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Capitalism Was Always Like This

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In two recent *New Left Review* articles Aaron Benanav has laid out what he sees as the road from necessity to freedom — a revolutionary journey once described by Marx and embraced by most of us who call ourselves socialists. In this, Benanav rejects the currently dominant "automation discourse" of techno- futurists such as Martin Ford, Erik Brynjolfsson, Andrew McAfee, and many others, with its bleak jobless future of dependent drones subsisting on some version of universal basic income — the opposite of freedom. This is a stance I wholly agree with. The question remains, however, who has the power to make the transition from today's ever worsening realm of necessity to that of freedom.

Benanav's articles were written before the global spread of the COVID-19 pandemic, which turned a preexisting downward trend into an economic free fall across the world. Despite the optimistic predictions of imminent recovery from voices ranging from the Trump administration to Keynesians such as Larry Summers and Paul Krugman, others, Marxists and mainstreamers alike predict an even deeper depression that will reorder the world economy and with it the structure of employment far beyond what Benanav, or anyone else, could have foreseen in 2019. The implications of this will be discussed toward the end of this essay, but first I will critically examine Benanav's thesis in its own terms.

In the second of the two articles we are presented only with a working class (the traditional agent of transition from necessity to freedom) that is "atomized" by underemployment, and labor movements that have been "thoroughly defeated," on the one hand, and unspecified "social movements" that lack "permanent formations" and, therefore much power, on the other hand. This "pessimism of the intellect" concerning agency flows from Benanav's analysis of the changes in the structure of working-class employment he sees as being a dominant and unique characteristic of contemporary global capitalism. What, then, according to Beananav, is this new characteristic form of employment and how did we arrive at this point of powerlessness?

Like many such analyses, Benanav's is based on the decline of the manufacturing workforce, presumed to be solid and powerful, on the one hand, and the rise of service-producing employment thought to be atomized and weak, on the other. Benanav argues that the deindustrialization of labor, that is the declining proportion of manufacturing workers in the workforce across the globe, is largely a function of the slow growth of industrial output, investment, and productivity of the neoliberal era. Toward the end of his first article he states, "The environment of slower economic growth explains the low demand for labour all by itself." In terms of the general slowdown of employment growth, that, by itself, is a proposition that is hard to disagree with. Capitalism on a world scale has grown more slowly for some time and with it the global labor force, particularly in the developed nations. Furthermore, Benanav is right that automation and robotics are not the main culprits in capitalism's job-destroying dynamics.

There are, however, two serious problems with Benanav's analysis. The first lies in the essentially linear nature in which the causes of manufacturing job loss unfold in his narrative as *simply* a long-term slowing down of growth, which obscures the role of crises and productivity in job destruction. The second is the characterization of the main consequence of the slowdown in employment growth as "*under*employment" and "insecure work" primarily in the service-producing sector of the developed economies. This overlooks the reality of unemployment even before the coronavirus pandemic as well as the declining conditions of almost all employment and the continuing centralizing role of capitalist social relations throughout the economy in the shift from manufacturing to "service" jobs.

Hidden in the Numbers

In this highly turbulent era, all the factors leading to the secular slowdown fluctuate violently, with consequences for these trends. First, the loss of manufacturing jobs has occurred not in a straight downward line due to industrial overcapacity, as Benanav argues. Rather, it has unfolded violently, first and foremost in the four major recessions of the neoliberal era. And, yet, there is no mention of the impact on the permanent job losses brought about by the period's four severe recessions in Benanav's analysis. In others word, the picture that Benanav paints is not one of actually existing capitalism or of the manner in which this turbulent system has grown and shed manufacturing jobs.

As the figures in Table I show the total number of production and nonsupervisory manufacturing jobs lost in the course of these four recessions amounts to 7,409,000. The total *net* loss of manufacturing production jobs between 1979 and mid-2019 was 5,524,000. Although some 1,885,000 production jobs were recovered over the decades, manufacturing employment failed to return to anywhere near its all-time-high in 1979; indeed, it remained almost 40 percent below that level in 2019. What, then, happened to the jobs that failed to reappear during the recovery periods as output actually rose significantly?

Table I
Manufacturing Production Jobs Lost During Recessions

Years*	Manufacturing
1979–1982	2,751,000
1990–1991	663,000
2001–2003	2,198,000
2008–2010	1,797,000
Total	7,409,000

*From January of first year to December of last.

Source: BLS (2018d) "Production and Nonsupervisory Employees, Total Private, Manufacturing," Data, Tables & Calculators by Subject, https://www.bls.gov/webapps/legacy/cesbtab6.htm; National Bureau of Economic Research, "US Business Cycle Expansions and Contractions," 2012, https://data.nber.org/cycles/cyclesmain.html.

Again, it wasn't simply slower growth. Productivity, like growth, rises, falls, and rises again in accord with the turbulence of the economy, with consequences for the possible recovery of jobs lost in the slumps. While I agree with Benanav that automation, defined as worker-replacing technology, is not *the* or even *a* major factor in manufacturing job loss, productivity does play a role in the disappearance of these jobs even as output grows. The productivity growth figure of 2 percent from 1987 to 2011 Benanav draws uncritically from the works of mainstream economists Baily and Bosworth and Susan Houseman is, as I have argued elsewhere, understated and flawed for reasons too complex to go into here — though among these is their periodization and the complete absence of the impact of the four major recessions of the period. Their concern is to show that imports, not productivity, much less capitalism's economic turbulence, are the culprit in manufacturing job loss in the United States. This is not an argument Benanav makes.

Productivity between recessions remains important for the limits it imposes on recovering lost jobs. The reason for this is found in the relatively high productivity increases between recessions that are somewhat obscured in the long-term averages. So, for example, between 1990 and 2000 productivity in manufacturing rose annually by 4.1 percent, while from 2000 to 2007, just before the Great Recession it increased by an average of 4.7 percent a year. This was sufficient to hold down job growth despite a significant increase in manufacturing output per year from recession trough to recovery high point in the

1980s (4.1 percent) and 1990s (6.4 percent). From 2001 to 2007 output grew by an annual average of only 2.8 percent, compared to 4.1 percent for productivity as a result of which employment fell by two million jobs even before the recession kicked in. From 2009–2019 output grew by 2.4 percent a year and productivity increased by about 2.5 percent so that manufacturing employment grew only slowly by about 1 percent a year, mostly in lower-productivity jobs. (Benanav's point about productivity looking large in comparison to output does not seem to hold for the 1980s and 1990s but does for the decades after 2000. It hardly matters, however, since productivity at the levels described above in relation to output would hold down or reduce employment regardless of appearances.) In other words, it wasn't simply the slowing down of manufacturing production or the economy in general over time that killed these jobs. It was the double punch of recessions and productivity.

Something else is hidden in Benanav's analysis. Just what produced the productivity increases of the last four decades? As I have argued elsewhere the introduction of lean-production methods in the 1980s and 1990s followed by advances in technologies that track, measure, and pace work in order to "fill in the pores" and intensify the labor process lay behind slow job increases or even losses during the recovery periods. These surveillance, guidance, and "speed-up" technologies, which are not forms of automation, are an often unacknowledged part of fixed capital investment and, of course, weapons in the class struggle that favor the domination of capital. In other words, a part of the productivity increases between the recessions are the result of class struggle in which, so far, capital has mostly won.

All these ups and downs produced by capitalism's growing turbulence and the class conflict that contributes to lost jobs are concealed in the sort of linear analysis employed by Benanav in his *New Left Review* articles. This matters, for one thing, because these periods of growth in output and productivity, even if slower than in the past, offer workers a better chance to fight for improvements, resist work intensification, and expand organization. Recently, from 2016 to today (early 2020), we have seen significant numbers of workers in education, hotels, supermarkets, telecommunications (all service-sector jobs), auto, and locomotive manufacturing take advantage of the modest upswing in output in the non-farm business sector during the recovery period, as weak as it was, by striking more or less successfully.

In a theoretical sense, it is important to understand that capitalism does not simply slow down and fade away, its death postponed only by massive debt, as social-democratic theoretician Wolfgang Streeck would have it. Even if each recovery from its serial crises is weaker, this system can drag on for an indefinite future — or until it has destroyed the planet. It will, no doubt, impose increasing worldwide misery as the price for another (perhaps very eventual) temporary renewal. Nevertheless, to leave the realm of necessity capitalism has to be overthrown by the conscious actions of the great majority that is the international working class. Hence, a closer look at the future of this class as analyzed by Benanav is called for.

Has the Working Class Become "Non-Standard!"?

To counter the automation futurists's claims of a jobless future, Benanav argues that the decline in the demand for labor in the developed capitalist countries cannot be measured by unemployment rates as many have assumed, since "the forms in which that decline expresses itself have shifted from unemployment to various kinds of *under*-employment, which are more difficult to measure." In a rare reference to periodic crises, he argues that unemployment rates go up and down with recessions and, therefore, that workers in developed countries seldom "remain visibly and countably unemployed for long." Instead, "they are typically obliged to join new labor-market entrants in jobs that are part-time, temporary or otherwise precarious, in economies that can no longer offer anything better." The impression is that in the developed capitalist nations today's working class has little in the way of regular work — a condition in which it would be difficult for capitalism to proceed at any pace.

Whether we should write off unemployment when on average 30 percent of the unemployed in OECD countries and over 40 percent in the European Union were jobless for a year or more as of 2019 after a decade a recovery, and prior to the return of massive unemployment in 2020, is itself a matter of debate. Furthermore, a feature of the period has been the disappearance of workers into the joblessness of those no longer in the workforce and not seeking employment at any given moment, but who nonetheless compose part of the broader reserve army of labor. In terms of underemployment itself, the two major components of underemployment as the US Bureau of Labor Statistics (BLS) defines it — those designated "not in the workforce who want employment" and "involuntary part-time workers" who prefer full-time work, in other words the "labor force reserve" — also rise and fall with capitalism's periodic crises. Furthermore, contrary to what Benanav implies, neither of these forms of underemployment have shown any secular proportional increase in the last three decades or more in the United States. The ILO's global labor "underutilization" rate, which includes the unemployed and those marginally attached to the labor force was just 8.6 of the global labor force in 2018, 8.3 for high income countries, down somewhat in both cases from 2005. At least by these counts, there is no trend toward increased underemployment as the major characteristic of the neoliberal period.

As Benanav argues, however, the various forms of underemployment "are more difficult to measure" than official unemployment. To find a broader definition than those above, he draws on a number of important sources. In doing so, however, Benanav conflates underemployment as he sees it, with "non-standard" employment as defined by the OECD and ILO, precarious work in general, and the service sector as the main site of underemployment. This leads to some serious mis-impressions.

For example, Benanav cites an OECD study to the effect that "60 percent of jobs created in OECD countries in the 1990s and 2000s were non-standard," which means young workers entering the workforce face insecure employment. Many do, of course. But both the OECD and ILO studies he cites are quick to point out that "non-standard" employment, which is basically all non-full-time employment except full-time temporary work, is not necessarily "precarious work" or underemployment for those who hold these jobs. Furthermore, despite the big percentage of new jobs, the OECD report states that the actual growth rate of all non-standard work has been "only at a moderate level." Indeed, as the figures in one of the OECD's charts show, the lion's share of the growth of non-standard work came before 1985. No new trend here.

By far the largest "non-standard" form of employment is part-time work. Today, part-time work composes about 16 percent of employment in the United States, OECD countries and the European Union. In the United States, both part-time for non-economic and economic reasons grew in the 1950s to about 10 percent and 5 percent respectively. Non-economic part-time employment (those who regularly work part-time, sometimes inappropriately called "voluntary") grew from 8 percent in 1955 to about 12 percent by 1970 as large numbers of married women entered the labor force for the first time. After that it went up slightly to 13 percent in the 1990s where it has remained with some ups and downs since. Part-time employment for economic reasons has fluctuated between 3 percent and 5 percent ever since the mid-1950s. In other words, part-time employment has long been a workforce norm in most developed capitalist nations.

Part-time work, as defined by the OECD, can be permanent or temporary, "voluntary," or "involuntary." So, the OECD notes that "involuntary part-time accounts for just 30% of total part-time employment" on average in OECD countries. In other words, 70% percent of part-time workers in the OECD countries are "permanent part-time" employees by the OECD definition in the sense that they regularly work part-time and are not precarious. This has been the case for developed capitalist economies for well over half a century. If permanent part-time work is included as "standard" or regular employment, as will be argued below, regular employment amounts to about 80 percent of all the jobs on average across the more developed capitalist economies. Whatever contribution actual precarious non-standard work has made to the growth of underemployment was relatively small and mostly in the past.

Is the Service Sector Capitalist or Not?

Benanav locates the problem of underemployment primarily in the "highly heterogeneous service sector, which accounts for between 70 and 80 percent of total employment in high income countries." Benanav's explanation for this growth in employment, however, is a demand-driven one. Low productivity in service provision would bring relatively higher prices which discourage demand. Hence the necessity of low wages in this vast sector. "It is at this point," as Benanav argues, "that logics of underemployment come into play" in the growth of part-time, precarious, low paid, work in order to meet demand.

But capital's relentless struggle to lower labor costs via low wages, precarious work, or higher productivity is about profitability. It is projected profitability that determines investment in new areas and, hence, employment. As Marxist economist Michael Roberts puts it, "the movement of profits leads the movement of investment, not vice versa." Competition guarantees that capitalists make mistakes, but it is profitability that is behind both growth and crisis.

The expansion of the service sector is not simply due to the relatively low wages of many of its workers. Over the decades, capital has moved relentlessly into so-called service industries and even into the heart of social reproduction because there is a profit to be made from what have become necessities of contemporary life. Another reason for the expansion of services is that as goods production becomes more efficient it also becomes more complex, more geographically spread, and dependent on transportation, communications, finance, etc., and, hence, requires more services. Today, service sector purchases by manufacturers account for about 33 percent on average of manufacturing output in the United States and developed economies. In reality, goods production depends on many more services, including those that underwrite the social reproduction of the working class.

Conversely, there is no commodified service that does not require vast amounts of *things* — structures, capital equipment, transportation and communications infrastructure, tools, etc. The irony of this is that in global terms the service sector cannot expand rapidly if manufacturing output grows too slowly. There can never be a "service-only" economy or even a "service-only" expansion of any great magnitude. Capitalism as an integrated system penetrates everywhere even if the "use values" it produces change over time. The social relations of capitalist production, with exploited wage-labor at its center under the "tyranny" of capital, as Marx put it, characterize all these aspects of capital's constant expansion into new areas of profitability. Underemployment is one aspect of the social relations of production, as is the broader reserve army of labor, but hardly the most central characteristic of the contemporary production of goods and services with its tightening systems of control.

Furthermore, while the profitability-driven pressure to reduce labor costs may be greater in labor-intensive service industries, capital routinely deploys the same tactics in manufacturing, construction or mining to reduce the bill for variable capital — i.e., labor power — and increase the proportion of profits. Not surprisingly, therefore, precarious work and underemployment are not limited to the service sector. By the BLS's count, "construction and extraction" workers had the highest incidence of *under*employment during the 2008–09 recession. Relatively highly paid construction workers make up almost 20 percent of all "independent contractors", a larger percentage than any other industry except "Professional and Businesses Services," where employees also tend to have above average wages or salaries and work a full-time workweek.

Nor is manufacturing an exception. According to another BLS estimate, temporary agency employment grew from 6 percent of manufacturing workers in 2003 to nearly 10 percent in 2015, which at 1.2 million workers makes them a third of all temporary agency employees. At 10 percent it is also double the average for the workforce as a whole. Looked at in occupational terms over half of all temporary agency employees are machine operators (10.1 percent), assemblers (17.6 percent), and production helpers (29.2 percent), most of whom would work in manufacturing. This includes high-productivity/high-wage manufacturers such as auto where, as the recent strike of 50,000 General Motors workers revealed, there is extensive use of "permatemps." On the other hand, workers in heavily part-time and low wage industries such as "retail" and "leisure and hospitality" compose a small part of the nation's precarious work force or those in "alternative employment arrangements," in BLS lingo.

The bulk of part-time jobs are in retail, leisure and accommodations, health care (other than hospitals), administration, and finance where, on average, employees work less than the official cut-off point of thirty-five hours a week. While many of these jobs pay poorly, especially those in retail and leisure and accommodation, in terms of hours the difference between part-time and full-time work is often slight. Even at the extreme of manufacturing workers working forty hours or so and retail employees thirty hours, the difference in the workday is two hours.

There is nothing in these numbers by themselves to prevent unionization, strikes, or for that matter even a preference for self-proclaimed socialist politicians. Take, for example, all those 60,000 or so mostly part-time Las Vegas hotel workers who have a strong union and who voted for Bernie Sanders in large numbers in the 2020 Nevada Democratic caucus. Indeed, as noted above, many of the largest strikes of the last few years have occurred among those with officially defined part-time hours and relatively low wages such as hotel, supermarket, and healthcare workers. A small irony perhaps is that while unions lost 191,000 members in full-time employment in 2019, they gained 16,000 part-timers. One has to ask just how new any of this is and whether all these forms of underemployment Benanav points to actually make much difference in terms of working-class organization and politics?

In this process all types of employment come under concentrated capitalist organization, collective interdependency in production, and increased capital intensity. Most services are organized by large corporations with significant concentrations of workers, of which a minority may hold more or less precarious jobs. Think urban-based health care corporations, hotel chains in urban and airport concentrations, metro-area logistics clusters with tens of thousands of workers, Amazon's own such clusters, supermarket chains, big box retailers, giant office complexes, the sunk routes of transportation through which millions of workers link all of this together, and so on.

At the same time, by far the most outstanding characteristic of wage-labor in the neoliberal era is that almost all forms of working-class employment have become worse as real wages stagnate or fall; benefits shrink; work is intensified, standardized, spied on, digitally-driven; and in some cases rendered insecure. Often overlooked in the quest for something new is the obvious fact that over the past three decades or so the most *insecure* jobs in the developed economies are not those in growing service industries, but those in manufacturing as the loss of over 5 million such jobs in the United States demonstrates.

The idea of steady, legally protected full-time work is a mid-twentieth century one — itself partly a myth. Class struggle rose and fell before, during, and after this "golden age" because the pressures of capitalist work and life eventually drove people to fight back. This was the case even when the employment norm was precarious and irregular work as in the late nineteenth century or serious un-and-underemployment in the 1930s. Periods of transition from one economic configuration to another with attendant changes in class composition tend to be disorienting, often enhancing preexisting or new divisions within the working class. This is clearly the case in recent years.

The unfolding recession-turning-depression deepened by the COVID-19 pandemic with its self-isolation, quarantines, massive business closures, disappearing profits, and growing “take-out” economy will restructure world capitalism, its industries, and labor requirements in ways that are certain to be significant, unpredictable, and anything but linear. The onset of mass unemployment of Great Depression proportions is but the opening scene in this drama of reorganization via bankruptcies, mergers, protectionism, hiring, firing, digitalizing, and a rethinking of international outsourcing and supply chain contours that is, in fact, already underway. In this process workers will be actors as well as victims.

One certainty is that the dynamics of the capital-labor relationship will remain at the center of whatever fragmentation, centralization, and reorganization of capital and employment this process brings. It is equally certain that the vast majority of employed workers will work something like a regular work week, because that is what capital needs to effectively control labor and produce goods and services efficiently in most cases. The forty-hour workweek, after all, was not a gift from capital, which always preferred longer hours of more intensive labor for its employees in exchange for as minimal a wage as possible. If some service sector businesses can employ workers for thirty-four hours or less, it is not only because these workers are cheaper, their underpayment often enforced by capitalism’s racial and gender hierarchies, but also because there is relatively less constant (fixed and circulating) capital to be valorized by each worker per work day.

The current economic and social turmoil reminds us that it is precisely capitalism’s crises that give birth to its shifts and changes: the long depression of the late nineteenth century to “corporate” capitalism, labor radicalism, the “progressive” era, and war; the Great Depression to mass unemployment, a labor upsurge, the welfare state, and war; the stagflation and slumps of the 1970s and early 1980s to accelerated globalization, union decline, neoliberalism, and war. In the wake of each crisis came a reorganization of work and employment patterns as capital sought to restore profitability. The current slump driven by profits that began to fall in their mass in 2014 and deepened by the COVID-19 pandemic is certain to bring another reorganization of one degree or another.

Like the turbulent rhythms of capitalism itself, those of class struggle are anything but linear. Social conflict comes in periodic waves that are difficult to predict. Obvious examples across much of the developed world were those upsurges following the First World war, the 1930s, and the 1960s and 1970s. In the last several years we have seen growing signs of resistance to declining conditions of work and life across the world and even in the United States as more workers strike and people take to the streets. The pandemic has brought worker resistance in areas previously thought by some to be too precarious and/or too tightly managed for such actions. A linear understanding of a turbulent reality will not help us grasp the possibilities and deal with the difficulties of transition and a new upsurge in social and class conflict.