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Still More on Contract Feudalism

Kevin Carson

June 17, 2005

I've written in the past about Contract Feudalism: a state of affairs in which, thanks to the state's pro-employer intervention in the market, the bargaining power of labor is so weak that workers will suffer just about any indignity to keep their job. In a post last week, I linked to a good article in *Monthly Review* about organized capital's strategic offensive over the past thirty years to weaken labor's bargaining power. The state capitalists, since adopting their new neoliberal consensus of the Seventies, have been hell-bent on creating a society in which the average worker is so desperate for work that he'll gratefully take any job offered, and do whatever is necessary to cling to it like grim death.

But even so, I never cease to be surprised by the new indignities that labor is subjected to. Just when I think things couldn't get much worse, I find this abomination (via *Wake-Up Wal-Mart Blog*, hat tip to *The Green Lantern* who drew my attention to it):

**New rule requires workers to work any shift or
be fired**

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Retrieved on 4th September 2021 from mutualist.blogspot.com

usa.anarchistlibraries.net

Wal-Mart officials in Cross Lanes told employees on Tuesday they have to start working practically any shift, any day they're asked, even if they've built up years of seniority and can't arrange child care.

Store management said the policy change is needed to keep enough staff at the busiest hours, but some employees said it appears to be an attempt to force out longer-term, higher-paid workers.

"We have many people with set schedules who aren't here when we need them for our customers," said John Knuckles, a manager at the store, which is located in the Nitro Marketplace shopping center and employs more than 400.

"It is to take care of the customers, that's the only reason," he said.

Workers who have had regular shifts at the store for years now have to commit to being available for any shift from 7 a.m. to 11 p.m., seven days a week. If they can't make the commitment by the end of this week, they'll be fired.

"It shouldn't cause any problem, if they [store employees] are concerned about their customers," Knuckles said.

Several single mothers working at the store have no choice now but to quit, said one employee, who would not give her name for fear of retribution.

"My day care closes at 6 and my baby sitter can't work past 5," said the employee, a mother of two who has been a cashier for more than three years. Neither of the services is available over the weekends, she added. "I have to be terminated; I don't know what I'll do."

workplaces by mutualism, which would "place the means of production within the reach of all."

UPDATE—Gretchen at Green Lantern has updated her original story. Wal-Mart, apparently, has caved under the pressure of public outrage. They're busy retracting, denying, "clarifying," and explaining what they "really meant." In other words, they're retreating as fast as the North Koreans after the Inchon landing.

The one thing these bastards seem to understand is how to go belly-up when somebody else has the whip hand. So don't let them forget...

Instead of workers living in fear that bosses might discover something “bad” about them (like the fact that they have publicly spoken their minds in the past, like free men and women), bosses would live in fear that workers would think badly enough of them to take their labor elsewhere. Instead of workers being so desperate to hold onto a job as to allow their private lives to be regulated as an extension of work, management would be so desperate to hold onto workers as to change conditions on the job to suit them. Instead of workers taking more and more indignities to avoid bankruptcy and homelessness, bosses would give up more and more control over the workplace to retain a workforce.

Here’s what the Anarchist FAQ has to say about it:

It’s important to note that because of Tucker’s proposal to increase the bargaining power of workers through access to mutual credit, his individualist anarchism is not only compatible with workers’ control but would in fact promote it (as well as logically requiring it). For if access to mutual credit were to increase the bargaining power of workers to the extent that Tucker claimed it would, they would then be able to: (1) demand and get workplace democracy; and (2) pool their credit to buy and own companies collectively. This would eliminate the top-down structure of the firm and the ability of owners to pay themselves unfairly large salaries as well as reducing capitalist profits to zero by ensuring that workers received the full value of their labour. Tucker himself pointed this out when he argued that Proudhon (like himself) “would individualise and associate”

“Wal-Mart is supposed to be a family-oriented company, but kids don’t matter,” the worker said.

Along with the “open-availability” policy, the store is requiring all floor employees to learn how to run cash registers, several employees said. They suspect this is an attempt to brace for the departure of many of the employees who now work as cashiers.

When announcing the new policies, store managers said they expected to lose about 60 people, according to another employee who asked not to be named.

“They said sales were down so much, they had to make a change,” the worker said. “The past year they’ve really been nitpicking” longer-term employees, who are paid more.

“A lot of people were mad and there were women crying – it’s just terrible,” said the worker, who has been at the store six years. “I’ve put up with a few things, but this has got to be the worst thing I’ve seen them do.”

Other Wal-Mart stores have open-availability rules, but it does not appear to be required of each store by company headquarters. Managers at Wal-Marts in South Charleston and Ripley refused to comment, but one employee at the store in Spencer, also speaking on condition of anonymity, said there was no such policy in place there.

(One thing that jumps out at me, especially, is that the policy’s being used to harrass and drive away better-paid senior workers, and simultaneously increase job insecurity and management control over the overworked people that are left. Surprise, surprise, surprise! That’s what’s meant by the “increased labor productivity” the talking heads on CNBC make so much of.)

I haven't been able to figure out, just from reading the story, whether the policy actually requires workers to be on-call on their days off and come in at a moment's notice, or just to be available for scheduling on various shifts. Gretchen Ross of The Green Lantern, in response to my query, says she's pretty sure it's the former. If so, that's especially hellish. Wage labor, traditionally, has involved a devil's bargain in which you "sell your life in order to live"; you cut off the eight or twelve hours you spend at work and flush them down the toilet, in order to get the money you need to support your real life in the real world, where you're treated like an adult human being. In other words, the bargain assumed, in Elizabeth Anderson's words (she's the person who coined the term "contract feudalism"),

the separation of work from the home. However arbitrary and abusive the boss may have been on the factory floor, when work was over the workers could at least escape his tyranny (unless they lived in a factory town, where one's boss was also one's landlord and regulator of their lives through their leases). Again, in the early phase of industrialization, this was small comfort, given that nearly every waking hour was spent at work. But as workers gained the right to a shortened workday—due to legislation as well as economic growth—the separation of work from home made a big difference to workers' liberty from their employers' wills.

Out in the real world, where your judgment and values actually mean something, you try to pretend that that other place doesn't exist. Imagine if you could never enjoy a day off, or even an hour enough, without the constant awareness that the phone might ring and drag you back down into hell.

For all too many employers, the traditional devil's bargain is no longer good enough. Employers (especially in the service sector)

Most important, by far, was the money monopoly, or

the privilege given by the government to certain individuals, or to individuals holding certain kinds of property, of issuing the circulating medium, a privilege which is now enforced in this country by a national tax of ten per cent., upon all other persons who attempt to furnish a circulating medium, and by State laws making it a criminal offense to issue notes as currency. It is claimed that the holders of this privilege control the rate of interest, the rate of rent of houses and buildings, and the prices of goods, – the first directly, and the second and third indirectly. For, say Proudhon and Warren, if the business of banking were made free to all, more and more persons would enter into it until the competition should become sharp enough to reduce the price of lending money to the labor cost, which statistics show to be less than three-fourths of once per cent. In that case the thousands of people who are now deterred from going into business by the ruinously high rates which they must pay for capital with which to start and carry on business will find their difficulties removed... Then will be seen an exemplification of the words of Richard Cobden that, when two laborers are after one employer, wages fall, but when two employers are after one laborer, wages rise. Labor will then be in a position to dictate its wages, and will thus secure its natural wage, its entire product...

Just imagine a market in which jobs competed for workers, instead of the other way around. As I wrote in the "Contract Feudalism" post,

ground-rent at as high a point as the necessities of the people will bear.

On discovering this, Warren and Proudhon charged the political economists with being afraid of their own doctrine. The Manchester men were accused of being inconsistent. They believed in liberty to compete with the laborer in order to reduce his wages, but not in liberty to compete with the capitalist in order to reduce his usury. Laissez Faire was very good sauce for the goose, labor, but was very poor sauce for the gander, capital...

...Proudhon and Warren found themselves unable to sanction... the seizure of capital by society. But, though opposed to socializing the ownership of capital, they aimed nevertheless to socialize its effects by making its use beneficial to all instead of a means of impoverishing the many to enrich the few. And when the light burst in upon them, they saw that this could be done by subjecting capital to the natural law of competition, thus bringing the price of its own use down to cost, – that is, to nothing beyond the expenses incidental to handling and transferring it. So they raised the banner of Absolute Free Trade; free trade at home, as well as with foreign countries; the logical carrying out of the Manchester doctrine; laissez faire the universal rule. Under this banner they began their fight upon monopolies, whether the all-inclusive monopoly of the State Socialists, or the various class monopolies that now prevail.

Of the latter they distinguished four of principal importance: the money monopoly, the land monopoly, the tariff monopoly, and the patent monopoly.

are coming to view not only the employee's labor-power during work hours, but the employee himself as their property. They are expected to live on-call 24 hours a day: that thing they used to call "home" is just the shelf they're stored on when their owner isn't using them at the moment. And the boss has a claim on what they do even during the time they're not on the clock: the political meetings you attend, whether you smoke, the things you write in your blog—nothing is really yours. Most people who blog on political or social issues, probably, fear what might turn up if the HR Nazis do a Google on them. And as for the job search itself—good God! You've got to account for every week you've ever spent unemployed, and justify what use you made in your time without a master. If you were ever self-employed, I guess, you might be considered "overqualified": that is, there's a danger you might not quite have your mind right, because you don't need the job badly enough. And the kinds of questions about why you left your past job, the personality profiling to determine if you're concealing any non-Stepford Wife opinions behind a facade of obedience, etc... It's probably a lot like the tests of "political reliability" to join the old Communist Party of the Soviet Union.

It doesn't take a rocket scientist to grasp the root of the problem, or the solution. Timothy Carver (aka Decnavda) puts the alternatives in very stark terms:

...anyone who has sat a negotiation table knows where the real power to gain a lion's share of the mutual benefit lies: with the power to walk away. If one side can walk away from the table and the other side cannot, the party that can leave can get almost anything they want as long as they leave the other party only slightly better off than if there was no deal at all...

What creates an imbalance in the power to walk away? One situation is need. If one side has to make the exchange, their power to walk away is gone.

...For most people, a job is the ultimate need. It from the earnings of job that all other needs are satisfied.

Capital is wealth that is used to help produce more wealth. By definition, capital is not needed by its owner: Wealth that is needed is consumed. Instead of investing in capital, the owner of excess wealth could choose to hoard land and gold, or indulge in ostentatious luxury. But capital is needed by the laborer, for whom it is necessary for the production of the wealth that the laborer needs to live.

Thus, free exchanges between labor and capital make the world a better place, because they all increase value in the world and they all make all participants better off than they were before the exchange. Free exchanges between labor and capital also inevitably result in capital retaining the greatest share of the increased value by exploiting its power to walk away from the exchange.

So how can we make the exchange more fair?

The socialist answer is to abolish the free market in labor and capital, and make the laborers the owners of all the capital they utilize. But this throws the baby out with the bath water. The exploitation of the zero-sum game is ended, but so are the wealth-producing advantages of the positive-sum game. The owners of excess wealth are forbidden from putting it to use in the creation of more wealth, and laborers have no incentive to produce excess wealth, since it cannot be invested. Increased value is never exploited, because there is no increased value.

The conservative answer is to give workers more training to do better or different work. But better training

does not change the minimum needs the worker must satisfy to be willing to work. It merely increases the increased value of the labor-capital exchange, all of which can be taken by capital due to their power to walk away.

The liberal answer is to have the government meddle in the labor-capital exchange...

There is another way. The need for government meddling could end if the balance of negotiating power between labor and capital were equalized. Currently, the imbalance exists because capital can walk away, but labor cannot.

Carver proposes a basic guaranteed income to redress the balance of bargaining power. I prefer Benjamin Tucker's free market socialist solution. As Tucker argued, the imbalance in bargaining power between labor and capital was not the result of a free market, but of government intervention in the market on behalf of capital:

It was discovered that capital had so manipulated legislation that unlimited competition is allowed in supplying productive labor, thus keeping wages down to the starvation point, or as near it as practicable; that a great deal of competition is allowed in supplying distributive labor, or the labor of the mercantile classes, thus keeping, not the prices of goods, but the merchants' actual profits on them down to a point somewhat approximating equitable wages for the merchants' work; but that almost no competition at all is allowed in supplying capital, upon the aid of which both productive and distributive labor are dependent for their power of achievement, thus keeping the rate of interest on money and of house-rent and