at wages and under working conditions that in the main, national workforces in Western European member states rejected’. A series of landmark industrial disputes over wage dumping including at Irish ferries in the Republic of Ireland, the Laval dispute in Sweden and the Lindsey oil refinery dispute in 2009. But most migration, as Charles Woolson has noted has been into unregulated parts of the labour market where flexible labour has expanded like hotels, restaurants, catering, transport and construction, further increasing the downward pressure on wages, terms and conditions and contracts. 21
At the same time, waves of privatisation created new monopolistic companies in the water, energy and transport markets, many becoming subject to mergers and acquisitions, often from abroad and themselves becoming increasingly financialised over time. Similarly, marketisation and privatisation in public services has fragmented older career paths and created a new 'flexible' workforce of highly casualised labour. The privatised domiciliary and residential care sectors, dominated by private equity fund-owned companies, for example, are highly casualised with an estimated 300,000 care workers on zero hours contracts. Austerity-fuelled cuts to council budgets have only fuelled this downward pressure on wages and conditions.

The growth of precarious employment in Britain is best seen as part of a wider process whereby financialised multinationals in the advanced capitalist states have used economic power to create a huge, global working class and a global reserve army of labour, acting to drag down wages and employment conditions in the West while maintaining very high rates of exploitation in the global south. At the same time, they have used their domination of state machinery to de-regulate labour markets in the public and private sectors alike. In Britain, these general trends were accelerated by the dominance of the historically powerful financial sector, which helped to propel an unusually rapid and extensive deindustrialisation and the creation of a precariously employed reserve army of labour which has stretched across the growing service sectors, residual manufacturing and former public services alike.

Issues for British unions

The need to organise the unorganised is one of the great mantras of the trade union movement. Yet there are formidable obstacles to doing so.

There are undoubtedly problems of organisation and leadership strategies. For example, efforts by larger unions to organise the unorganised in retail have been notably hampered by sweetheart deals or accusations of breaches of the Bridlington principles. The existing conventions of TUC affiliated unions’ behaviour are arguably not helping and need to be reviewed. Equally the ‘new radical unions’ are good for publicity but their impact on the precarious workforce is so far negligible. The IWGB, for example, are good at mobilising and generating column inches but appear to be largely opportunistic, and too often targeted on areas where unions are already active. The capacity of such unions to make targeted interventions, build sustainable organisations or win tangible collective bargaining successes is harder to detect. Unions must develop organisations and ways of working that can combine strategic intervention, tactical flexibility and yet at the same time build sustainable organisations that can act as sources of workers’ power in areas where workers are no organised. Those that do not wish to do this should be side-stepped where necessary.

Then there are the problems presented by employer ownership structures. The rapid recomposition of capital and the working class in Britain has meant that there are entire swatches of the labour market where union organisation is absent, let alone collective bargaining coverage. The short-termism that dominates the decision-making of large, financialised companies in Britain also means that capital has the threat of mobility to wield over workers’ heads. In many cases it also means that even where collective bargaining rights are won and workers’ organisations are built, unions struggle to make sustainable gains for their members, partly because the actions of remote financial owners who turn over the investment portfolios in search of high profits are impervious to agreements signed with unions. In many ways, this is a new version of an old problem: the limits of trade unionism in a capitalist economy. But it’s a sharply accentuated version.

If the multinational and financialised nature of ownership places obstacles in the way of union organising, it also brings with it opportunities. For example, long global supply chains can be vulnerable, particularly at key points. As international transport unions have recognised, the ability to organise at key points among logistics workers can bring organising benefit to workers at completely different points in
the value chain. Striking transport workers can help win collective bargaining rights for workers in production, distribution and retail. But this requires the establishment of long-term cooperation among different industry unions and a sound understanding of where power lies. There are few quick wins.

Similarly, financialised multinational capital has created the basis for alliances with organisations of ‘consumers’. As these firms have expanded into every area of social life, they have come to dominate land and housing, welfare, education, energy, transport and so on. For families struggling to get by, the power of these firms is felt in every facet of their lives, not just in the workplace. To an extent this was always true and the history of working class struggle and the formation of the labour movement is thickly populated with the interaction of struggles over distribution and consumption as much as with wage struggles. Unions have always had to reach out beyond the immediate workplace to a degree. But privatisation, structural adjustment programmes and austerity have arguably strengthened the potential basis for such mobilisations.

Ultimately, however, unions cannot avoid confronting the issue of ownership. In an era of financialised multinationals, it is less possible than ever to exercise effective working-class power simply through industrial organisation and collective bargaining. In a sense this is simply a case of re-learning the old lesson that Marx and Engels taught the labour movement, that trade unions are a form of organisation inherently limited by capitalism and that it is always impossible to achieve irreversible advances in wages and conditions without controlling capital from above through political class struggle.

In Britain, for example, a change of government would undoubtedly help in altering the balance of power in the workplace. Repeal of the anti-trade union laws and legislation to raise the floor of employment rights would make a big difference to labour’s ability to organise and collectively bargain. But would it compel multinational companies to extend their investment horizons beyond the quarterly bottom line or even to continue their operations in Britain? Not unless ownership can be freed from the grip of the investment banks and asset management funds. An active state, assisting the expansion of social ownership is no less important to building better jobs than it is to creating a growing, productive economy in Britain.

But at the same time, as Marx and Engels pointed out, if trade unions are inherently limited, they are also indispensable. Trade union struggles play a vital role in educating workers in struggle and organisation in the place where the exploitative nature of society is most clearly apparent – the workplace. Trade union struggles might be limited but they are a precondition for the development of any wider political class consciousness. The fight for an alternative economic and political strategy to control the multinationals and finance capital would be immeasurably enhanced with an active, organised trade union movement at its head, linking up with and building community and regional collective action and rebuilding a fighting working class movement.

The fight for decent jobs that enable a decent standard of living is the labour movement’s mobilising issue. The task is to build organisations that can fight sustained trade union battles which link up with and strengthen the political movements and parties that are beginning once more to challenge the ownership structures of capitalist society.

Notes

1 Variants on this view can be found in Matthew Taylor, Good Work: The Taylor Review of Modern Working Practices, July 2017, Caroline Lucas, ‘These are the simple reasons why a basic income for all could transform our society for the better’, The Independent 15 January 2016, Andy Beckett, ‘Post-Work: the radical idea of a world without jobs’, The Guardian, 19 January 2018. In all of these the underlying assumption is that something secular is ‘happening’ to the labour market in the modern economy and the issue is how workers should shape themselves and their demands to this reality. The most developed theoretical expression of this argument is set out by Guy Standing in The Precariat: A new dangerous class (Bloomsbury 2011).

2 Standing, The Precariat, p.


6 These statistics are reproduced from Foster, McChesney and Jonna, ‘The Global Reserve Army of Labor and the New Imperialism’.

7 The dynamics of the global reserve army and its effects on wages across the world working class are discussed by Indian academic Prabhat Patnaik in several articles in *People’s Democracy*. See, for example, ‘The Structure of the World Labour Force’ (http://peoplesdemocracy.in/2015/1025_pdf/structure-world-labour-force) and ‘On the global economic crisis’ (http://peoplesdemocracy.in/2014/0608_pdf/global-economic-crisis).


15 There is an extensive literature on the financialisation of the UK economy but a good starting point is Chapter 1 of Jonathan White (ed.), *Building an Economy for the People: An Alternative Economic and Political Strategy for 21st Century Britain* (Manifesto, 2012).


17 See for example, the case of the meat industry, analysed in Andrew Bowman, Julie Froud, Sukhdev Johal, Adam Leaver, Karel Williams, *Bringing Home the Bacon: From trader mentalities to industrial policy* (CRESC Public Interest Report, June 2012) (http://hummedia.manchester.ac.uk/institutes/cresc/sites/default/files/Bringing%20home%20the%20bacon.pdf), pp. 26-39

18 The way that Carillion was ‘financialised’ has been revealed in its collapse and analysed in depth by Adam Leaver in ‘Out of time: The fragile temporality of Carillion’s accumulation model’ OpenDemocracy, 17 January 2018


20 Paul Bivand and Duncan Melville, What is driving insecure work? A sector perspective (Learning and Work Institute, July 2017).