

Labour and Labour-Power

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Marx claimed that his principal theoretical achievements were the distinctions he drew between 'concrete labour' and 'abstract labour', and between 'labour' and 'labour-power'. These distinctions have been the focus of subsequent interpretation and criticism of Marx's theory of the capitalist mode of production. In this paper I shall argue that the distinction between 'labour' and 'labour-power' is a crucial feature of Marx's theory. I shall show that it is tied up with the distinction between the employer/employee and the client/agent relationships, and that this in turn is crucial to an understanding of Marx's concept of the specifically capitalist mode of production.

What is the distinction between labour and labour-power?

On the surface, the difference between labour and labour-power is just the difference between a capacity and its exercise. However, Marx goes on to say that under capitalism the wage-labour contract involves the purchase by the capitalist of labour-power, and not labour. This fact is supposed in turn to explain how capitalist exploitation is possible, even though all commodity transactions are 'fair' and 'equal' in terms of the rules governing commodity exchange. And this differentiates specifically capitalist exploitation from exploitation based on unequal terms of exchange, such as that practised by speculators, middlemen or monopolists.¹

It is the theoretical use to which Marx puts the distinction between labour and labour-power which makes it important. So, after briefly tidying up the distinction as such, I shall look at two opposed interpretations of its basis which effectively nullify, but from opposed directions, the theoretical use Marx wished to make of it.

When Marx speaks of labour-power he means a cluster of commonly shared skills possessed by a typical human being which can be used in production. It is worthwhile here to differentiate any particular skill from the overall cluster of skills, whether that skill is a part of the cluster or not. Thus people may have specialised skills which are not typically shared, so that a person may have labour-power together with some extra skills which other people do not have. And a specific skill which is part of labour-power, is nevertheless distinct from labour-power, as a part is distinct from the whole which includes it. A person who loses his or her labour-power through an accident, and who is consequently unemployable as a wage-labourer, may nevertheless retain a specific skill, and be as proficient in its exercise as before. Labour-power is thus the capacity for any work which a person is typically capable of, and may be distinguished both

from some capacity an individual may have for some extraordinary activity, and from specific ordinary skills, which are commonly shared capacities for this or that specific productive activity.

Now labour is the exercise of labour-power. However, it is important for what follows to recognize that labour is not the manifestation of labour-power in precisely the way that a machine's working is the manifestation of its 'machine powers'. Between labour-power and its manifestation in labour of any kind steps the conscious purpose which determines the end to which the labour-power is exercised, and the procedures involved in reaching that end. Production involving human beings is thus not some pre-determined process. How much and what kind of work is done in any period depends not only on the worker's capacities, but also on their motivation and their awareness of what is going on around them.

Of course, there is a similar gap between the capacity of any multi-track machine and its performance. Any specific performance will presuppose not only the capacity of the machine but also a particular machine setting. However, I am not claiming that there is some absolute qualitative gap between humans and machines, but only that any labour is not simply the realisation of a capacity, but is also the realisation of some conscious purpose.

It is also worth differentiating here what Marx calls 'concrete labour' from what he terms 'abstract labour'. The exercise of labour-power will always coincide with the exercise of some specific skills for some definite end. It will always be a particular kind of work, whether it is specified in terms of the

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product it results in, as in baking bread, weaving cloth, forging steel, and so on, or in terms of the skills exercised, as in hand-sewing. The exercise of labour-power can be more loosely specified, as in odd-job housework. However, even loose job specifications never abstract entirely from the specificity of the work or skills involved. Abstract labour, on the other hand, is labour in abstraction from any useful effect. It is averagely productive labour of any kind considered only with respect to its duration.

Having sketched the distinction between labour and labour-power in what is hoped to be the direction Marx intended, it is time to look at other attempts.

Is there no significant difference between labour and labour-power?

In a fairly recent discussion of the distinction between labour and labour-power, Steedman asks:

At the end of a week, after having worked in the normal expected manner, some workers are observed to receive their wages. Observer X states, 'Those workers are being paid for having performed N hours of labour'. Observer Z retorts, 'Those workers are being paid for their labour-power (or for the capitalist's disposal over their labour-power).' Are the statements of X and of Z really *significantly* different?²

Steedman goes on to argue that the only force the difference between labour and labour-power can have is that labour contracts are never, perhaps cannot ever be *precise*. Thus, because of an unfortunate but necessary lack of precision in our contracts, there will always be disputes over the intensity of work, conditions of work, etc. And so the concept of labour-power, Steedman characteristically adds, contributes '*nothing to one's understanding*' of such disputes.

This is the point Roemer makes in his 'New Directions in the Marxian Theory of Exploitation and Class',³ when he argues that the question of capitalist control or domination over the process of production reduces to a distinction between what a labour contract specifies, and what the parties to it intended. According to Roemer, the capitalist either tries to extract more labour from the worker than expected, or the worker tries to deliver less than the capitalist expected. Domination over production is a 'substitute for a perfect contract'.⁴ Roemer then goes on to point out that in some of his models it is assumed that the exchange of 'labour' for the wage is determined by a perfect and costlessly enforceable contract, so that the 'capitalist' in these models purchases a specific labour service. Nevertheless, Roemer argues that there is still capitalist exploitation in such a case, although what Marx takes to be the foundation of it, the purchase by the capitalist of labour-power, does not occur. Indeed, Roemer takes the labour-power to be 'alienable' only with the person, so that the alienation of the worker's labour-power to the capitalist not only need not, but cannot, occur under capitalism, although it occurs under slavery.

Of course, if the difference between the sale of labour-power and the sale of labour were simply a matter of the difference between a less and more specific labour contract, then workers' resistance to capitalist management could not involve a breach of contract, since the conflict is supposed to arise from the failure of the contract to specify what the workers are expected to do. Resistance to management might be a breach of the *spirit* of the contract, as the capitalist takes it, but not of its letter. Steedman dimly perceives this when he points out that the capitalist does not have complete disposal



over labour-power if the worker does not 'perform a certain number of hours of a certain kind of work'.⁵ In fact, of course, resistance to management is a breach of contract *precisely because the contract is for the purchase of labour-power*.

Thus, if the capitalist hires, or temporarily comes to own, the labour-power of the worker, this is not an imperfect purchase of a specific labour, but the purchase of an ability which the capitalist as owner then has the right to use in his interest. The lack of specificity of the 'labour' contract is a perfect reflection of the capitalist's right to direct at will how the worker exercises his or her productive abilities. This managerial prerogative is not the accidental by-product of a contract entered into for other reasons. It is actively sought for, as it enables the employer to respond to unforeseen circumstances, to redirect work from less to more profitable lines, or to introduce changes to technology, without thereby having to redraw contracts of employment.

On the other hand, a person may work for, or on behalf of, another, without being employed as a wage-labourer. Thus when an agent acts for a client, the client does not purchase labour-power, no matter how unspecific the client's instructions to the agent may be. Whether labour or labour-power is purchased is not a matter of the specificity of the contract, as Steedman and Roemer suppose. It is essentially a matter of whether one party to the contract works under the direction of the other party. In each case the contract may be relatively unspecific as to what work is to be done. However, in the case of an agent acting for a client, the concrete detail of the act by which the client's instructions are carried out is filled in at the agent's own discretion. Thus, if a lawyer is engaged to defend a case, a doctor to perform an operation, or a land agent to sell a house, each acts under his or her own direction, and not under the management of the client.

Thus there are clearly two relationships under which one party may contract to work for another: the master/employee; and client/agent relationships. In one, the master acquires the right to direct how the employee works, while in the other, the agent has the right to self-direction in performing the service requested by the client. That is, the employer purchases labour-power in one case, and a service in the other.

It does not matter that typical examples of the client/agent relationship are of agents supplying clients with *skilled services*. There is still a contrast between one doctor working as an employee of an hospital, and another with the same skills working on a 'fee-for-service' basis. While each in practice works largely at their own discretion, the hospital has managerial powers over matters, e.g. determining standard treat-

ment procedures, which 'fee-for-service' doctors decide for themselves.

There is, nevertheless, a link between skill and self-direction in labour. Usually the employer of a skilled worker will not have the skills of the employee, as the purpose of employing the skill is to obtain its use. Consequently, the employer will rely on the judgement of the employee in carrying out the work required. However, the judgement and initiative exercised by the employee is exercised not by right but by the leave of the employer. In a client/agent relationship the judgement and initiative is exercised by right.⁶ It is only by recognising the skill of the employee as a *limit* on the employer's control that we can understand the common employer's strategy of transforming the technology of production so as to minimise any such reliance on employees' skills.

Can Labour be a Commodity?

Some Marxists have attempted to explain why Marx stressed the importance of recognising the distinction between labour and labour-power by arguing that capitalists must purchase labour-power, as labour itself cannot be bought. Thus Hodgson first attempts to argue that labour is *inalienable* in the case of a free worker,⁷ and then later suggests that labour is inalienable in principle.⁸ In both cases, what seems to suggest this view is the fact that the labour is the labourer's, or is inseparable from the labourer. If labour is inseparable from the person of the labourer, then it might seem that it can be alienated only with the person. Thus, labour would be alienable only under slavery, as it is only then that the person is alienated also. Or, if the alienation of the person in slavery does not include the alienation of the person as an agent, labour then might be inalienable in principle.

Now, Hodgson is simply confused about the inseparability of labour from the person. In one sense, labour is inseparable from the person only because the person must be where and when the labouring activity occurs. However, this implies only that the point of production of an activity must coincide with its point of sale, and with its point of consumption, in contrast with enduring products, which may be sold or consumed at a place and time far from when and where they are produced.

In another sense, labour is as the worker *experiences* it, and as such it certainly cannot be alienated. However, this applies equally to free and unfree workers. The experience of the slave can no more be alienated under slavery than the experience of a worker can be alienated under wage-labour. This fact provides some of the practical basis for the idea of a separation between the soul and body. Only the body, and the publicly accessible aspect of the mind, can be alienated in slavery. The slave's own experience remained his or hers, so that a slave experiences a contrast between an inner freedom and an outward unfreedom, that is, a contrast between a freedom of the 'soul', and a lack of freedom of the body. The 'soul' of the slave which the slave-owner cannot own must, of course, not be confused with the 'soul' taken as some sort of immaterial body through which one might live after death. When Faust alienates his soul to the devil, the whole point of

this would be spoiled if it were the devil, and not Faust, who thereby faces the prospect of eternal torment.

So, while the worker's *experience* of labour cannot be alienated, if we take, for example, a singer singing a song, the song as an object can be alienated in the same way that any other process or event may be. A song is not only performed, it is also heard. Thus the song as an object can be alienated, as this amounts to singing it for others, for a consideration, as opposed merely to singing it for oneself.

Now, the inseparability of labour from the person is exactly paralleled by the inseparability of labour-power from the person. This is one factor leading Roemer to suppose that labour-power is alienable only with the person, and therefore, inalienable under 'free' labour. Indeed, inasmuch as labour-power is the inner capacity of the person for labour, it might appear less alienable than labour itself, which is its outward manifestation.

However, labour-power as an object of conscious direction is as much an object capable of alienation as is the singing of a song, taken as an object of satisfaction. The difference between slavery and wage-labour is not that labour-power is alienated in one case and not in the other, but that, as Marx puts it, it is alienated 'rump and stump'⁹ in the case of slavery, but under wage-labour it is alienated only for a definite number of intervals of time to be set aside for work. Although the wage-worker has a choice of employer, and a choice between earning a wage and having to accept some form of charity, public or private, in order to survive, Marx stresses¹⁰ that this freedom is as far as the freedom of working for wages goes: during working time the wage-worker belongs as much to the capitalist as the slave belongs to the slave-owner. And this fact warrants the use of the term 'wage-slavery' for capitalism.

Now Marx did suggest that it was absurd to speak of the 'value' of labour, as in: 'Labour is the substance and the

immanent measure of value, *but has itself no value*'.¹¹ However, this claim does not imply that services cannot have 'value', and therefore cannot be bought and sold. For the absurdity of speaking of the 'value' of labour rests, for Marx, in the vacuity of speaking of the 'value' of 'value'. And, since value is socially necessary *abstract labour*, it is *abstract* la-



bour, not 'concrete' labours, which cannot for that reason be a commodity. As abstract labour is by definition labour in abstraction from its use-value, it seems that Marx's point is sustainable. However, services are *concrete* labours with useful effects, and therefore may still be commodities, for Marx, as well as for us.

The difference between contract labour and employment of wage-labourers

Marx, it is true, considers the view that capitalists purchase labour rather than labour-power to be an apology for capitalism. However, if I am right, the apology involved rests on confusing the master/employee relationship with the client/agent relationship, rather than resting on taking services as commodities. Treating the capital/wage-labour relationship

as a transaction between client and agent results in substituting the question of whether the terms of the wage-labour contract are 'fair' for the question of whether there should be such contracts at all, given that it must be perfectly fair for owners of labour-power to determine in their own interest how it will be utilised.

Now, as capitalists have managerial prerogative, it is inherent in the master/employee relationship that workers are alienated from their own labouring activity. That is to say, as their labour is directed by and is in the interest of another, it belongs not to them but to the other. In a passage already referred to, Marx makes the point that 'As soon as [the worker's] labour actually begins it has already ceased to belong to him; it can therefore no longer be sold by him.'¹² And since the capitalist pays for labour-power and not labour, it is inherent in the wage-labour contract that there may be a discrepancy between the value of what the capitalist purchases, and the value of what the capitalist sells. The same value of labour-power may produce a greater or lesser value of product, depending on how efficiently and effectively the capitalist extracts productive effort from the workers employed. Thus, since it rests with the capitalist how much labour is extracted from the workers, albeit within limits set by the right of the labourer to protect the labour-power which they hire out, it is the capitalist's managerial prerogative which determines whether and what amount of surplus-value is produced.

It is clear that as the working day varies, and the value of the product increases, the increased cost of raw materials and wear and tear of machinery offsets part of the increase in the value of the product, while the value of the labour-power employed is fixed up to the limit of the working day. With a working day of X hours, say, the value of the product exactly covers the cost of wear and tear and raw materials used in X hours, and the cost of employing labour-power for a day. With a working day of X plus Y hours, part of the increased value of the product is offset by the cost of an extra Y hours of raw materials and wear and tear of machinery. However, part of the increased value of the product, equal to Y/X of the cost of employing labour-power for a day, is appropriated *gratis* by the capitalist.¹³

On the other hand, the alienation of the agent from his or her own labour is not inherent in the client/agent relationship. Further, if the agent's service is to produce a product for the client, it is not inherent in their relationship as such that there may be a discrepancy between the value of what the client purchases and what the client sells. Whether the client can make a profit depends on whether a position as an intermediary may be exploited in order to 'buy cheap, and sell dear'.

The identity of contract labour and employment of wage-labourers

Marx defines a mode of production as the specific way the direct producers are combined with the means of production under definite social relations of production so as to produce a surplus.¹⁴ Thus the capitalist, as an owner of money functioning as capital, purchases means of production and labour-power, and directs the employed workers on pain of dismissal to work with the capitalist's means of production so as to produce surplus-value. A relationship in which the capitalist comes temporarily to own the direct producers' capacity for work is clearly different from one in which an owner of money pays for a service.

Thus, in the letting-out system, the owner of money operates as a merchant who lends wool to cottage spinners, for ex-



ample, whereas a capitalist employs workers to spin wool in the capitalist's factory. Through penalties for late delivery or poor quality, for example, the merchant in the letting-out system can only indirectly control the labour of the spinners or determine the technology they use, whereas the capitalist enforces labour discipline on the workers he or she employs, and directly determines the technology employed.

Of course, capitalist social relations of production may merge with those of contract labour.¹⁵ Indeed, it may be profitable to avoid the responsibilities of an employer to provide for holidays, workers' compensation etc., and to pay workers on a contract basis instead. Control over the workers may be exercised in practice through the terms of the contract, and the requirements of the successful operation of the means of production. As Marx points out, capitalism throws up technologies in which machines determine what workers do, rather than workers determining what machines do. Exploitation of contract labour may be even more severe and injurious to the workers' health than capitalist exploitation, as in the letting-out of sewing to women, who work in their own home, using their own sewing machine, in their own time (often late at night when kids are in bed), and on a miserable piece-rate basis of pay.

Nevertheless, it is clear that the social dynamic of such opportunistic exploitation of the difficulties of housewives in coping with the double burden of earning and housework, differs radically from the social dynamic of capitalism, which exploits instead the productive power of co-operative labour, learning on the job, and technological progress. The use of relatively obsolete technology, premature exhaustion of workers, haphazard delivery of the product, and the other vagaries of sewing fashion garments under the letting-out system may be tolerable in the niche provided by the fashion industry. However, that sort of anarchy is less easily tolerated in the mass production of standardised products characteristic of the capitalist mode of production.

The difference between the alienation of labour-power and the alienation of a service emerges most strikingly when workers labour together. Under the master/employee relationship each worker's labour-power is purchased individually, and the workers co-operate in labour under the direction of the capitalist. Under the client/agent relationship, the collectively rendered service itself would be alienated, with the workers themselves responsible for their own co-ordination in labour. It must be a juridical fiction to represent the capitalist as purchasing a service when the contracts of employment are with individuals taken separately, but the actual service is the labour of many working together. This may not, of course,

prevent capitalism using the *form* of a contract to evade their legal responsibilities as employers, while remaining employers in fact.

Indeed, it is arguable that contract employment typically is capitalist employment, but under the legal form of the client/agent relationship. Since capitalism sets the social standard of employment, it is reasonable to say that contract labour is in fact capitalist employment of labour-power, especially where supposed contract workers are employed for set hours, and work with means of production owned by the employer. In other cases, although contract labour may merge with wage-labour, it may be appropriate to recognise it as involving the working of a mode of production different from the capitalist mode of production. However, at least in the advanced capitalist countries, the social dominance of the capitalist mode of production is such that we may speak of the workers employed under the client/agent relationship as being subject to *capitalist* exploitation, if only of a secondary kind.

The distinctive mark of the capitalist mode of production

It is clear from the discussion so far that the distinctive feature of the capitalist mode of production is not that surplus labour is appropriated by a propertied class in the form of surplus-value, since this also occurs in exploitation through market speculation, usury, and the letting-out system. Contrary to those who have sought to emphasise the concept of exploitation and to eliminate the concept of alienation, the distinctive mark of the capitalist mode of production is that the appropriation of surplus-labour under capitalism takes place on the basis of the capitalist's ownership of wage-workers' labour-power. That is, the appropriation of surplus-labour under capitalism takes place on the basis of the alienation of the workers from their own collective labouring activity. This mode of production has its own distinctive dynamic. The expanded reproduction of the relationship between capitalists and wage-workers has as its presupposition and result the transformation of human labour into machine-like labour, and the progressive displacement of the human elements of the productive mechanism by new, utterly mechanical elements.¹⁶

Marx's theory of the capitalist mode of production may be paralleled by a theory of market exchange which pretends that entrepreneurs merely trade with workers and other owners of productive services on one side, and with consumers on the other side. Such a theory, however, necessarily fails to highlight the dynamic of the capitalist's purchase and consumption of labour-power, a dynamic based on the opportunities and limits of the possible forms of co-operative productive activity directed by a capitalist. Marx clearly presumes that it is impossible to have the form of the client/agent relationship take the place of capitalist employment of wage-workers. If this is so, it can only be because capitalist exploitation, and the dynamic of co-operative labour under capitalist control, cannot be established generally and securely under a relationship which, in its legal form, is premised on workers' self-direction.¹⁷

Notes

- 1 The contrast between specifically capitalist exploitation and exploitation through unequal terms of trade does not preclude these other types of exploitation being *secondary forms* of capitalist exploitation. See, for example, Ian Hunt, 'A Critique of Roemer, Hodgson and Cohen on Marxian Exploitation' in *Social Theory and Practice*, vol. 12, no. 2 (1986): 121-71, especially p. 162.
- 2 I. Steedman, 'Marx on Ricardo' in Ian Bradley and Michael Howard (eds.), *Classical and Marxian Political Economy*, London and Basingstoke: Macmillan Press, 1982.
- 3 J. Roemer, 'New Directions in the Marxian Theory of Exploitation and Class', in *Politics and Society*, vol. 11, No. 3 (1982): 375-94, 253-87.
- 4 *Ibid.*, pp. 376-77.
- 5 Steedman, 'Marx on Ricardo', p. 151.
- 6 Strictly speaking, the self-direction of an agent is not necessarily by right, inasmuch as there can be a discrepancy between an individual's rights and the socially produced and defended powers he or she may have. However, an agent typically is able to direct his or her own work in virtue of having the right to do so.
- 7 G. Hodgson, 'A Theory of Exploitation Without the Labour Theory of Value', *Science and Society*, 44 (1980): 257-73.
- 8 G. Hodgson, *Capitalism, Value and Exploitation*, Oxford: Martin Robinson, 1982, p. 204.
- 9 K. Marx, *Capital*, Vol. I, Moscow: Progress Publishers, 1954, p. 165.
- 10 K. Marx, *Capital*, Vol. III, Moscow: Progress Publishers, 1959, p. 819.
- 11 Marx, *Capital*, Vol. I, Chapter XIX, p. 503.
- 12 *Ibid.*
- 13 At this point, Marx's theory involves an abstraction from the fact that the amortisation of fixed capital per hour is not a constant, but decreases as the working day increases. So profit is due not only to the management of labour-power, but also to the management of the operating time of fixed capital. However, the management of the working time of fixed capital generally has a relatively minor impact on profits, and is in any case mediated by the management of workers.
- 14 Marx, *Capital*, Vol. II, Moscow: Progress Publishers, 1956, p. 34.
- 15 This merging of one relation with the other is compatible with their difference as is the merging of child and adult in adolescence compatible with the significant difference between their social status, a point I owe to Graham Priest.
- 16 See Marx, *Capital*, Vol. I, Chapter XV.
- 17 I would like to thank Charles Pigden, Ross Poole, Graham Priest and Janna Thompson for helpful comments on an earlier version of this paper.

