1. Labour commodification

The United Nations Development Programme’s Human Development Report 2014 was the first of a long series of annual documents to emphasise the role of ‘human vulnerability’ in assessing individual well-being, where human vulnerability corresponds to the probability that the exercising of certain capabilities will be hindered in the future. More generally, the report opened with the overall observation that ‘Globalization has on balance produced major human development gains, especially in many countries of the South. But there is also a widespread sense of precariousness in the world today – in livelihoods, in personal security, in the environment and in global politics’ (UNDP 2014, p. 1). Moreover, it drew the conclusion that the challenge of development does not simply consist in withdrawing people from conditions of poverty, but also in making sure that they do not become poor again in the future (UNDP 2014, p. 4). The concept of human vulnerability is strictly related to the one of ‘human security’, which was at the core of a previous Human Development Report 1994. Basically, the idea at that time was that after the end of the Cold War, the notion of security, which had been interpreted so far at the national level as the security of one given country (or group of countries) vis-à-vis the possible aggression by another country (or group of countries), had to be seen in an individual perspective. Accordingly, human security as opposed to national security means security in everyday life, from diseases, oppression, unemployment, and so on. As the report stated: ‘In the final analysis, human security is a child who did not die, a disease that did not spread, a job that was not cut, an ethnic tension that did not explode in violence, a dissident who was not silenced. Human security is not a concern with weapons – it is a concern with human life and dignity’ (UNDP 1994, p. 22).

Human vulnerability and human resilience are two faces of the same coin. Human beings are vulnerable to a series of natural and social threats, while human resilience is the ability to cope with the sources of vulnerability. The milder the negative effects these shocks can have on a person, the higher the human resilience of this specific person, and vice versa (UNDP 2014, pp. 15–16). Accordingly, the balance between someone’s vulnerability and her resilience gives the measure of her security. Interpreted in this way, we might say that the notion of human security represents the fourth step of a long theoretical evolution in the discourse on well-being assessment, and more generally on development, that goes from utility to resources first, then
from resources to capabilities (and hence to human development), and lastly from the mere exercising of capabilities to a secure exercising of them. The prevailing philosophical and economic view, until the first half of the twentieth century, was that the purpose of development was to yield aggregate increases of well-being, the latter interpreted either as the balance between positive and negative states of mind or as the satisfaction of preferences and desires, regardless of how they were distributed. From John Rawls onwards, the discourse on justice has shifted to a fair distribution of resources, independently of the well-being that individuals can get from the resources they control (Rawls 1999a, pp. 47–101; see also Dworkin 1981a, 1981b). The human development paradigm, which was initially elaborated in the first Human Development Report 1990 (UNDP 1990) coordinated by Mahbub ul Haq, and which subsequently ran rampant in the works of Amartya Sen (who also worked on the report) and Martha Nussbaum, contested resourcism for the first time from a different perspective than the utilitarian one. It maintained that well-being is not so much about how many resources people control, but rather about how many things they are free to do with these resources, no matter whether they do them or not (Sen 1992, 1999).

The main advantage of “capabilitarianism”1 over utilitarianism is that it does not fall prey to adaptive preferences, insofar as the fact that a given individual is not excessively displeased with having some capabilities curtailed (e.g. freedom of speech, relating on a gender-equal basis with his/her partner, having a decent income guaranteed) because she was born in that situation or has progressively adapted to her conditions, does not count in assessing her well-being. The latter depends exclusively on how large her set of capabilities is, regardless of the happiness or satisfaction she gets from it. Conversely, the advantage of capabilitarianism over Rawlsian resourcism is that it can give proper weight to the fact the individuals might control two equal sets of resources and yet have very unequal options in life, because either natural or social contingencies affect their individual pattern of conversion of resources into well-being (Sen 1999, pp. 58–65; Nussbaum 2000, pp. 111–66). An example of the former case is two poor homeless persons, one living in a cold city in Northern Europe and the other in a seaside town in South America, both having the same small income (adjusted for the different cost of living), but leading two different lives, because the one living in the north needs to buy

1 I follow Ingrid Robeyns (2016) in using the term ‘capabilitariansim’ instead of ‘capability approach’ to take into account all the ‘clusters of scholarships’ that during the years have used the notion of ‘capabilities’ and that cannot be reduced to the two clusters that Martha Nussbaum usually identifies with the capability approach: her normative theory of justice and the economic work on capabilities as the metric of well-being.
Labour commodification

winter clothes and cannot think of sleeping outside; hence, although having the same income as his South American counterpart, his peculiar needs, dictated by natural circumstances, make him poorer. On the other hand, an example of social contingencies causing an unequal conversion into well-being of two equal sets of resources is the one of two children who receive exactly the same modest monthly amount of money. One attends a common school in the suburbs, where everyone dresses very casually – hence the child encounters no relational obstacles; the other one attends a fancy school in the city centre, where wearing designer clothes is a fundamental requirement to be included in extra-curricular social activities – hence the child feels discomfort and/or suffers discrimination. Accordingly, even though both children can buy exactly the same things, they experience two different levels of well-being.

From the capabilitarian perspective, human development consists in enlarging human capabilities rather than simply increasing income, be it individual or aggregate. This is not because the two objectives are antithetical – quite the opposite. Income growth is usually instrumental in enlarging capabilities, yet the former without the latter cannot be taken as a measure of well-being and hence as an indicator of development.

The paradigm of human security takes on the path marked by human development but goes further. Development cannot simply consist in enlarging capabilities – it also requires the creation of social conditions that can guarantee the enjoyment of these capabilities over time. If we go back to our first example, we might suppose that if in the seaside town there is widespread street crime, the homeless person living there will be less secure in the exercise of his capabilities, although these capabilities are larger than the ones of the homeless person living in Northern Europe. The same holds true for the two children. Consider, for example, the case that the father of the child going to school in the suburbs is a staunch poker player. Despite being better off, from a capabilitarian perspective, than the other child, the first child is much more exposed to the risk of abruptly losing his higher level of well-being. We might say that the synthesis of the theoretical evolution of the Human Development Reports is that the proper units of measurement of well-being are capabilities, rather than either utilities or resources, and that development cannot simply consist in ensuring the widest possible number of capabilities for as many people as possible, but also in securing these capabilities by rendering vulnerable people resilient to natural and social risks.

The relation between risks, vulnerability, resilience and well-being is apparently simple. Risks and vulnerability are threats to well-being, while resilience is assumed to promote it. In mathematical terms we could say that well-being is, among other things, a function of risks, vulnerability and resilience (UNDP 2014, p. 17). In the middle of a civil war, for example, you can defend vulnerable people – i.e. children, women, civilians – by disarming the fighting parties
or proposing a reasonable peace agreement. Likewise, in an epidemic crisis, you can safeguard the vulnerable – i.e. the elderly, the sick – by distributing (or identifying) the vaccine that can halt the virus. In both cases, you would promote the well-being of vulnerable people without intervening in the variables of vulnerability and resilience, but simply by addressing the origin of the risk. This is not only one of the options, but it is also the preferable one, where viable, because it would make no sense, for example, to try to make vulnerable people more resilient by offering them military training, in the first case, or by merely distributing health masks, in the second case.

There are other cases, in turn, in which it is impossible to intervene in the origin of the risk, because the solution, even if desirable, is out of reach of the agents directly involved. A typical case concerns measures of adaptation to climate change, where measures of mitigation fail to achieve satisfactory results. In Rotterdam, for example, people are vulnerable to floods caused by global warming, because 90 per cent of the city lies below sea level. Since it is very difficult for the inhabitants of Rotterdam to intervene unilaterally in the origins of a problem such as climate change, which is both global and inter-temporal (today we suffer the negative consequences of past emissions), they have decided to protect themselves by investing in a huge storm surge barrier, Maeslantkering, that in case of necessity can close off the waterway that connects the city to the North Sea (Miner and Wilks 2020). They have also planned the urban architecture in such a way that it is able to absorb any flooding without causing damage to people and buildings (Kimmelman 2017).

The case of socio-economic risks linked to globalised capitalism falls within a third category. The most rational strategy to protect those most vulnerable to these risks is to make them more resilient, but not simply because it is impossible to intervene unilaterally in the origin of these risks, but also because this would be undesirable from a normative point of view. In a diachronic perspective, capitalism has the potential to create sufficient resources and technical means, in absolute terms, to enlarge the set of individual capabilities for everyone – and as was argued in the Introduction, this continues to be so also in the phase of convergent globalisation. Accordingly, capitalism has, at least so far, led to continued economic growth, which has had positive effects, not least on the living standards of the world’s most vulnerable people, and the data on world poverty reduction speak for themselves (World Economic Forum 2019). Yet, the problem is that within a market society the potential enlargement of individual capabilities goes hand in hand with the precarisation of even basic capabilities for those who are excluded from the control of the means of production. This is accompanied by the globalisation of socio-economic risks, which exacerbates the economic and existential precariousness of the proletariat, because it makes economic shocks less predictable and less controllable. Quoting an expression used some years ago by David Held (2010,
Labour commodification

(43–9), we might say that we live in ‘a world of overlapping communities of fate’, where the distinction between domestic and foreign affairs is becoming increasingly blurred. Or, following Ulrich Beck (2009 [2007], p. 8), we might say that we are becoming members of ‘a global community of threats’.

1.1 A DEFINITION OF LABOUR COMMODIFICATION

In all the cases in which it is not possible – either in a technical and/or normative sense – to reduce the exposure to risks, at least in the short run, the only way to protect vulnerable individuals is to increase resilience. With regard to socio-economic risks, such as those determined by capitalism, the crucial element in building socio-economic resilience is in assets (see Crouch 2013, pp. 66–72). The notion of assets is admittedly quite general, but following the useful taxonomy given by Adolfo Morrone et al. (2011) we might nail it down in terms of economic capital, human capital, social capital and public/collective assets. Economic capital consists of material goods and financial assets. Human capital is both knowledge and competences. Social capital, as Robert Putnam (2000) has brilliantly explained, arises from both ‘norms of reciprocity’ and ‘networks of civic engagement’. In Putnam’s view, social capital has a positive and visible effect on the economic system by lowering the costs of cooperation and, more generally, by creating a social environment of mutual trust. The main difference between social capital and purely economic capital is that the former is a public good, meaning that a context of mutual trust benefits the economic system in its entirety, with obvious issues of free-riding arising as for any other public good, whereas more private forms of social capital pertain to individual networks of aid and reciprocity that can help the individual to recover from economic shocks. Finally, collective assets refer to all the welfare services provided by the public sector. I would also add that when we discuss resilience in a global context it is useful to include in the category of collective/public assets common goods, like unfenced fields held in common property or water basins.

Labour commodification is, namely, the process through which human labour gets transformed into a commodity, that is to say into a good that is traded on the market according to the law of supply and demand, and with more or less pronounced market imperfections that may favour either the selling or the buying counterpart – asymmetries of information, monopolies, and so on. This process advances through dispossessing the individual of the

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2 For a critical view of the effects of social capital on growth, see Florida 2005, pp. 30–31.
control of assets (economic capital, human capital, social capital and public/collective assets), with the only exception being her labour power, thus rendering her more vulnerable to socio-economic shocks – be they more or less systemic. Part of the labour power would seem to be a function of human capital, yet it would be more correct to say that human capital is antithetical to labour commodification insofar as refined working skills allow the individual to obtain a relatively high salary in the absence of other assets, which in turn can allow the accumulation of economic assets, and vice versa finding oneself without other assets makes it difficult to invest in the enrichment of human capital. Obviously, human labour existed long before it became a commodity. From the prehistoric human beings who went hunting to the feudal vassal who worked the land in exchange for the protection of his lord, passing through the medieval slaves, human beings have always carried out both intellectual and physical activities, more or less coercively, to obtain the resources necessary for satisfying their needs. Two facts render commodified labour different from pre-capitalist labour. The first is that commodified labour is entirely regulated by the market mechanism, while previous forms of labour were (mainly) guided by social rationales of power that were external to the economic sphere – e.g. the relation between plebs and aristocracy, free women and men vs. slaves, and so on (see Esping-Andersen 1990, pp. 38–41; Bourdieu 2000; Polanyi 2001 [1944], pp. 45–58; Crouch 2013, pp. 63–6). The second fact, as we shall see in more detail in Section 1.2, is that the commodification of labour goes hand in hand with what Marx called ‘the primitive accumulation’, that is to say the concentration of the means of production in the hands of a restricted social group and the consequent creation of the proletariat (see also Hudis 2010).

As the British economist Guy Standing (2007, p. 69) has rightly pointed out, ‘commodification is always a matter of degree’. When someone sells her labour performance for ‘instrumental reasons’ in a situation of ‘economic insecurity’, her labour is commodified. The more relevant the instrumental reasons in her decision to enter the labour market, the higher the degree of commodification of her labour. Even if they often appear together, the degree of labour commodification, on the one hand, and the harshness and the length of the job, on the other, are not structurally interconnected. The commodification of labour power is a function of the reasons that induce its owner to sell it on the market. The intrinsic characteristics of the job that finalises the transaction in which the worker offers her performance, and the employer buys it by providing a wage, have nothing to do with the degree of commodification. Honestly, it is unlikely to happen in real life, but from a purely theoretical point of view a person’s labour may have a high degree of commodification while the job she performs is enjoyable and takes her very few hours per day. Let us consider the following case.
A company operating in a developing country is forced to reduce the supply of its products because of global economic slowdown. As a consequence, Sylvia, who works for this company, loses her job (UNICEF 2019, pp. 23–37; see also UNCTAD 2019). She has lived her life on the edge of moderate poverty. She lacks economic assets, and she does not possess any natural asset from which she might produce food. She has no access to any productive common good. She lives in a developing country that denies her welfare provisions. She simply has at her disposal her limited human capital. The only way for her to react to this sudden loss of income is to offer again her labour performance on the market, hoping that someone will be willing to buy it. In the unfortunate event in which she might fail in this market operation, the continuation of her life will be at risk. In a few words, her labour power is highly commodified, because her living standard is completely dependent on her capacity to sell her labour power and on someone else’s willingness to hire it. In the case outlined above this dependence is so strong that her own survival comes to depend on the destiny of her labour commodity on the market. If she does not manage to obtain a new source of income from her human capital, she will inevitably fall below the extreme poverty line.

Imagine that after many weeks of intense research, Sylvia has not managed to find any employer who is willing to hire her. She has almost lost all hope, when unexpectedly she finds out that she has a talent for painting. Sylvia buys canvases and starts pouring acrylic colours on them. After she completes the first few paintings, she realises that she can make a living from selling her canvases to some wealthy persons living in her district. After some practice, Sylvia estimates that if she paints two hours per day, every day, she can produce enough paintings to live a decent life. Art is not her greatest passion, yet the two hours she daily spends painting are enjoyable, and for the remaining 22 hours of the day she is entirely free to do whatever she wishes.

Sylvia’s new job is surely not harsh, not unsafe and not much alienating. We might easily say that her new painting activity is the job many people dream of. Her living standard is much better than when she had the previous job. She has plenty of free time, she is not stressed, she is free to read novels, write poetry, watch movies, and so forth. Nonetheless, her labour continues to be highly commodified. Rather, we might say that it is even more commodified than before. The reason is that she has no choice but to paint canvases. She has explored the labour market and she has found nothing. If she stops painting, she will inevitably fall into severe poverty. Given her situation of asset poverty (presented above) her survival is completely dependent on the production of a minimum number of canvases per month. In order to yield this result, she needs to work a minimum number of hours per day. If she does not, and if she does not manage to find another asset to rely upon, she will get into deep trouble. It might be counter-argued that having discovered her
new talent, Sylvia could spend the first year painting day and night, selling in a short time the amount of paintings that she could instead sell over decades, thus accumulating enough capital to invest in a different productive activity and escape the proletarian condition. Accordingly, to dispel this objection in advance and refine our thought experiment, we can assume, objectively or more realistically, that the buyers Sylvia has identified will like to buy a canvas at more or less regular intervals of time, instead of concentrating everything in a few cumulative purchases.

I hold that now that Sylvia has a wonderful job she is more commodified than before, for two reasons. The first one is that when she had the first job, she was not sure that she would not have been able to get a new one. In fact she had a second option, a sort of safety net, for even if she would have never expected it, after she lost the job in the company, she had the painting career waiting for her. On the contrary, now she has explored the labour market for weeks without finding anyone willing to hire her. This means that now she has the empirical evidence that in the event of another imminent job loss she will not be able (or we can say that it is unlikely that she will be able) to find a new source of income. In the end, she is now more bound to the necessity of painting canvases than she was before to working hard in the company. The second reason is that her first source of income, even though much more unpleasant, was more reliable than the second one. When she worked for the company, her job security hinged upon the world demand of product P. Resorting to an oversimplified economic analysis, we might say that as long as the price and the demand of P were constant, Sylvia could have remained somewhat secure in her job, whereas now, her income depends on the willingness of a tiny group of art collectors to hang her paintings on their walls.

Sylvia’s new job is great. All she has to do every day is sit for two hours on the beach painting canvases. Despite this, her level of labour commodification is substantial. The labour, on the other hand, of a miner working hard for eight hours per day underground might be much less commodified if this miner happens to live in a country where the state guarantees free education, free health, and a minimum unemployment subsidy. This miner is not working for survival, as Sylvia is doing (she is painting for survival). The reason why he goes every morning to the mine is to guarantee a slightly more than decent standard of living for his family. He knows that if he decides to opt out of the labour market, or is involuntarily excluded from it, his family would not fall below a minimum capability threshold that is determined by the level of welfare provision. His children would be able to attend school. He would still be free to go to the ophthalmologist. The unemployment benefits would be enough to prevent starvation. While nonetheless conducting a much more tiring and harsh life than Sylvia started doing after she discovered her artistic
talent, the miner is more resilient than she is to an income loss, for he can react to a sudden economic shock by relying upon public assets.

The same thing holds true for a worker who loses her job, as in the case of Sylvia (we can also assume that they were colleagues working for the same company and were fired on the same day, for the same reason), but who owns a small field (a few square metres) and two cows. This second worker can build her resilience upon a few natural goods. She can cultivate the field and herd the cows. She will barely manage to keep her family from falling into starvation through the few natural products she manages to yield, or to barter or to sell. Sylvia’s colleague is surely more commodified than the miner – neither of them are working for survival, but Sylvia’s colleague would lose many more capabilities than he would because of dismissal. Her children have food, home-grown, but they cannot attend school. In case of illness, the members of the family cannot pay a doctor for a visit. On the other hand, she is less commodified than Sylvia because the possibility of home-growing food detaches her survival from participation in the labour market. Sylvia’s colleague has a minimal source of resilience stemming from natural assets.

We have seen so far that if we want to measure the degree of commodification of someone’s labour, we should not look at the way the transaction gets finalised on the market – namely, the job contract and the job tasks that stem from it. Instead, we should focus on the reasons that prompt the person to supply his labour power on the labour market. The more substantial the price (in terms of loss of capabilities) that the worker would pay for opting out of the labour market, the higher the degree of commodification of his labour. The economic resilience of an individual to an income shock determines the degree of commodification of his labour power. Resilience is a function of asset availability; thus, in a final analysis we can say that the degree of labour commodification depends on the level of asset availability.

Total commodification and total de-commodification of labour are extreme theoretical cases that are very unlikely to appear in concrete forms. They represent the start and end points of a spectrum on which every individual has occupied a specific position throughout the history of humankind. This position expresses a degree of commodification (or de-commodification, depending on which perspective we adopt) and is determined by the individual composition of social income at any given time. The latter can be easily read through an elementary equation presented by Guy Standing:

\[ SI = SP + W + CB + EB + SB + PB \]

\( SI \) is the social income of the person we are referring to. It is the result of all the following elements. \( SP \) is self-production, everything that the individual can produce on his own, relying on his physical and intellectual abilities, and on the natural and artificial assets he happens to possess. \( W \) is the wage, the
income the individual gets by selling his labour power. *CB* is the community benefits, coming from the family and the local community (e.g. a grandmother who watches her grandchild while the parents are at work is providing a community benefit; the neighbour who invites me to share his barbeque and his burgers is doing the same). *EB* is the enterprise benefits, those offered by the private enterprise to its employees (e.g. a private company that pays the monthly contribution to the retirement fund of its employee is providing an enterprise benefit). *SB* is the social benefits, meaning all the services (in terms of social services, insurance and other transfers) that the state offers to its citizens (e.g. school, health care, police, libraries, military defence, streets, public transportations, soup kitchens and so on, as well as unemployment benefits, basic income, and similar direct money transfers). Lastly, *PB* is private benefits, meaning all the private sources of income, such as investment gains or private health insurance (Standing 2007, p. 69).3

The composition of *SI* indicates ‘the degree to which a person is subject to market forces’ (Standing 2007, p. 69). Every social and political transformation involves a change in the elements that constitute *SI*. The historical and continuous struggle over its composition reflects the confrontation between economic forces and the needs of a society to survive and reproduce. The central element to look at while measuring the degree of labour power commodification is *W*. When *W* grows in comparison with the other factors that make up *SI*, we are moving towards labour commodification. When *W* decreases in proportion to other factors, we are heading towards de-commodification of labour power (Standing 2007, pp. 69–70).

1.2 KARL MARX ON THE HISTORICAL ORIGINS OF LABOUR COMMODIFICATION

We have seen so far that the level of labour commodification is given by the reasons that lead the individual to enter the labour market. The more instrumental these reasons are, that is to say, the more the individual works just for the purpose of earning a living, the higher her level of labour commodification. At the same time, we can get quite a precise measure of the incidence of the need to secure basic economic capabilities on the individual’s decision to perform a job by looking at the composition of her social income. For the more wage-income is predominant over other sources of income, the more

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3 While Morrone and colleagues (2011) talk about assets in relation to vulnerability and resilience to market shocks, Standing is interested in describing the variables of individual well-being (assuming that we equate income with well-being). Accordingly, Standing’s equation is a good proxy not simply for understanding the reasons behind labour commodification but also for measuring it.
the individual is compelled by contingencies to commercialise her labour performance. In other words, the fewer assets a person controls, the more she will rely on wage-income for securing her survival. When this happens, the individual is not resilient to social risks and hence she is bound to the job contract as a matter of guaranteeing her basic well-being.

There remains to understand when the job contract became so central for subsistence. Intuitively, we can already say that wage became the dominant variable in determining social income when all the other variables went down. This would imply that at some point a radical social transformation occurred, such that it had evident repercussions on human life. Moreover, it would not be surprising, because as Guy Standing maintains, any social transformation that involves a conflict between economic power and society, interpreted as a community of individuals with the primary need of surviving and reproducing, is mostly a matter of an internal struggle over the composition of social income (Standing 2007, pp. 69–70). Just as intuitively, it is also possible to realise that, from a historical point of view, the commercialisation of most existing labour should be traced back to the advent of the capitalist form of production. But is labour commodification a precondition or a consequence of capitalism? And did the social transformation that determined the mobilisation of labour on the market occur as a spontaneous phenomenon, or was it rather a radical change imposed from on high?

In *Capital*, Karl Marx offers us a first systematic response to these questions. He indicates the commodification of labour power as one of the two fundamental historical elements that are necessary for the capitalist form of production to appear, the second one being the pre-existence of considerable masses of capital concentrated in the hands of a limited class of individuals. This is so because labour power is a sort of magic element in Marx’s economic theory. It is the only commodity that at the moment of consumption can generate surplus value, that is, the source of capitalist accumulation, the sap that feeds the modern system of economic production:

In order to be able to extract value from the consumption of a commodity, our friend, Moneybags, must be so lucky as to find, within the sphere of circulation, in the market, a commodity, whose use-value possesses the peculiar property of being a source of value, whose actual consumption, therefore, is itself an embodiment of labour, and, consequently, a creation of value. (Marx 2013 [1867], p. 113)

If we want to understand why labour possesses this ‘peculiar property of being a source of value’ we ought to go back to the possible elementary forms of circulation of commodities: the cycle ‘commodity–money–commodity’ (C–M–C) and the cycle ‘money–commodity–money’ (M–C–M). In the cycle C–M–C, person A sells the commodity C1 on the market and she receives in
exchange from person B the amount of money M, that indicates the value of
the commodity. Then person A uses the amount M to buy a new commodity,
C2. In this case there is no capital accumulation. The value of C1 is the same
as C2. The reason behind this exchange is mere consumption. Therefore, Marx
says that those who want to explore the laboratory of capital should keep their
eyes on the cycle M–C–M. Here person A uses a given amount of money M1
to buy a commodity C1 from person B. Then she sells C1 to person D and she
earns a new amount of money, M2. At first sight, this cycle may seem tauto-
logical, or even senseless, because person A enters the cycle with money and
comes out of it with the same thing, money. In order to make the cycle worthy,
person A should obtain at the end something different from what she put in it
at the beginning. M1 and M2 cannot be qualitatively different, but they should
differ from the quantitative point of view.

The cycle M–C–M can make sense only if M2 is bigger than M1. This can
happen as long as person A uses M1 to buy a commodity that at the moment
of consumption is able to generate surplus value (Δ). The equation M2 = M1
+ Δ is the base of capitalism. But what is this commodity that when consumed
creates surplus value (Δ)? Marx says that this commodity is labour power
(Marx 2013 [1867], pp. 98–113). The latter is bought and sold at its value. Like
every other commodity, the value of labour power is given by the working-time
necessary for its production. If the labourer has to work six hours in order to
produce her daily means of subsistence, six hours of work are the value of her
daily labour power. There are two different ways in which the capitalist can
get surplus value. The first is by extending the working day beyond the hours
that are necessary for the worker to obtain the means for her subsistence, and
which coincides with the value of her salary – the surplus value obtained in
this way is defined by Marx as ‘absolute’. The second is through a reduction in
the amount of work required to produce a given commodity, normally obtained
through an increase in labour productivity, for example through the use of new
technologies – Marx refers in this case to ‘relative’ surplus value.

The absolute surplus value is determined by the difference between the
total number of hours worked by the labourer during a day and the number of
working hours she needs to support herself to return to work the next day
(which corresponds to her salary, i.e. the number of hours actually paid). To
put it simply, if a labourer has a working day of nine hours and she needs to
work six hours to get her daily means of subsistence, the absolute surplus value
that is extracted from her is three hours. Labour power is a magic commodity,
because those who buy it, investing M1, will create a value M2, where M2 >
M1 (the higher the rate of surplus value, the wider the difference between M2
and M1) (Marx 2013 [1867], pp. 127–37). The money that the capitalist invests
in the labour commodity is what Marx considers as the variable capital (V)
and consists, more simply, in the wage he pays. Accordingly, the production
of any commodity involves constant capital (C) plus variable capital (V), and the latter yields surplus value (Δ) for free. Hence we may say that among the factors of production V + C, the vital element is V, because differently from C it is capable of creating Δ, and Δ is what renders M2 > M1, that is to say, what allows revenues to be higher than costs. Obviously, even without recurring to the labour commodity V, a person might accumulate an indefinite amount of C, so as to greatly exceed the M2 we are considering here, but the point is that without V, C would remain ‘dead wealth’, in the sense that when placed in the M1–C–M2 cycle, it is unable to create a margin of difference between M1 and M2, no matter how big M1 is (see Marx 1994 [1864], pp. 384–466).

However, the accumulation of capital obtained through the lengthening of the working day has clear limits, and the most insurmountable of all is that after 24 hours the day ends. Therefore, this is where the second strategy pursued by the capitalist comes into play, which is to extract relative surplus value. While keeping the total working hours of the labourer constant and also her pay, the capitalist can reduce the hours that are necessary for the worker to produce each single unit of product by providing her with new technologies that increase her productivity. If the capitalist is the first, or in any case one of the first to dispose of a given new technology, he can continue to sell the product at the same price as his competitors, and in doing so he obtains greater profits than them. However, this is only a temporary advantage, because as the technology spreads, competition between capitalists leads to lower prices. While this makes it impossible for a single capitalist to obtain relative surplus value over the others ad infinitum, it also leads to a general lowering of the prices of those goods that labourers buy through their wages. This means that the labourer needs to work fewer hours in order to be able to buy the goods necessary for her subsistence – which have become cheaper – and therefore the capitalists regain the margin to lower wages, or even to keep them constant in the face of continuous marginal increases in their profits (Harvey 2010, pp. 163–88; Marx 2013 [1867], pp. 215–22). Either in its short-term or in its more structural form, the capitalist’s obtaining of relative surplus value implies, in Marx’s view, the exploitation of salaried workers (exactly as in the case of the extraction of absolute surplus value), as these latter get less than the value they produce.

The ratio Δ/V gives us the rate of Marxist exploitation, for it indicates how much surplus value (either absolute or relative) the capitalist obtains for each hour paid to the worker, and the more value the employer obtains vis-à-vis paid hours, the more the employee will be exploited (see Zwolinski and Wertheimer 2017). As rightly emphasised by David Harvey (2010, p. 131), the rate of exploitation should not be confused with the rate of profit, which is given by Δ/(C + V) and indicates how much the employer receives in return for all the forms of capital invested. Three points are important to highlight. The
first one is that the rate of exploitation is always higher than the rate of profit, but it is in the former that we find the real measure of individual unfreedom. Notwithstanding that, as stressed by Harvey (2010, pp. 131–4), capitalists usually prefer to point to the rate of profit to demonstrate that if we also take into consideration constant capital, the marginal value they obtain from the production of any single commodity (or the provision of any single service) is not so high, while in reality it is the rate of exploitation that we should consider for assessing the benefits they obtain to the detriment of employees, in virtue of the unequal distribution of the means of production.

The second point is that the rate of exploitation is not directly proportional to the rate of profit; hence, it may happen that an employer subjects an employee to heavy exploitation, in a Marxist sense, while earning little money (Harvey 2010, p. 131). Let us simply consider a case in which an employer uses, in proportion, large quantities of constant capital and obtains a high rate of surplus value from the small variable capital he buys. Let us also imagine that the market price of the final product he commercialises slightly exceeds the total costs of production ($C + V$). In this situation, there is a very high rate of exploitation leading to a modest rate of profit. Yet, also the opposite may occur, namely that an employer earns enormous profits while imposing a low rate of exploitation of his employees. This is not an atypical case in the contemporary economy; suffice it to think of some of the giants of the technological sectors, which remunerate more than adequately their staff and record high rates of satisfaction on their part. Some might say that these companies profit from the existence of market distortions, as for example operating in monopolistic or semi-monopolistic sectors, or commercialising private data collected from their users without paying for the appropriation of what is in effect a means of production, but these contingencies are not directly related to the exploitation of the labour force. Obviously, any sort of generalisation would be misleading, because there are other companies that combine the use of sophisticated technologies with an almost nineteenth-century exploitation of workers.

The third point is one that Marx does not deal with directly, but that David Harvey (2010, p. 170) has the merit to underline. Within Marx’s theory of surplus value, cases can occur in which the increase of the exploitation perpetrated through the obtaining of relative surplus value goes hand in hand with an improvement in the living conditions of workers. This happens, for example, when technology lowers the price of certain consumer goods to such an extent that labourers may find themselves in the condition of being able to do things that were previously inaccessible, because they were too expensive, without this being accompanied by an increase in their wages (think, for example, of air travel, computers, sophisticated mobile phones).
Both Marx’s labour theory of value and the theory of exploitation have been criticised throughout the last two centuries. More specifically, some authors have pointed to the fact that given the empirical unprovenness of the former, we cannot defend the theoretical arguments of the latter. The problems with the labour theory of value can be divided, as correctly emphasised by Jonathan Wolff (2002, pp. 113–18), into two main categories. The first one pertains to those cases in which the value of an object is obtained without labour, or to be more precise, when its value is enormously higher than the labour it incorporates. Some examples can be found in contemporary art, which in many instances directs barbs at the market mechanism and tends to emphasise the logic of determining value creation. One recent example is ‘Comedian’, the artwork created by Maurizio Cattelan at Art Basel Miami Beach 2019. Cattelan bought a banana at the Miami fruit market for 30 cents, taped it to a museum wall with grey adhesive tape and immediately after the opening it was valued at $120,000 (Farago 2019). It is obviously very problematic to explain, in terms of working hours, the value acquisition that this banana underwent. Similar examples can be found in those commodities that are simply found and picked up in nature, such as truffles, or in the world of collecting, in vintage wines, and so forth. It might be objected that these are borderline cases that cannot be taken to counterfeit an entire theory, so here we come to the second category of problems encountered by the labour theory of value, namely production with a high rate of technological components. Consider, for example, the great profits that can be generated today by creating a simple software program and marketing it in the form of ‘apps’. Honestly speaking, it is very difficult to analyse this instance of value creation by looking at labour embodied in the software or in its advertising or its selling – at least exclusively. And the same discourse holds true for economically gigantic enterprises such as Facebook, Google or WhatsApp.

This does not necessarily entail that the labour theory of value is always wrong, but rather that we cannot take labour to be the only productive factor from which employers can extract surplus value and hence determine capital accumulation. Accordingly, even in the advanced stage of capitalism we are experiencing today, for many people surplus value is extracted from their labour performance, not only in developing but also in developed countries. It suffices to consider the world of precarious work, of the gig economy and even more emblematically of the interns who are asked to work for free in order to strengthen their CVs. In short, many workers, especially young workers, are paid less than the value they give back to their employers (or are requested to work undeclared more hours than is required by the employment contract), and this surplus value extracted by labour contributes in a substantial way to the accumulation of capital by employers. Therefore, a more realistic way of looking at labour is as one of the commodities that if inserted in the cycle
M1–C–M2 can determine a difference in value between M2 and M1, such that M2 > M1. John Roemer (1985, pp. 36–8) gives the example of oil. It takes less than a barrel of oil to produce another barrel of oil; hence, if we replace a labour theory of value with something like an oil theory of value, we may say that those who control capital and have access to oil, or to commodities that have been realised – at least in part – through oil, we can explain the process of capital accumulation in terms of the difference between the oil that is introduced into the production process and the percentage of value that can be traced back to the oil that is contained in the final product.

Some authors have defended, somehow reformulating, Marx’s theory of exploitation, seeking to disentangle it from the labour theory of value. In particular, G.A. Cohen (1988, pp. 209–38; see also Vrousalis 2014) has argued that an employer can be said to exploit an employee, from a Marxist perspective, as long as the employer appropriates a percentage of the value enshrined in the products that have been realised by workers, regardless of whether it was labour or any other thing to transfer value into these products – hence the employee is paid less than what he produces. Yet, the normative problem encountered by Cohen consists in explaining what is wrong about the fact that the employer appropriates part of the value of the final product, given that he provides the means of production, bears the investment risks and pays a wage to the employee. Cohen has no other choice but to challenge ‘the private ownership of the means of production’ as ‘morally illegitimate’ (Cohen 1988, p. 235). Further, in order to do so, he has to rely on some moral premises concerning justice in distribution, which end up being free-standing – or, in other words, Cohen seems to propose a moral condemnation of exploitation that is based on the prior adoption of distributive principles, thus turning away from Marx, for whom the exploitation of workers is the direct consequence of an incontrovertible (at least in his view) empirical fact, namely their violent expulsion from common goods and the accumulation of small properties in the hands of a few capitalists. Another notable attempt to rescue the notion of Marxist exploitation from the quicksand of the empirical validity of the labour theory of value is that of Roemer (1982, 1985, 2017). He has maintained that the problem with Marxist exploitation is not a matter of asymmetrical interactions between employers and employees at the point of production, but rather it is an issue that is resolved in the exclusion of employees from the means of production. I shall deal in more detail with Roemer’s theory in Chapter 2, where I explain how the account of exploitation without interactional domination differs from the one proposed by Roemer. What I can say here is that the limit of Roemer’s argument is the same as for Cohen, that is to say, he explains the injustice inherent in the unequal distribution of the means of production in
terms of a positive account of justice. This explains why in his recent works he has maintained that his ‘task has been to propose a revision of socialism’s ethical goal, away from the elimination of (Marxian) exploitation, toward the achievement of distributive justice conceived as comprehensive equality of opportunity, plus cooperation achieved through an ethos of solidarity’ (Roemer 2017, p. 309).

In any case, what is important for me to stress at this point is that the normative argument that I want to construct and that will lead me to defend a minimum de-commodification of labour power is independent from both Marx’s labour theory of value and theory of exploitation. In Marx’s view, the commodification of labour is a necessary condition for the establishment of the capitalist mode of production, for capitalism presupposes capitalist accumulation, which presupposes surplus value, which presupposes labour to be sold as a commodity, which presupposes the capitalist division of the means of production. Accordingly, Marx’s chain of causality moves the other way around, and it might be summarised as follows:

1. The unequal distribution of the means of production leads to labour commodification;
2. Labour commodification allows for the extraction of surplus value;
3. Surplus value is the architrave of capitalist accumulation;
4. Capitalist accumulation keeps in place the capitalist mode of production.

Marx’s normative concern, in which he glimpses the origin of exploitation and oppression of workers, lies in the shift from step 1 to step 2. On the other hand, steps 3 and 4 are necessary for Marx to present his normative argument as an intrinsic criticism of capitalism, because if capitalists could do without extracting surplus value, at least theoretically, then it would be possible to think of an alternative and just form of capitalism, without any need to recourse to the socialist revolution. The complexity of Marx’s argument is also the reason for its fragility, or more precisely it is the reason why many over the years have questioned its validity. As we have seen above, Cohen has sought to disengage Marx’s criticism of capitalism from the difficult empirical premise of the labour theory of value, by replacing the concept of surplus value with the one of appropriating part of someone’s else labour. Conversely, Roemer sought to construct a Marxist criticism of capitalism out of step 1 only, but in doing this

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The difference between Cohen and Roemer is that, although both reject the idea that the normative problem of exploitation consists – solely – in the appropriation of surplus value and both seek to rescue Marxism by appealing to a positive account of distributive justice, Cohen still insists on a normative critique of the interactions that occur at the point of production, while Roemer relegates the latter to secondary issues.
he had to commit his argument to distributive normative premises that cannot be self-justified.

My argument is that we can – and should – elaborate a convincing critique of capitalism by focusing on step 1 only, and independently from any distributive normative premise, relying on the normative ideal of freedom from domination – in other words, we may say through a negative rather than positive treatment of step 1. This can be done by integrating step 1 with step 2.2 (below), instead of steps 2, 3 and 4.

1. The unequal distribution of the means of production leads to labour commodification;
2.2 Labour commodification amounts to structural domination.

Accordingly, I shall maintain, in the course of this book, that it is exactly in the process of labour commodification that we can and should find the source of proletarian unfreedom, while everything legal that goes on between a free individual and a non-free individual (in a capitalist sense) is only an interactional derivation of the systemic problem. The advantage of this approach is that it represents a credible method for criticising capitalism even in those situations where there is no extraction of surplus value and regardless of which commodity adds value to the production process. Moreover, as we shall see in more detail later on, by maintaining that the unequal distribution of the means of production is a normative problem per se, for reasons pertaining to individual autonomy, I shall seek to provide a solid explanation (or at least so I hope) as to why asymmetries of power at the point of production, leading to unequal exchanges between employers and employees, are a normative problem from a non-moralised perspective, that is to say independently of any prior acceptance of the equal distribution of resources as the right starting point. More precisely, I shall argue that inequality is bad because it leads to unfreedom, not because people have a natural right to a given share of natural resources, or because the current distribution of private property deviates from what would be chosen in a moralised session of the social contract, or because sufficiency is good in itself, and so forth.

Therefore, I shall now concentrate my brief analysis on the two components of step 1, namely how workers came to be commodified and how capitalists came to control enough wealth to invest in the labour commodity. As we shall see, the two phenomena are strictly interrelated and call into question the concept of ‘primitive accumulation’ for explaining why workers shifted from pre-capitalist to capitalist forms of subordination – in other words, why capitalists managed to take the place of feudal lords. Lastly, I shall explain how my
critique relates to another Marxist argument that it is possible to raise about labour commodification and that we might summarise in a sort of step 2.3:

1. The unequal distribution of the means of production leads to labour commodification;
2.2 Labour commodification amounts to structural domination;
2.3 Labour commodification leads to alienation – and hence it is bad.\(^5\)

For Marx (2013 [1867], p. 114) the precondition to the transformation of human activities into commodities (hence, to the triggering of the capitalist form of production) is the worker being ‘free in the double sense’. First, he ought to exercise full self-ownership over his body, his intellectual abilities and the activities he can perform through them (see also Christman 1991). Second, he ought not to possess any other commodity for sale, except his labour power. The first freedom is granted to everyone – usually at attainment of the age of majority – in almost every contemporary society, with the exclusion of some residues of old forms of slavery. Generally speaking, we might say that before the individual limits his ownership of his own labour power through job contracts that demand some form of exclusivity,\(^6\) he has an unencumbered title over it. On the other hand, the second freedom is complete only when the aggregate value of social income is given by wage-money alone – in other words, when the value of any of the other components (self-production, community benefits, enterprise benefits, social benefits and private benefits) is higher than zero, the second liberty of the worker is less than complete. And this explains why complete commodification and complete de-commodification are the extreme poles of a large spectrum that encompasses infinite intermediate positions.

Sylvia, for example, the worker of the hypothetical case we were considering before, is free to dispose of her labour performance and she is also free from the possession of productive assets and of other market-independent sources of income. Paradoxically, the first freedom, which defines the difference of status with a slave, is also the one that determines her extreme

\(^5\) The three versions of step 2 are not necessarily mutually exclusive, but each of them leads to a different critique of capitalism. Step 2 leads to the Marxian critique based on the labour theory of value and the theory of exploitation (and, as we have seen, it can also be adjusted in the way suggested by Cohen 1988). Step 2.2 leads to the domination-based critique that I focus on in this book. Step 2.3 leads to an ethical critique of capitalism that is centred on alienation.

\(^6\) For example, a person employed in the public sector may be obliged by contract to refrain from the provision of any other work activities in favour of private companies. Or a professional football player may be prevented from selling his image for the advertisement of a company that is a competitor of his own sponsor.
subjection to the market. While the slave is also a proletarian, his bond with
the master does also tie him to the means of production of the latter. With this
I do not mean that the situation of the slave is less tragic than the one of Sylvia,
nor that the slave is less exploited – quite the opposite, for the master can do
violence to the slave, dismiss him at any time and also put an end to his life.
Yet as long as the master is interested in profiting from his services, the slave
is able to conduct a market-independent existence. He is not constantly forced
to look for someone who will hire his labour performance, because he can rely
on the productive assets of his master. Obviously, the life of the slave is no
less precarious than Sylvia’s, but while the former is dependent on the will of
another individual, because of an asymmetry of power legitimised by existing
social norms, the latter is dependent – also – on market interactions. Moreover,
in pre-capitalist societies individuals could usually count on social securities
that did not depend on the market, as for example family or other social bonds
(even the master/slave nexus), to react to economic downturns, such as those
caused by natural disasters, trouble in production, and so on (Crouch 2013,
pp. 63–4). On the other hand, if we compare Sylvia’s situation with the one
of her colleague (who owns a field and a few cattle), we can notice that both
are completely free in the first sense indicated by Marx, but the colleague is
less free in the second sense – because she owns some private assets – and this
renders her less commodified than Sylvia. The same happens with the worker
who is a pure proletarian like Sylvia, but unlike her lives in a country with
a sound welfare system, for even though this person is experiencing Marx’s
second freedom, state provisions do partially compensate for the lack of
private assets by assuring him of some market-independent well-being. Thus,
he is also less commodified than Sylvia.

The interesting question to ask, reading Marx, is: how did it occur that
after pre-capitalist social asymmetries – stemming from aristocratic heritages,
religious privileges and so on – had been levelled out, new social asymmetries
emerged from the market logic, such that new relations of domination took the
place of old ones? Marx’s response is through ‘merciless vandalism’ (Marx
2013 [1867], p. 534). As soon as workers obtained an unencumbered title over
their work performance, they prepared to become individual property owners.
Had the social evolution that emerged from the dissolution of feudalism
been limited to this first step, a society of small and divided property owners
would have emerged. Nonetheless, Marx holds that this form of production is
unmaintainable in the medium run. A myriad of small property owners pre-
vents any form of cooperation or division of labour, and function as a barrier
against the ‘free development of the social productive powers’ (Marx 2013
[1867], p. 533). Therefore, at a certain point the creative and productive forces
within society start to swell, and the walls of the social system prove to be too
oppressive. These new forces need a new division of natural goods, one in
which individual labourers begin to work beyond their individual property (see Marx and Engels 1988 [1844], pp. 208–22).

The attainment by workers of the second freedom occurs through a form of ‘accumulation’, that is to say, the concentration of large masses of capital in the hands of a restricted social class. The latter, Marx (2013 [1867], p. 501) says, ‘plays in Political Economy about the same part as original sin in theology’. The legend goes that a long time ago there were two different groups of people, those talented, diligent and hard-working, and those lazy and spendthrift. The former accumulated considerable amounts of money at the expense of the latter. These diverging attitudes, prolonged for years, created the two social classes that, once well defined, allowed capitalism to flourish: the owners of capital and the free workers. Marx provides a detailed historical analysis with the purpose of unmasking the myth of political economy. He wanted to demonstrate that it was state-backed violence, rather than laziness and productivity, which was the key element in explaining the existence of labour as a commodity:

Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire. (Marx 2013 [1867], p. 503)

One of the points mostly emphasised by Marx is that these ‘letters of blood and fire’ were written through laws promulgated by the state. The laws were the main instruments employed to separate the workers from their means of production. The enclosures of the common land that occurred in England is the classic example. From the thirteenth century on, the feudal land law guaranteed that only lords, recognised as such by the king, could claim a property right over their estates. The remainder of the land was held in common (Wily 2012). The existence of common land prevented both the workers from achieving Marx’s second freedom and a large amount of natural resources from becoming productive capital. Starting from 1730, the English Parliament began to pass laws that dispossessed commoners of the land. The process was subsequently sped up by the adoption of the General Enclosure Acts of 1836, 1840 and 1845 (M. Turner 1990). A good schematisation of the so-called ‘enclosure movement’ that lies at the basis of Marx’s analysis of capitalism has been given by William Lazonick (1974). While the feudal social system was at its peak in England, between the twelfth and thirteenth centuries, there was an open-field system, in which almost every peasant cultivated a piece of
land, thus being guaranteed subsistence, while another part of common fields was controlled by feudal lords who relied on serf labour. Already from this historical moment and increasingly from the fifteenth century, when slavery was abolished, smallholders exchanged pieces of common land among them and started consolidating their property rights. A second step towards the privatisation of the means of production took place when landlords autonomously turned arable land into pastures and negotiated enclosure agreements. The third step consisted in the British Parliament adopting, as noted above, national legislation to further speed up and enforce the acquisition by landlords of enclosed land (Lazonick 1974, p. 14).

In Marx’s view, the state actively supports the dispossession of property from small owners because it envisions in this social process the only feasible way to obtain economic development (Roberts 2017, pp. 2–3). Accordingly, the capital that can be used to buy the labour commodity is not simply held by its owner; rather, it becomes a productive economic entity through the extraction of surplus labour. What has been discussed over the years is whether Marx was right in considering primitive accumulation as a historical event, as the dividing line between capitalism and pre-capitalist societies. Rosa Luxemburg (2003 [1913]), for example, has contested that capitalism continuously needs to invade non-capitalist societies, both as an outlet for its products and as basins from where to take wage labour and natural resources. While contemporary authors have emphasised that global capitalism determines the same forms of dispossession that Marx attributes to modern capitalism, for example in terms of land grabbing and privatisation of the commons, primitive accumulation should not be simply seen as the point of departure of capitalism, but rather as one of the features that define its functioning (Federici 2004; Harvey 2004; Nichols 2015). In Chapter 3, discussing the reasons why the responsibility for MDL should be global, I endorse this view, mainly relying on the recent work by Saskia Sassen (2014) on expulsions.

The problem with taking only this part of Marx’s argument and renouncing his step 2 – namely his theory of exploitation – is that we take on the not-so-easy burden of proving that there continues to be something normatively wrong in capitalism even today. And we cannot rely on primitive accumulation alone for doing this, for three main reasons. First, the injustice suffered by the first proletarians may happen to be superseded today for all those people who get a reasonable wage-income (Waldron 1992). Second, even though we maintain that capitalism proceeds through dispossession (Harvey 2004), we have a normative argument that works well in some developing contexts and less well within developed societies. Third, not all capitalists accumulate their wealth through ‘merciless vandalism’. Thus, my objective in the following chapters shall consist in justifying step 2.2, by elaborating an autonomy-based critique of the condition of labour commodification that can abstract from its contin-
gencies – namely that applies to every proletarian, regardless of the specific facts that led her to become or to be born a proletarian. However, before pursuing this objective, I consider it important to briefly expound the other normative claim that it is possible to make, independently from the labour theory of value and from moral premises based on claims of distributive justice, step 2.3: labour commodification entails alienation – hence it is ethically wrong.

As many know, in the section on ‘estranged labour’ of the Economic and Philosophic Manuscripts of 1844, the young Marx envisages basically four forms of alienation of labour: the alienation of the worker from the product of labour, the alienation of the worker from the act of production, the alienation of man from his species being, and the alienation of man from man. Within a capitalist society, Marx argues, the human being is estranged from the object of his work, which does not belong to him – thus, the more commitment and dedication the worker puts in to the realisation of the manufacturing process, the more he takes away from his person in terms of effort and life force. Moreover, the worker is compelled to invest his time and energy in an activity that ‘neither depends on nor belongs to him’ (Marx 1988 [1844], p. 75), and in doing this he does not unleash his creative and vital energies, nor does he act to fulfil his personal needs (as, for example, when you raise a cow to drink milk or you cook to eat a dish you crave), but instead he submits himself to labour tasks that are meaningless to him and are only instrumental to the fulfilment of his needs. Third, when the human being carries out transformative actions on the natural world, he objectifies his species life. Therefore, if you deprive the human being of the object of his labour, you are also tearing him away from his species life, and every free and spontaneous activity is turned into a means to satisfy biological needs – that is to say, a means to get a source of income necessary for his animal existence (Marx 1988 [1844], p. 77). Lastly, as a consequence of the previous three forms of alienation, the human being is also estranged from other human beings. The estranged worker ceases to look from a human perspective at the others with whom he enters into relation; rather, he wears the lens of the market nexus and considers others as mere workers or consumers (Marx 1988 [1844], p. 79).

From these arguments briefly outlined by Marx before the writing of *Capital*, it is possible to develop an ethical critique of capitalism, arguing that labour commodification is bad in itself, regardless of steps 2–4, because it determines a serious and unprecedented alteration of the human way of life, such that it suffices to raise a normative claim in itself. The first thing to point out in this

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It is also worth looking at Marx’s earlier reflections on money as ‘alien mediator’ and on the transformation of labour into ‘labour to earn a living’, as presented in his ‘Excerpts from James Mill’s Elements of Political Economy’ (Marx 1975 [1844]).
regard is that, as I tried to suggest earlier, labour commodification and alienation are not directly proportional – previously I referred more generically to the pleasantness of the work activity, but the discourse can easily be extended to the more comprehensive concept of alienation. Accordingly, it is theoretically possible for someone to shift from a less to a more commodified condition while passing to a less alienating job. I made the case of Sylvia, who lost her job in the factory and started painting canvases. She experiences a higher level of commodification – for the reasons discussed in previous paragraphs – while performing a creative job in which she freely expresses her personality and enriches her artistic self. Obviously, this was just a theoretical case aimed at showing that labour commodification, on the one hand, and the harshness and alienation of the job, on the other, are conceptually different. But it would not be impossible to find other examples. Think of writers who are not best-selling authors and have no other way to scrape a living than to rush to publish the next novel. They are surely more commodified than a well-known notary, but in comparison with him they have the chance of performing a less alienating job, because in their works they can express their world view, leave room for imagination and say what they really want to say.

The second important thing is that claims 2.2 and 2.3 can be held together without incurring any contradiction. Besides, I am firmly convinced of the opportunity of pursuing the furrow of alienation traced by the young Marx to analyse what Jaeggi (2014, p. 15) has recently defined, in relation to Marx’s view of alienation, as ‘the problem of no longer having at one’s command something that was once, and ought still to be, at our command (because it results from our own activity)’. That is why I would endorse the ethical challenge of regaining control over the estranged object, namely labour activities. Nonetheless, in the rest of this book I shall set aside the theme of alienation and the ethical critique that comes with it, because I wish to develop a moral and political critique based on the phenomenon of labour commodification described by Marx as one of the fundamental preconditions of the capitalist mode of production.

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8 For a historical reconstruction of the use that later authors made of the concept of alienation, also before the appearance of the *Economic and Philosophic Manuscripts of 1844* (which occurred only in 1932), see Honneth 2008; Musto 2010; Jaeggi 2014, pp. 3–50.
1.3 KARL POLANYI AND FICTITIOUS COMMODITIES

Labour commodification leads to domination and alienation, and Marx was one of the first thinkers to analyse these three phenomena together, in a comprehensive way. There is, however, a last question that we should ask to conclude this brief discussion on labour as a commodity. How far can the process of labour commodification be led? In other words, how close can a society get to the pole of complete commodification, the situation in which there is no longer any difference in the way we treat workers and non-human commodities? For even though the majority of people living in the countries that were the first to experience the Industrial Revolution are nowadays quite safe from falling back to the trials and tribulations of the nineteenth century economy, this question about the elasticity of the commodification process is still fundamental for understanding the situation of people living in developing countries, and the forms of exploitation to which they might be exposed.

An influential answer was offered by Karl Polanyi (2001 [1944]) in the mid-twentieth century. His great contribution to economic sociology is based on three notions that are deeply interlinked: fictitious commodities, embeddedness and the double movement. Furthermore, the debate on globalisation that emerged between the end of the last century and the first decades of the current one has renewed interest in his ‘magnum opus’, *The Great Transformation* (Stiglitz 2001; Fraser 2014, 2017). The centrepiece of Polanyi’s argument is that the advent of the capitalist economy in the nineteenth century goes along with an attempt to disembed the economic system from social relations. This attempt is not the result of the autonomous forces that operate in the self-regulating market, as classic economists want us to believe, but rather it is the product of ‘artificial stimulants’ that are administered to the society in the form of legislation and administrative regulations (Polanyi 2001 [1944], p. 60). The process of disembeddedness is doomed to fail, or at least to remain incomplete, because even though it seeks to subject all the essential elements of production to the market mechanism, and it gets its strength in doing this, there exist three objects that cannot be transformed into real commodities: land, labour and money. The latter are the so-called ‘fictitious commodities’, and the fact that they can never be transformed into real commodities, without paying the price of annihilating whole societies, determines the double movement; that is, the struggle between self-regulating markets seeking to get completely disembedded from society, on the one hand, and human beings opposing the completion of this process for reasons linked to mere survival, on the other. This is in brief the description of the effects of the great transformation. But let’s go more slowly, trying to analyse every step separately.
Economy has always existed. Every society needs to rely on an economy of some sort for survival. The same discourse holds true for the market that Polanyi (2001 [1944], p. 59) defines as ‘a meeting place for the purpose of barter, or buying and selling’. But the point is that before the advent of the capitalist form of production, in the nineteenth century, the market’s role ‘was no more than incidental to economic life’ (Polanyi 2001 [1944], p. 45). In order to better understand Polanyi’s argument, it is useful to follow the distinction made by Charles E. Lindblom (2001) between the market and the market system. The former consists of the exchanges between commodities and/or services that can either be mediated through money (be it currency or financial products) or based on the bilateral transfer of commodities and/or services. The market pre-exists capitalism and goes even further, in the sense that also within socialist societies commodities and services are exchanged. On the other hand, a market system is a social system in which coordination is pre-eminently obtained through market interactions, rather than through other social factors or central planning. In this sense, a market system also presupposes the existence and the interconnection of a series of markets (Lindblom 2001, pp. 4–15). Accordingly, consider the case in which you offer me ten coins for cleaning your garden. This is a market. Yet, if you come to own your garden in virtue of your aristocratic status and I find myself excluded from controlling productive assets because of my lower social status, the market that occurs between me and you is not part of a market system, but perhaps it is an appendix of a feudal system. It might also happen that our respective social positions are the result of decisions taken by a central authority. Imagine that this authority decided that in spite of the different abilities that we can commercialise, we are both entitled to live in two identical houses with equal gardens, yet you value free time more than I do, and I value having some extra money to buy chocolate more than you do; hence, you decide to buy my gardening performance and I accept to sell it. Here our market is more likely to be part of a socialist system, rather than a market system. Lastly, imagine that as in the first hypothesis you own a garden because of your higher social position and I accept to clean it because of my lower position, but both our social positions are consequences of the different results that we have achieved in the single markets in which we have engaged and are still engaged – e.g. job markets, financial markets, commodity trading, and so on. In this case, our gardening market is part of a market system; that is to say, a social system in which our activities are shaped by the market mechanism, which we can simplify in the logic of supply and demand.

Obviously, not all market systems are equivalent. In different market systems there can be more or less unequal starting positions, more or less obstacles to the smooth functioning of the market logic – e.g. asymmetries of information, monopolies. However, the point that Polanyi seeks to emphasise is that in a market society everything is produced for sale, including labour,
Labour commodification

land and money, which become commodities. Their prices become commodity prices, respectively: wage, rent and interest. The market system seeks to bend to the market logic everything that previously belonged to the compact social sphere, or in other words it aims to ensure that no interference occurs with its self-regulation. ‘Nothing must be allowed to inhibit the formation of markets, nor must incomes be permitted to be formed otherwise than through sales’ (Polanyi 2001 [1944], p. 72). This is something new in the history of humanity, because before the consolidation of market society, the economy was ‘embedded’ in social relations. Politics, religion and social relations have always controlled the economy, determining the wealth of individuals and the way land, and natural resources in general, were to be managed and distributed (Block 2001, pp. xxiii–xxiv). The economy was subordinated to the rules of society, which were shaped at a superior level. Accordingly, once the economy begins to emerge from society, the latter, conceived so far as a solid sphere dominated by non-economic rules, splits into two separate spheres: the political sphere and the economic sphere.

Yet, the economic sphere that has just been released cannot survive detached from the political sphere – it needs to extend its dominion to the same social relations in which it was embedded before, and to the natural environment that surrounds them. If in pre-capitalist societies the economic system was embedded in social relations; in capitalist societies social relations are embedded in the economic system (Polanyi 2001 [1944], p. 60). The main consequence of this movement is the creation of a market for labour and for nature – that is to say, the commodification of labour and land. Polanyi engages in a detailed historical analysis of labour commodification. He writes that before the last decade of the eighteenth century the commercialisation of wage labour was so far from the political horizon that it had not even been discussed, either in France or in England. A real labour market emerged for the first time in England after the approval of the Reform Bill of 1832 and the Poor Law Amendment of 1834 that Polanyi (2001 [1944], p. 84) sees as the starting point of modern capitalism, in which labour is commodified, and the political attempts of de-commodification that characterised embryonic capitalism have been abandoned, and all remnants of paternalism have been swept away.

More precisely, from the Industrial Revolution until the 1830s, the commodification of labour was prevented in a first phase by the Act for the Relief of the Poor of 1601 (also known as the ‘Elizabethan Poor Law’), successively amended by the Poor Relief Act of 1662 (also known as the Act of Settlement of 1662), and in a second phase by the Speenhamland Law of 1795. The Poor Law(s) reacted to the dissolution of the old medieval structures and the decline of monastery institutions, which previously took charge of the poor, by introducing a local administrative system whereby each parish had to protect those who were unable to work, the aged, the children and the ‘impotent’ poor.
and to provide the means for work to the able-bodied who could not get into
the productive process on their own, and it was funded through poor rates that
were collected at the parish level (see also The Workhouse n.d.). According
to Polanyi’s historical reconstruction (2001 [1944], pp. 81–9), as soon as this
system ‘was loosened’ in 1795, and hence a truly competitive labour market
could have been established, the justices of Berkshire met in Speenhamland, at
Pelican Inn, and decided to introduce subsidies in aid of wages, whose value
was not fixed, but rather linked to the fluctuation of the price of bread. This
practice of economic relief became law in most of England, and it was named
the ‘Speenhamland system’, after the place in which it was adopted. In some
way, the justices of Berkshire reacted both to the social distress caused by the
loosening of Poor Law(s), as indicated by Polanyi, and to an increase in the
price of bread caused by bad harvests, by setting up an economic threshold
below which no labourer would have been let fall – and in this way they
addressed those who were suffering from limited purchasing power even
though they did not fall into the categories protected by the Poor Law(s).

From a historical point of view, the Speenhamland law was
a backward-looking measure that attempted to resist the commodification
of labour in a specific moment in which political power had wiped out the old
paternalistic forms of social protection. Here we do not have time to delve into
the specificities of this measure. But it may suffice to note that while Polanyi
was critical of these magistrates’ attempts to contain the advance of the market
principle, because in his view it ended up driving down both wages and the
productivity of labour, a recent study conducted by Fred Block and Margaret
Somers (2003) has challenged the findings of the Royal Commission Report
of 1834, the investigation that decreed the failure of subsidies in aid of wages
and paved the way for the adoption of the New Poor Law a few months later,
which somehow deceived Polanyi himself because of its ideological preset.
In essence, the two scholars demonstrate that far from being a curse for the
working class, the Speenhamland system functioned as a positive buffer
against three negative trends: the growth of industrial production in the north
of England with the relative decline in the south and in the east, fewer job
opportunities in the farming sector, and the enclosures (Block and Somers
2003, pp. 300–308).

In any case, what is important for us to highlight here is that the abolishment
of the Speenhamland system in 1834 represents the culmination of complicity
between political power and the natural forces driving the disembedding
process. As soon as aid-to-wage was put aside, the new economic sphere,
driven by the market principle, and recently disembedded from the society
sphere, came to dominate the last stronghold of society, labour. This point is
particularly important because it allows Polanyi to demonstrate that the rise
of market society is based on a theoretical misconception of labour, land and money, for liberal capitalism seeks to disembell them from social relations and to subordinate them to the market principle – that is to say, to transform them into commodities. Nonetheless, differently from what happened with all the other elements of production, the commodification of labour, land and money cannot but be ‘fictitious’, because they are not created to become commodities. Polanyi defines a commodity as something that is created to be bought and sold on the market, and for him it is clear that ‘the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to [labour, land and money]’ (Polanyi 2001 [1944], pp. 75–6), as labour is a human activity that cannot be detached from life itself, land is nature, and money is just ‘a token of purchasing power’. I will leave aside money, because the reasons of its being a fictitious commodity are different from land and labour. Commodity money represents a threat to entrepreneurs and investors when prices fall because of the self-regulatory mechanism of the money market (Polanyi 2001 [1944], pp. 201–9). On the other hand, the commodification of land can be easily overlaid with the enclosures that occurred in England and that, as we have seen before, Marx links to the phenomenon of the primitive accumulation (Polanyi 2001 [1944], pp. 187–200). Thus, I shall focus, instead, on the commodification of labour.

If we look at labour from the Polanyian perspective of fictitious commodities, we can infer from it three different normative problems, which are all present, albeit with different levels of articulation, in Polanyi’s work: one is moral and political and has to do with freedom, one is ethical and consists in a process of ‘dehumanisation’ (Özel 1997, p. 20), and one can be defined as functional and goes along with Polanyi’s notion of the double movement. My particular interest is in the first problem, although I do not deny the relevance of the second one. With regard to the third, which I will outline in this chapter, I shall express reservations in Chapter 2 about its current relevance in a global context, and if my reservations are right, this should make the first problem even more serious.

The common premise of the three problems is that the attempt of the economic sphere to impose its regulating principle, the market principle, to land and labour is utopian, and at the same time it risks being highly destructive, because transforming human society into an appendage of the economic system means to make it vulnerable to the side effects of the adjustment between demand and supply. The price of this evolution is a dangerous social

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9 For Polanyi (2001 [1944], p. 74) the two elements are indivisible: ‘Such an institutional pattern could not have functioned unless society was somehow subordinated to its requirements. A market economy can exist only in a market society.’
dislocation (Polanyi 2001 [1944], pp. 171–86). As Gösta Esping-Andersen (1990, p. 37) has rightly pointed out: ‘Workers are not commodities like others because they must survive and reproduce themselves and the society they live in. It is possible to withhold washing-machines from the market until the price is agreeable; but labour is unable to withhold itself for long without recourse to alternative means of subsistence.’

The moral and political question that permeates Polanyi’s works is whether the individual can be free within a society in which land, labour and money have been subjected to market rules. Polanyi’s answer is negative (see also Buğra 2007, p. 185), and I think that the best explanation of this has been given by Esping-Andersen (1990, p. 37), when he defined the condition of the commodified worker as ‘freedom behind prison walls’. This is an expression that not only synthesises well Polanyi’s thought, but it also reflects the situation of the majority of human beings within a market society, because it combines two concepts that seem to be antithetical: freedom and prison.

The passing of the feudal system largely increases social mobility. When power and wealth were the prerogatives of a restricted class of people, in virtue of aristocratic origin, divine election and so forth, workers were relatively more protected from market fluctuations, but at the same time the social ladder was almost deadlocked. Thus, we may agree with Nancy Fraser (2014) when she emphasises that the transformation of labour into a commodity liberated oppressed social groups from subjection and allowed them to relate with others on a more equal basis, and the clear examples are women and slaves. At the same time, by submitting the organisation of society to the sole rule of the market principle, the newly disembedded economic sphere removed the formal ceiling that kept the lower classes from ascending to the higher steps of the social ladder, and in this sense, labour commodification and the conquests of the market principle in the field of society represent a source of freedom. Yet, the criticism that Marx first, and Polanyi and Esping-Andersen later, level against this freedom is that it is experienced in prison. If, on the one hand, the worker becomes the full owner of herself and of her labour, on the other hand her survival is no longer guaranteed a priori, but it becomes completely dependent on wage-income. Accordingly, the labour market functions as a prison from which the worker cannot escape unless at the price of her survival. Obviously, this prison can be a golden cage for some people, even for the majority of them, in comparison with previous social forms of organisation, but it remains a prison.

The ethical problem with labour commodification consists, instead, for Polanyi in what Hüseyin Özel (1997, p. 20) has defined as a process of ‘dehumanization’. The separation of the human being from labour and from land is something that contradicts the very concept of humanness and it entails the dissolution of the ‘totality’ of life into specific components – religious,
Labour commodification – and their subjugation to two simple economic motives: the ‘fear of hunger’ and the ‘hope of gain’ (Özel 1997, pp. 20–21). Moreover, it is important to stress that, in Polanyi’s view, the appearance of the ‘fear of hunger’ was the result of a conscious activity performed by the state in order to facilitate market forces in their disembedding process. Besides, he maintains that we can get a plastic example of this by looking at how industrialised countries were administering the colonies at the time. Since in those new territories the economy was still embedded in society, establishing a market for labour was impossible. Without the fear of hunger, Polanyi (2001 [1944], p. 172) suggests, labour could have never been transformed into a commodity. Therefore, for the purpose of paving the way to the market principle, the coloniser had to dismantle pre-existing social structures. The means of subsistence had to become scarce before labour could be extracted as a commodity from that population. As had already occurred in Europe during the eighteenth century, the primitive human being of the colony was turned into a ‘willing worker’ with the application of ‘nature’s penalty, hunger’ (Polanyi 2001 [1944], p. 173). Özel (1997, p. 23) argues that the commodification of labour and land forces human beings to live a ‘perverse’ life, because ‘they are deprived of the very qualities that make them human’.

Lastly, the functional problem that Polanyi associates with labour commodification is related to the resilience of market society, and it also helps us to provide a more thorough answer to our initial question at the start of this section, i.e. how far the process of labour commodification can be led. As Block (2001, p. xxiv) has underlined, one of the most common misconceptions about Polanyi is that he is read as saying that the process through which the economy seeks to separate itself from society and to dominate it from outside – the disembedding phenomenon – was accomplished. This is deeply untrue. The strength of Polanyi’s discourse lies exactly in the impossibility of completely disembedding economy from society. Block explains this point by quoting the first page of The Great Transformation, where Polanyi (2001 [1944], p. 4) writes: ‘Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness.’

In other words, market capitalism put human life in the hands of a ‘blind fate in spontaneous progress’ (Polanyi 2001 [1944], p. 79). This transformation in the organisation of society – its becoming an ‘accessory’ of the economic system – would have ‘annihilated’ it but for the spontaneous emergence of a counter-movement that aimed at protecting it from self-destruction. Historically, the counter-movement emerged in England in the 1830s, after the abolition of the Speenhamland system, when every obstacle to the commodification of labour was removed and capitalism assumed its modern form.
At that moment, society instinctively resisted its own dislocation by calling for state intervention. Therefore, for Polanyi, nineteenth-century society is characterised by a double movement. On the one hand, the market principle, which guides the economic sphere in its disembedding process, seeks to extend its rule to every sector of society, transforming every factor of production into commodities, even those factors – labour, land and money – that for constitutive reasons can never be turned into real commodities, but which are forced to become ‘fictitious’ ones. On the other hand, society starts to press for factory laws, tariffs, social legislation and the management of the monetary system (Dale 2010, pp. 60–61), in other words, for the state to intervene with the aim of holding back the marketisation of fictitious commodities, in particular labour.

Fictitious commodification is necessary for the market to function properly, but, as explained by Esping-Andersen (1990, p. 36), with this movement the market system ‘also sows the seeds of its own self-destruction’, because ‘if labour power is nothing more than a commodity, it will likely destruct’. Therefore, the counter-movement not only protects human lives, left at the mercy of the market’s volatility, but also saves the market system from its own destructive excesses. Polanyi hints that a laissez-faire economy can survive over time only if the counter-movement guarantees its stability by calling for state regulation. The existence of the double movement is the reason why complete disembedding is impossible. Block (2001, p. xxv) uses the clever metaphor of the ‘giant elastic band’ to explain it. The counter-movement prevents the market movement from reaching its final objective, the complete commodification of society. The market movement pushes ahead the elastic band, but the counter-movement holds it back. The combination of the two opposing forces determines a limit in the disembedding process, the limit of society’s complete commodification. From here comes the functional problem with labour commodification: a social process that has led to an ethical deterioration in the living conditions of human beings, and which prevents them from experiencing full freedom, would seem to be bound up with strong resilience, thanks to a sort of elastic equilibrium, which is determined by the double movement, keeping the market mechanism from crossing the critical threshold of complete commodification.

Moreover, the functional problem is exacerbated by the fact that, since the disembedding process is doomed to remain incomplete, the supporters of a free market can keep on explaining periodic crises and failures of the economic system as a consequence of political resistance against the full implementation of their economic recipes. The typical example, Block (2001, p. xxvii) says, is the imposition of market capitalism on the former Soviet Union after the fall of the Berlin wall. Although the so-called ‘shock therapy’ worsened the living conditions of Russians and increased the rate of extreme poverty, supporters
of the ‘Washington Consensus’ blamed the incompleteness of the reforms as the main cause of their failure. The only way for society, in Polanyi’s view, to expose the inappropriateness of neo-liberal policies is to cut the ‘giant elastic band’, renouncing the counter-movement. But this theoretical checkmate would cost social dislocation, a price that society is not willing to pay.