

Edwards, Paul K.

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**Conflict in the Workplace:
The Concept of Structured Antagonism Reconsidered**

Paul Edwards

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**Industrial Relations Research Unit
University of Warwick
Coventry
CV4 7AL**



Editor's Foreword

The Warwick Papers in Industrial Relations series publishes the work of members of the Industrial Relations Research Unit (IRRU) and people associated with it. IRRU is devoted to empirically-grounded, theoretically-informed and policy relevant research on work, and the Warwick Papers, which are blind-reviewed within IRRU, address current topics of employment relations with academic rigour. Papers that engage with policy and practice issues are particularly welcome, as they may require timeliness and style that do not precisely fit the conventions of academic journals.

This paper by Paul Edwards, former IRRU Director and author of the seminal *Conflict at Work: A Materialist Analysis of Workplace Relations* (1986) follows two previous interventions by him in this series on key theoretical aspects of the industrial relations field (nr 80 and nr 99. Notably, it engages in an indirect debate with Bruce Kaufmann, an authoritative figure in the contemporary definition of industrial relations and authors among others of *The Global Evolution of Industrial Relations* (2006). It defends the concept of 'structured antagonism' that lies at the centre of Edwards' radical pluralist approach to industrial relations, and within it, the use of the concept of exploitation, even if not according to the orthodox Marxian labour theory of value. Interestingly, the concept itself of exploitation is witnessing a revival in current debates, from those on growing inequality, to those on the UK labour market, as reported in Warwick Industrial Relations paper nr 107 by the Chair of the Gangmaster and Labour Abuse Authority Margaret Beels, and nr 108 edited by Linda Dickens and myself. A reflection on exploitation is, therefore, timely not only for theory, but also for practice.

Guglielmo Meardi

ABSTRACT

The concept of a 'structured antagonism' in the workplace, introduced in 1986, is revisited and extended. Part of the revisiting clears up misunderstandings about the idea which have arisen as a result of its being cited without always being fully understood. The core idea, that the SA exists because exploitation is inscribed in the organization of work, is defended. There are none the less weaknesses in the initial formulation. In particular, [1] it relied too heavily on the idea that only the direct producers of goods and service produce what has value, namely, the product; and [2] it did not sufficiently ground activity at the point of production in structures of ownership and control. In relation to [1], production also entails co-ordination and planning, and those engaging in such activities are productive. In relation to [2], though co-ordination and planning are productive, exploitation continues to exist because of the rights of control that ownership gives to capitalists. A research implication is the need to examine the links between directly productive labour and the activities of co-ordination and planning.

Introduction

The purpose of this paper is to revisit the concept of 'structured antagonism' (SA) as introduced by Edwards (1986) and to reassess it some thirty years later. The immediate impulse is an intriguing email from Bruce Kaufman (2017), asking about the concept of exploitation that is embedded in the discussion of the SA, together with some related remarks (Kaufman, 2018a) and responses (Kaufman, 2018b). A related reason is that the nature and purpose of the idea of the SA have become obscured. Jaros (2005) for example cites the term without giving its source while, as we will see, misunderstanding its meaning. Jakopovich (2014) renders it as 'structural antagonism' with no citation or context. Other scholars using the term without citation include Taylor and Bain (2003: 1488), Delbridge and Keenoy (2010: 802) and D'Art and Turner (2006: 523). The journal in which the last two pieces were published has 91 uses of the term, mostly without substantive discussion of what it means or how it informs the topic under discussion.

A more important reason is to improve the argument. But then why does this matter apart from scholarly *amour propre*? It matters because capitalism continues to be, in some sense, exploitative. In what sense is not so clear. The UK's government agency, the Gangmasters and Labour Abuse Authority, explicitly aims to combat labour exploitation and it says that being exploited is being 'forced to work for little or no pay' (GLAA, 2017: 2) though it is not quite clear whether this is a constitutive definition or merely one illustration of what exploitation can entail. It also says that there is a 'continuum' of types of exploitation with many of its examples being non-payment of wages or debt bondage (Beels, 2017); again, what exploitation itself means is not further discussed. Similarly, Skrivankova (2010) aims to consider a 'continuum of exploitation' running from decent work to forced labour. This locates exploitation as a particular type of situation in capitalism, rather than a feature of the mode of production as a whole. Some scholars use the term in a more general sense. Ritzer and Jurgenson (2010) for example discuss modern developments including that of the 'prosumer' who both produces and consumes a product or service, as when people generate Facebook profiles. Some accounts see all this as post-capitalist (see Bélanger and Edwards, 2013: 434-6 for examples), but Ritzer and Jurgenson rightly argue that exploitation still exists, albeit in a 'less clear-cut' form than previously (p. 31). They do not, however, say what it is. So it might be worth revisiting the relevant theory.

The present discussion is delimited in two ways. Firstly, there has been continuing debate about the Marxian theory of exploitation, often based on the central contribution by Cohen (1978, 1988). Though this theory directly influenced the idea of the SA, it also has a broader concern with social relationships more generally, and it has developed some distinct disputes which are not addressed here (see Warren, 2015, for a review and a re-statement of the Marxian view). As for more specific

studies of the labour process, some scholars defend a relatively orthodox Marxian view (Spencer, 2000). The idea of the SA was and is separate from and not dependent on Marxism (Edwards, 1986: 86-96). It denied the central Marxian idea of a unity of theory and praxis: the SA is an analytical concept with no implications for social action. As part of this denial, it identified different levels of analysis and insisted, to follow Lockwood's (1988) celebrated critique of Marxism, that the relationships between them are weaker and more contingent than anything claiming to be Marxist can allow. By this, I mean that any Marxist analysis worthy of the name must say that there are fundamental processes in a mode of production that determine its development. 'Determination' is of course a word that can mean 'directly generate' or 'set in motion some tendencies that may or may not be actualized in practice'. As discussed below, most scholars opt for the latter, in which case it is not clear what is left of Marxism. Secondly, the core idea of the SA has been re-asserted in response to two critics of it (Edwards, 2014). I rehearse this restatement only very briefly here. In that the response was a defence, the point was not to highlight limitations in what was being defended; these limitations take centre stage here.

In essence, the SA 'exists because workers are exploited in a very specific technical sense, namely, that they generate value in the labour process, and some of that value is taken from them' (Edwards, 2014: 12); or 'exploitation resides in the effective control of how workers deploy their labor power by a superordinate class which takes part of the surplus that is created' (Edwards, 1990a: 54). My central argument is that the original idea of the SA as stated thus was overly focused on the labour process in two senses: not relating the labour process to the wider system of capitalism, and neglecting the creation of value in other places. That said, we can still say that an SA is at the heart of the labour process AND that managing the SA is a distinct issue for capitalists which is more fundamental than other aspects of the mode of production.

I first offer a very brief summary of the original idea, followed by an indication of the problems. The third section offers a new analysis. The conclusions reflect on why this all matters.

The SA

The idea of the SA had a very simple purpose: to take the common idea that conflict is central or inevitable in the workplace and to say why this was the case. The term was used because 'conflict' can mean both some overt clash and a deeper underlying principle, with the SA referring to the latter. Jaros (2005: 13) wishes to offer a different, and better, approach in saying that there is only a tendency towards antagonism, which is contingent on the extent to which labour perceives a fundamental inequality in the labour contract. In other words, antagonism is not 'structured'. But he clearly misunderstands what the SA is, for it addresses the underlying principle. As stressed elsewhere (Edwards, 2014) the whole point was to identify different levels of analysis for different

purposes. Thus the initial statement (Edwards, 1986) went into detail about the different forms and extents of actual conflict, at the levels of the mode of production, the society, and the individual workplace.

This purpose led to the SA's have a clear 'objective' character in that it was intended to identify features of the labour process and not to offer any normative assessment of whether exploitation was good or bad. It thus differs from the approach that Cohen came to adopt, wherein exploitation exists if and only if the labour exchange occurs against the background of an 'unjust' (hence, the normative aspect) 'distribution of alienable resources' (Vrousalis, 2014: 153).

The basis of the SA then lies in the arguments quoted above, to the effect that workers generate what has value and that they do not enjoy the full fruits of what they generate. Other arguments on similar lines include Burawoy's (1979) famous simultaneous securing of surplus value and obscuring of this fact (that is, making the labour contract appear to be one of equal exchange, with various ideological mechanisms being used to achieve acceptance of this). Specifically,

'workers are dispossessed of access to their own means of production. For reasons of survival they have no alternative but to sell their labor power to a capitalist in return for a wage [but] their *wage is equivalent to only a portion of the working day*' (Burawoy, 1978: 260, emphasis added).

For Wright (2000) exploitation means the appropriation of labour effort from workers which is in turn made possible by their exclusion from control of productive resources. The specific point of the concept of surplus value is that the production process generates goods and services that are intended to have exchange value on the market. Non-capitalist provisioning, say growing crops for consumption, generates a surplus, but in capitalism this takes the form of surplus value, that is the potential to be sold. Capitalists' capital 'must be used to yoke labour in the creation of surplus-value in production' (Dobb, 1963: 8, quoted in Edwards, 1986: 67). Note that these definitions link exploitation at the point of production to exclusion from ownership of the means of production.

A restatement of the theory says:

The theory says that the structured antagonism exists because workers are exploited in a very specific technical sense, namely, that they generate value in the labour process, and some of that value is taken from them. They are not the only source of value. As the old and otherwise sterile debate about productive and unproductive labour established, some tasks performed by managers are productive because they co-ordinate the production process. I would add, from experience of studying small owner-managed firms, that these archetypal capitalists create value in recognizing business opportunities and organizing the means of production to pursue them. Exploitation does not, that is, mean that there is a class that produces all the value and another class that appropriates some of the value. It

means that the class of workers has as its primary function of producing value under the authority of others and enjoying only some of the fruits of that value (Edwards, 2014: 12). This suggests developments but does not really pursue them; and nor does it say how far the core ideas taken from Cohen have to be adjusted to take account of the claim that people other than 'labourers' produce things of value.

Problems with the Idea of an SA

Before addressing the above potential development, I consider central problems with the SA idea. One line of criticism comes from the Marxian tradition while the other is from a more conventional standpoint.

The first is expressed most effectively by Spencer (2000). He argues that the idea of the SA, along with the related analyses of scholars such as Burawoy (1978, 1979) and Thompson (1990; also Thompson and Smith, 2009), is overly focused on the labour process and that it fails to connect this site with the creation of value. The solution lies in embedding the analysis in value theory. Spencer does not, however, set out what that theory is. Nor does he grasp the extent to which the authors in question did indeed embed their work in a view of capitalism as a system, though not necessarily in value theory as such. In the case of the SA, he discusses only a short version of the idea (Edwards, 1990b), whereas in its full version (Edwards, 1986) it aimed to say things about capitalism as a mode of production. As for Burawoy, he offered a sustained account of capitalism as a system and its differences from feudalism to establish his core idea that capitalism is defined by the simultaneous production and obscuring of surplus value (Burawoy, 1979). As discussed below, 'value theory' itself may not be the answer. But Spencer does offer a reminder that the labour process is part of a process of valorization, as scholars like Elger (1979), had already underlined. That is, capitalism as a system is defined by the need to accumulate capital, and valorization is the process through which value is created and then realized in the form of money. I consider below how this idea can be developed.

One other point from Spencer is worth underlining. One of his goals is to defend Braverman (1974) from his many critics. Braverman was not, he says, a determinist, for he recognized that the linkage between capital accumulation and the level of the labour process is 'indirect and varying' (Spencer, 2000: 227). Just how far this point in fact underpinned Braverman's analysis is a moot point, for many critics suggest that in practice he tended towards determinism (and indeed the phrase just quoted is not Braverman's own but Littler's (1990: 56)). For other scholars, including Burawoy and Thompson, the point is indeed central. But if we accept it, then as noted above there is nothing specifically Marxist in the analysis.

Kaufman (2017) highlights two related issues. Firstly, are we not relying on a labour theory of value (LTV) which says that labour is the sole source of value? Secondly, do not employers make a productive contribution in building and equipping a workplace, and thus deserve a return on their investment? It would follow, though he does not directly say this, that the worker gets a return in wages, and the employer in profits, and hence that there is no exploitation in a systemic sense. By 'systemic', I mean necessarily structured into the employment contract. As Kaufman recognizes, and as the meaning of exploitation in the GLAA sense stresses, there are plenty of employers who use their power to reduce the wage below some proper level. A theoretical grounding for this idea is that of monopsony power, wherein employers with this power drive wages below the 'true' market rate (see Manning, 2003). But the fact that some employers exploit in this sense does not say that exploitation in a deeper sense is inherent in capitalism.

These points are not of course new, and my central source, Cohen, tried to deal with them, but in ways that I find increasingly incomplete. He was very clear on why he rejected the LTV (1988: esp 233-4).¹ The theory says that labour and labour alone creates value, which is false because many other things create value. His Plain Argument is that labour does not produce *value*, but *what has value*, namely the product.

What raises a charge of exploitation is not that the capitalist appropriates some of the value the worker produces, but that he appropriates some of the value of *what* the worker produces. . . . producers are the only persons who produce what has value. [There is] the objection that owners of capital, in their very capacity as such, fulfil significant productive functions in risking capital, making investment decisions, and so forth. But [this does not entail] that they engage in the activity of producing. To act productively it is enough that one does something which helps to bring it about that a thing is produced, and that does not entail participating in producing it. You cannot cut without a knife, but it does not follow that, if you lack one and I lend you one, thereby enabling you to cut, then I am a cutter, or any other sort of producer (Cohen, 1988: 227-8, emphasis original).

This argument certainly establishes that ownership of capital is not directly productive. Capital, along with the other forces of production (as catalogued by Cohen, 1978: 32-55), has to be set in motion in the process of production. If you own some land and I rent it in order to grow crops for sale, the land itself does not do the producing. You may in a market economy deserve the rent, but the surplus that arises from growing and selling the crops is the result of productive activity. In the same way, owning capital is not directly productive {though ownership becomes important in relation to control of the surplus, as discussed below}.

¹ This piece is discussed extensively below. It is a revised version of a paper originally published in 1979 (Cohen, 1979), and that paper may be more accessible than the book chapter.

Other scholars have rejected the LTV while retaining the concept of exploitation. Hodgson (1980) is one example, considered below.

Developing the Argument

Cohen's argument does not deal, however, with the issue of who the producers are. He assumes, like I think other Marxian writers, that they are the working class, that is those who are exploited. But as he also stresses capitalism is a dynamic system driven by the needs of accumulation. Part of this dynamism resides in the tendency of the material forces of production to develop, and Cohen makes a strong case for the claim that the productive forces have an 'autonomous tendency to develop' (1988: 83-100; see Edwards and Ramirez, 2016, for discussion). This does not mean that they develop autonomously, that is independently of the behavior of managers and workers. It means that the tendency to develop exists within the productive forces; whether this tendency is activated depends on other things. To put the productive forces in motion calls for human ingenuity. Some of this certainly lies in the hands of workers. Cohen (1988: 4) defines the central Marxian concept of labour power as including physical strength but also skills and technical knowledge. Yet skills and knowledge can surely reside among 'capitalists' as well as 'workers'. Do they not 'do producing' as well as provide the means for producing to take place?

Who are the producers?

There are two places where we might look for an answer. The first shares Cohen's Marxian basis and is at first sight the more promising. It is Marglin's (1974) celebrated argument about what bosses do. The capitalist, says Marglin, did not have a necessary role in the evolution of capitalism. The social function of the hierarchy of modern work organization was 'not technical efficiency but accumulation' with the entrepreneur being the 'integrator of the separate efforts of his workers; any scarcity of skills under the pre-capitalist putting out system was 'artificially created' to preserve a role for the capitalist (Marglin, 1974: 62, 70). If this were so, then we could conclude that the SA exists because a socially unnecessary role has been imposed on workers, and the capitalist consumes part of the surplus that would otherwise go to the workers.

The argument has been relentlessly critiqued by Landes (1986), though in a piece that has been cited only a tenth as often as Marglin's essay. As Landes points out, Marglin intends his paper to be both a piece of history and an analysis of the structure of capitalism. He exposes the limitations of the former, notably in relation to the role of entrepreneurs in organizing the production process and in marketing. As for the latter, he quotes Adam Smith:

Many improvements have been made by the ingenuity of the makers of the machines . . . and some by that of those . . . whose trade is not to do any thing, but to observe every thing (*Wealth of Nations*, I.i.10, quoted in Landes, 1986: 588).

Some of the rigorous thinking of Cohen would help here. Is Marglin saying that the *only* social function of the capitalist was accumulation, or that accumulation was one part of a complex historical dynamic? If it is the former, then it is at least logical to say that the capitalist is superfluous. But then how is the production process co-ordinated and linked to the market? The only reasonable argument is that capitalism is indeed a complex historical product in which a drive for technical efficiency and for accumulation are tied together. To the extent that the capitalist carries out socially necessary functions, he cannot be dismissed as superfluous.

The second place where might hope to find an answer to this question is the world of the business school, where there is a massive literature on entrepreneurship. To cite one leading scholar, entrepreneurs identify opportunities for the co-ordination of activities based in their skills in the manipulation of information (Casson, 1998). They identify potentially profitable but so far unrecognized projects (Casson and Wadeson, 2007). Not surprisingly, however, this literature exists separately from that on the labour process. Search on 'exploitation + entrepreneur' and you get papers in exploitation in the sense of exploiting a potential idea rather than the exploitation of labour. Kaufman (2018a: 590), however, captures the essential idea.

is it really the case that profits . . . are the unearned surplus skimmed from the worker's wages? Or, alternatively, are these profits to substantial degree legitimate and socially useful payments to, first, the enterprising entrepreneurs who create and run . . . businesses and, second, to companies and owners for [money invested in plant and machinery] and willingness to shoulder the risks of capital loss?

Three points need to be made in response, the first two empirical and the third more analytical. The first empirical point concerns the distribution of returns. Are not profits a fair return to capital? This question has been lengthily debated in critiques of the current operation of capitalism and I do not rehearse the arguments in any detail. Piketty (2014) for example has identified a long-run tendency for returns to capital to increase, and he offers an explanation in terms of the link with the rate of growth of productive capacity. (That said, he sees capital as only a stock of assets, rather than as a process in which money is used in the process of circulation to generate more money via exploitation: Harvey, 2014). The central point of those who criticize the equation of profit with the contribution of capital is that such an equation works in models of perfect competition, and arguably only works there, wherein 'normal' profits are determined through competition between perfectly informed firms which can enter any market costlessly. The real world is not like that, and economists increasingly recognize that once you move away from the model of perfect competition most of its implications fall (Rodrik, 2015). Even writers close to the operation of firms and markets enter deep doubts about how they work (e.g. Kay, 2016, Plender, 2016). Do owners really bear the risk of capital loss? Did the banks that collapsed in 2007-8 cause the penury of their owners? Secondly, how large does a reward for enterprise need to be? Why for example are CEO incomes

so high, and so much higher than they used to be? The general principle that capitalists help to put the forces of production in motion does not say that the reward to capital is established through some neutral process.

It is of course true that in a market economy new value appears to emerge when a firm becomes a success. Did not Google or Facebook create value where none existed before? The answer is that financial value of a firm is whatever the market says that it is. The spectacular rise in the measured value of some firms does not mean that anything specific has been done to create that value. And of course the value can collapse, as in firms like the Royal Bank of Scotland.

The second empirical point concerns the labour process. Does not the wage set the appropriate return to labour? Part of the answer is the economic one, stressed in the initial statement of the SA, that the wage does not represent the full value of the labour actually expended, as opposed to the labour power bought in the market. But there are also more social and psychological points. The worker arguably bears more risk than does the capitalist, in that the former invests her being in becoming, say, a machinist or a cashier. The meaning of who she is reflects occupational position, and the status of being a worker is much more constrained than that of capitalist. The capitalist inputs only money and the whole point of capitalism is of course that money is fungible.

Levels of analysis

The analytical point concerns levels of analysis. Kaufman (2018b) says that the idea of the SA seems to conflate three different things: exploitation, conflict and opposition, and inequality in the labour contract. The intention, however, was to distinguish these things so that, as stressed at the start of this paper, the SA is intended to operate at a deeper level than that of conflict. The SA exists whether or not there is overt conflict or even latent conflict in the sense of discontent or some other indicator of a lack of harmony between manager and worker. Kaufman asks for example about whether university lecturers feel exploited because they work in a hierarchical system. Do not they accept such a system as part of the way in which work gets done? The answer is that the SA itself does not adjudicate on such questions, which operate at a more empirical level.

I have made this point at length elsewhere, and for present purposes offer only a terse account. We can ground the idea of levels of analysis in realism, and its distinctions between the real, the actual, and the empirical (Edwards et al., 2014). The following goes over well trodden ground, but tries to offer a map to those who may be unfamiliar with it.

To take Kaufman's example, suppose that we observe some lecturers who state that they enjoy academic freedom and who score high on relevant indicators of commitment and job satisfaction. We might want to compare them with others who do not do so. We can then seek explanation for

the differences, perhaps in such areas as whether or not there is extensive monitoring of research performance. A relevant example comes from studies of call centres, many of which report very low levels of satisfaction. Yet Jenkins et al.(2010) report a case which seems to have escaped such problems. The reasons appear to have lain in the strategic decision of the owners to offer autonomy and job interest, which itself may reflect the fact that they were able to identify a market niche less driven by cost minimization than is true of the archetypical corporate control centre. These factors operate at the level of the actual: the social and economic context of a given case, which help to explain why that case is at is. And of course charting such sources of variation has been the stuff of workplace sociology for many years.

But what of the real? The idea of the SA says that the happy lecturers or the workers in the study by Jenkins and colleagues are exploited in the specific sense of the term explained above. They do not have control of the product of their labour. This fact has causal powers in that they might be led to question what they currently take for granted, for example how teaching tasks are allocated. These causal powers may or may not be activated, and whether they then have specific effects depends on other causal powers, on how relationships are configured at the level of the actual, and on the contingencies of events at the level of the empirical. The analytical task is not to discover that workers are exploited, but to consider the conditions that may or may not release causal powers that exist at the level of the real. The realist question is, 'what must the world be like for us to observe what we observe?'

Some economists, going back at least to Samuelson, like to ask whether it would make any difference if labour hired capital, rather than the other way round. The answer, of course, is that rights of ownership and the structure of law that has developed around them make it largely meaningless to pose the question. So we observe ownership, hierarchy, disciplinary rules, and so on, and we ask what it is about the world that leads them to exist. At the level of the actual, the operation of all these things differs between firms and countries. At the level of the real, they reflect deeper divisions around the SA. That does not mean that they are unnecessary or that they have no social function. Labour processes require co-ordination and organization, and systems of discipline may be needed as part of a technical division of labour. The causal powers of the forces and relations of production would need to be considered together, and the fact that the former may be beneficial socially does not deny that the latter can determine how far social benefits are in fact realized.

As for real interests, I have discussed elsewhere the meaning of the term (Edwards, 2015). The key point is that we do not claim to know better than actors themselves what their interests are, and nor do we assert that some interests are necessarily superior to others. We consider, instead, what interests must exist at the level of the real. In the case of employment relations, we can say that in the capacity as workers people have interests in such things as wages, autonomy and

voice. We then ask when and why these interests are affected by the actual and how they appear at the level of the empirical. Happy lecturers may, for example, be content with their wages if they feel that their work allows them autonomy to organize their own time and if they value the freedom to be paid to read books. If such freedom becomes constrained they may look at their interests in wages, compare themselves with others, organize with other lecturers, and so on.

Entrepreneurs and the production of value

We can reasonably take, though, the idea that, [1] *in principle and given the context of a market economy*, [2] *the entrepreneur is a producer in Cohen's sense*. Or to be more exact, *some of what the entrepreneur does is productive*. I first elaborate on [1] before spelling out [2], first in general terms and then with a more empirical focus. I then consider managers who are not entrepreneurs.

The rider [1] simply sets a boundary to the discussion. To be an entrepreneur in the sense defined in the relevant literature means to seek out opportunities to create and realize surplus value in the market. The entrepreneur is productive within the context of such a system, but in some other mode of production such a distinct class might have no meaning. In a peasant economy, for example, there is a necessary role in the co-ordination of separate productive activities, but there is no market in the sense of an institution that is the sole or major focus of productive activity. There is certainly a market for the sale of a surplus and the buying of things that the peasants cannot produce themselves. But the purpose of what they do is to self-provision, in contrast to capitalist agriculture which is driven by the need to realize exchange value in the market. In other words, capitalism is a specific historical product, and within its terms certain activities are productive.

The formulation in [2] is based in the fact that the entrepreneur is the owner of capital – in the sense of having the right to put it in motion, even though the capital may be legally owned by someone else such as a venture capitalist. The point of being an entrepreneur is to develop a firm and thus to create and realize value. This might be done solely through the entrepreneur's own work, but as a firm grows it will generally deploy the labour power of non-owners. (In passing note that some scholars of the small firm see it as in some way dissolving the owner-worker divide because there is a sharing of risk and reward (Scase, 2004). The empirical evidence indicates that this divide is in fact very clearly recognized on both sides (Tsai et al., 2007).

If productive activity is performed by the entrepreneur and the worker, where does exploitation reside? The answer is that the worker does not own the means of production or what she produces. The surplus value that arises through the labour process is under the control of the capitalist, and it is part of the process of valorization. As Elger (1979) pointed out long ago, it is the need to create and realize value that is the core of capitalism, and not the specifics of the labour

process in terms of such things as deskilling. This idea, it is worth stressing, goes deeper than the arguments of many critics of labour process analysis of the 1970s. Their headline argument was that what drives capital is not control of the specifics of the labour process but profit (Littler and Salaman, 1982). But profit arises out of the valorization process, and the capitalist must both create surplus value and realize in the market; that process at a given time, moreover is embedded in the need to accumulate money and to continue the cycle of value realization, for without this dynamic capitalism would cease.

Hodgson (1980: 268, 272, emphasis original) rendered these ideas as follows.

Exploitation is the appropriation of the *surplus product* (ie the portion of the physical net product that remains after the laborers have been allocated their share, and all worn-out means of production have been replaced or repaired) by the class that owns the means of production. . . . [Labour power can be appropriated but labour cannot. The labourer must] consciously submit to the discipline of the capitalist and perform *labor*. He must provide *more* than the appropriable object in order to be paid his wages.

Exploitation thus resides in performing labour under the discipline and authority of the owner of the means of production.

In short, exploitation is about the generation of surplus value in the context of the valorization process and exclusion from ownership of the means of production. Some people other than workers produce that which has value, but that fact does not deny that workers also do so. As for the ownership issues, Cohen was clear that it was then necessary to generate a normative argument that a regime of private property is unfair. I am not clear that we need to take this path, and in the definitions from Burawoy and Wright quoted above there was no specific normative element. We can take it as an 'objective' fact that workers lack effective control of the surplus value that resides in what they produce.

Let us now look in more detail at what the entrepreneur does. The first point is that the meaning of 'being productive' depends on the context of capitalism. As noted above, seeing a market opportunity and making money from it is possible only because there is a market economy in the first place. Secondly, there is an imperative to make profit for without it the firm could not maintain itself. Thirdly, however, a mass of research on small firms has established that they do not necessarily, or even generally, pursue profit maximization on the lines of economics textbooks (Edwards and Ram, 2006). Many are family firms, with a concern to employ family members even if this is not efficient. Many others are life-style businesses, some of which exist precisely because the owner wishes to opt out of the demands of profit-driven capitalism. Yet we need to be clear as to what this means. If we study such firms, we might triumphantly decide that they are not profit maximizers and hence not simply exploiters. But that is not the point. Capitalism exists in historical

and social context, and many kinds of business model are feasible. The fact that some non-maximizing models exist, and last for a period of time rather than being temporary aberrations, does not deny that profit of some kind is a basic necessity or that firms using these models still have to operate in ways consistent with capitalist principles. Studies of co-operatives for example routinely find that they reproduce rather than transcend hierarchy and managerial systems of control (e.g. Grunberg, 1991) though they may perform well on conventional indicators such as growth and pay levels (Pérotin, 2015).

The entrepreneur thus embodies the two essential functions of the capitalist: to identify and exploit [in the relevant sense] opportunities in the market, and to organize the production process so as to allow this to happen. We are concerned here with the latter. It may help at this point to abstract from the capitalist mode of production to consider any form of productive activity. There are necessary tasks involved in the planning and co-ordination of the work process, and we can take these as being productive. In very small firms it is often the owner who performs these tasks. Several other features of this context are also important (see, e.g., Tsai et al., 2007; Sengupta et al., 2009). Owners may labour at least as hard as, or harder than, employees, and their returns can be small; in low-wage competitive sectors it is often a case of shared misery rather than riches for employers and poverty for workers. Workers also recognize such facts, so that measures of commitment and satisfaction are surprisingly high. We do not see a direct sense of 'being exploited'. Yet it is also the case that workers rarely have a say in the direction of the firm or any share in profits, and also that the distinction between worker and owner is very clear. The owner sets the means of production in motion, controls and disciplines workers, and enjoys the rights of ownership.

If we return to the quote from Cohen above, he makes a sharp distinction between producing and ancillary activities that contribute to producing but without being productive. This seems too stark or literal in treating as productive only that which goes on at the immediate point of production. To be able to produce requires a supply of materials and other means to link together each specific task. The relevant activities can reasonably be seen to be productive.

I now turn to managers who may not be entrepreneurs. As Armstrong (1983: 342, emphasis added) points out in a truly classic paper, there is a

'distinction between the technical division of labour (a particular allocation of the physical and intellectual work necessary for the process of production to be carried out, *whatever the system of ownership*) and the social relations of production (a structure of domination and subordination deriving, in capitalism, from ownership or non-ownership of the means of production and which is directed, among other things, at ensuring that the value added in

the production process exceeds the sum total of wages and other costs and that this surplus goes to capital).’

In his study of factory supervisors, Armstrong recognizes that some supervisory work is productive in the technical sense, though he argues, firstly, that some of these functions have been taken over by other levels of management and/or through electronic systems of scheduling and the like, and, secondly, that these technical functions are much less salient than the role of supervisors within the capitalist function, where they were indeed subalterns of the capitalist class.

We can accept, then, that the entrepreneur and the manager do some work that is productive in the technical sense. One aspect of this, I have observed, is that work systems in small firms often lack the Taylorization of large firms, with the result that planning and co-ordination are carried out by the owner-manager or a paid manager. It is also the case that manager-worker relations are often less overtly antagonistic than in large firms. Such facts do not, however, mean that the social relations of work are not exploitative. In what sense is the worker exploited? It is not because she produces all that has value, for the entrepreneur also contributes within the technical division of labour. It is because firstly, some of the value of what she produces goes to the capitalist and, secondly, she does not have effective control of the means of production. In relation to the first, the wage cannot reflect the full value of what is produced, for part of that value goes towards the generation of profit. In relation to the second, the worker has to accept the authority of someone else in terms of how work is carried out. It is reasonable to see the latter as part of exploitation, for the freedom to decide on how to use one’s own labour power is curtailed. In the fashionable language of capabilities, the human capability for autonomous use of productive powers is constrained.

I do not think that we need to say that there is anything unjust in this fact -- or, more precisely, capitalism may be unjust but whether it is or not is a separate question from whether exploitation exists. Exploitation is objective in the two respects just given, for example because of the fact of working under the command and authority of someone else. But, it might be argued, this must be undesirable in that a capability is being deactivated. But we have to consider what is desirable in relation to feasible alternatives, and hence what is the significance of being exploited.

We may proceed with the oft-misquoted or mis-cited remark of Joan Robinson to the effect that if there is one worse thing than being exploited well it is to be exploited badly. She was engaging in a rather abstruse discussion about the theory of value and whether one can measure socially necessary labour time so as to decide what part of labour is necessary and what part is surplus. Objectively, she argued, capitalists secure accumulation, and she then remarked:

As we see nowadays in South-east Asia or the Caribbean, the misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all. Hence the law of value develops a kind of squint that leaves one deeply confused (Robinson, 1962: 45).

What she seemed to be thinking of were things like subsistence agriculture, where people are excluded from economic development and suffer as a result. The thought is developed by Wright (2000), who takes the example of native Americans: because, in contrast to peoples elsewhere, they were not useful to the developing capitalist labour process, they were excluded from it and often killed, a situation worse than being exploited in capitalism.

Exploitation as objective

If this deals with exclusion from capitalism, what of exploitation within it? There are many examples of workers being exploited inefficiently. To cite just two classic dissections of this, Hodson (e.g. Roscigno et al., 2009) assembles workplace ethnographies to demonstrate how common it is for the technical division of labour to be poorly organized. And Batstone (1986) argued that the commonly assumed causal path from 'bad industrial relations' to 'bad productivity' should be reversed, for poor scheduling and planning leads to delays and breakdowns which in turn reduce workers' trust in management and their willingness to offer discretionary effort. More systematic approaches would clearly be preferable, for the immediate benefit of a work process that is disciplined and structured and the longer term benefit of an efficient system that is likely to generate better wages and job prospects.

Yet such benefits merely reflect the fact that some capitalists are better at capitalism than others. What of the system more generally? As has been extensively argued at the level of the mode of production (Wright, 2000a) and the labour process (Bélanger and Edwards, 2006), there are shared interests between capital and labour in having a production process that delivers gains now and in the longer term development of the productive forces. The exploitation that underpins these interests may be a necessary condition. Without some feasible alternative, it makes little sense to suggest that the exploitation is inherently unjust.

This is not to say that exploitation as it currently exists is inevitable. A task of social science is to reveal the structures of society that people may not necessarily be aware of, and to point to deeper explanations of phenomena such as inequality and poor working conditions than are immediately evident (Sayer, 2009, 2011). What are the terms on which exploitation is conducted, what is the balance between wages and profits, and what rights over the means of production can workers be given? For example, small-firm workers whom I have studied often take for granted ownership rights including the right of the owner-manager to determine wages and conditions -- albeit within some bounds of fairness in light of market conditions. Yet this is not an absolute right, and there

are evident ways in which it might be brought into question. Some of these ways, such as introducing an explicit pay structure, may turn out to be in the interests of the owner-manager in introducing clarity in place of arbitrariness. Similarly, the wage-profit balance need not be a zero-sum bargain if an allocation to profit in an agreed way is used for reinvestment and the like.

Conclusions

Two obvious questions remain. If exploitation is everywhere, then how are any propositions about it testable. And if it is inevitable, what might be done about it?

These are legitimate questions but they are outside the present scope. As for the first, the point of the initial statement (Edwards, 1986) was to say that exploitation takes different forms, at the levels of the mode of production, the national regime, and the workplace. It is then possible to identify these forms and trace through the results (e.g. the configuration of exploitation in slavery as compared to capitalism, and hence the distinct forms taken by slaves' resistance to exploitation). That line of argument does not need repeating here, though it could certainly be elaborated. It was developed in the context of manufacturing and before the interest in service jobs and the role of the customer. That role might be incorporated, for example in considering the extent to which the role of the customer helps to redefine how the capital-labour relationship works (as per Edwards and Bélanger, 2013). In many ways the customer does not, as some would have it, dissolve that relationship; rather, demands from the customer can be used by capital as a control device, but also by the worker as a means of resistance, in relating to customers outside the ways prescribed by management. But the essence of the argument remains.

As for the second question, subsequent papers (e.g. Edwards et al., 2006; Edwards, 2015) have identified different kinds of interests held by workers and the extent to which they can be realized under certain circumstances. Some forms of exploitation may be better from a worker's point of view than others. One aspect of this merits underlining. The argument is (I hope) more subtle than asking whether it is better to work in, say, a bank than a sweatshop. It is, rather, a matter of asking what interests workers in different positions have, and how far they are recognized. Some elements of some sweatshop jobs meet some interests (e.g. the absence of Taylorism and hence a certain amount of freedom). And good jobs have bad features, which workers may choose to tolerate as part of the implicit bargain, or they may question them.

What, then, is the present note saying? Firstly, the SA is real in the sense that it is a feature of the way in which the employment relation is configured. Labour power is organized under the authority of managers and with the purpose of generating value which can be realized as exchange value in the market. Any specific pattern of work relations is built on this fact. It is then legitimate to speak

of real interests. Secondly, the distinction between producing and activities supportive of producing is too stark. Entrepreneurs are productive in so far as they co-ordinate sets of operations and identify and pursue opportunities in the market. Thirdly, the labour process has to be understood as part of a process of valorization, as writers including Elger (1979) and Thompson (1990) have always recognized. My discussion of the SA may not always have underlined this. Fourthly, the re-statement goes back to Cohen to redefine what is meant by productive activity.

Such abstract observations about valorization underpin a critical view of contemporary work relations. As Ritzer and Jurgenson (2010) remark, exploitation is configured in new ways. Capitalism as a system continues to be driven by the need to accumulate and to organize the labour process accordingly. I used above the example of a happy call centre (Jenkins et al., 2010). The owners can certainly set themselves apart from the intensive control that characterizes many such centres, and they also have some discretion as to how intensively they seek profit. They may for example prefer a relatively relaxed approach that does not prioritize profit to the exclusion of life-style concerns. But they need to remain viable, in part in the face of possible competition and in part because they need to secure investment funds to sustain the firm, and to do this profitability is essential. The valorization process continues to shape how the firm operates.

Research building on these observations could usefully investigate the meaning of productive labour. One might develop distinctions between for example: directly productive labour; activities of co-ordination within the technical division of labour, as stressed by Armstrong; activities of control, monitoring and supervision; the identification and pursuit of new markets; and the development of the forces of production through R&D, innovation and skills development. It would then be possible in principle to assess the amount of time devoted to each by entrepreneurs and managers in different kinds of firm. Such measurement would need to be placed in context, for one of Armstrong's main points about factory supervisors concerned those part of the role that were central: they might spend a good deal time in direct production and co-ordination, but their own managers saw the function of being agents of capital as central. One might also look at performance appraisal systems and what kinds of behaviour are valued and rewarded for different kinds of worker. We might then refine our grasp of what indeed it is that bosses do in relation to productive activity, and how such work is connected to the valorization process.

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