

# New Terrain, New Movements

Aaron Benanav, written for *Viewpoint Magazine*, 2018, but never published. There was supposed to be a roundtable on Kim Moody's book, but the magazine never put it up on their website.

The past few decades have largely been decades of retreat and retrenchment for the working class. Unions are losing slow wars of attrition. Left political parties, including social democratic parties, long ago accepted the dictates of capital as the law of the land. In the face of decades of defeat, it has been exciting to see an uptick in the extent and intensity of working-class struggles in the years since the 2008 global economic crisis. In the US, the past decade saw the Occupy movement, the movement for Black Lives, struggles around the Dakota access pipeline, and major strikes by teachers. On the global level, these same years saw large-scale strikes in China, the unfolding of the Arab Spring, and the appearance of the movement of squares in Greece, Spain, and many other countries. This renewal of struggle has only raised the stakes of political debate. What lessons of past eras of struggle should we bring with us into this new era? Which perspectives must we abandon, and which should we develop anew? These questions—which have been debated for at least as long as the era of working class defeats has unfolded—take on additional urgency today, in an era that is in some sense *on the move*. As a founder of Labor Notes and an analyst of the history and present-day challenges of unions both in the US and globally, Kim Moody is well placed to answer these questions. In a new book titled *On New Terrain*, Moody tells us how we should orient ourselves, in order to move from a position of retreat back to one of advance.<sup>1</sup> Moody's book focuses on answering two questions: (1) how has the composition of the workforce shifted over the past few decades? and (2) how has or will this recomposition influence the character or shape of workers' struggles in the decades to come? Moody is right that answering these questions will help orient us towards the future waves of class struggle. However, *On New Terrain* ends up providing a misleading account of the forces recomposing the workforce, here in the US and globally. Moody overemphasizes the extent to which workforce fragmentation has been overcome through business consolidation, in a way that makes it difficult for him to analyze recent struggles both here in the US and around the world. That bodes poorly for the book's capacity to help reorient us with respect to the working class upsurges in the future.

## A New Terrain, Summarized

*On New Terrain* argues that a restructuring of the US economy took place in the 1980s and 90s, which—while it initially fragmented and relocated both capital and the labor—is now in a new period of “re-concentration” (8). For Moody, the restructuring of US capitalism gave rise to an

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<sup>1</sup> Kim Moody, *On New Terrain: How Capital is Reshaping the Battleground of Class War*, Haymarket Books, 2017.

upswing in the economy, starting in 1982 and ending with the crash in 2007 (1). The driving force of this upswing was rapid productivity growth in manufacturing due to “the introduction of lean production methods, new technology, and capital’s accelerated offensive against labor” (12). With regard to productivity increases, Moody’s account stresses the intensification of workers’ exploitation, rather than the automation of their work. He argues that industrial workers’ experiences—their “management by stress” (18)—will play a key role in coming struggles. Moody does consider some other features of the present period, such as the growth of service jobs and the precaritization of work, but he does so primarily in order to show that these have been overemphasized by critics. Thus, service jobs are expanding, but, Moody argues, the expansion of service sector employment mostly represents the marketization of working class reproduction, largely associated with women’s entry into the labor force (20). Moreover, many service jobs are mislabeled: they are really industrial in nature, in that they “both use up physical inputs, as Ursula Huws has pointed out, and produce a material good or effect” (21). Moody does agree that many workers today are economically precarious, but, he argues, following Marx, that “precariousness” has always been “a normal condition of the working class” (23). Defined in terms of “temporary agency work, short-term contracts, on-call work, independent contracting (that is, bogus self-employment), involuntary part time work (part-time for economic reasons by those who usually work full time), and so on,” precarity has hardly increased; on the contrary, Moody suggests, it has absorbed a relatively stable 15 percent of the US workforce since the 1990s (24). For Moody, these trends do not mark a qualitative shift in the character or experience of workers.

It follows that, from a strategic point of view, less has changed than one might suppose: industry remains the key sector because its large and concentrated workforce has the power to shut down the economy and demand social change. The workforce in the economy’s industrial core has changed shape today in that it is composed of fewer line workers and more logistics workers, who are employed in “transportation hubs, massive warehouses, and distribution centers” (60). The core workforce is also more ethnically diverse than before and includes a larger minority of women (38). None of these changes have undermined industrial workers’ power; on the contrary, Moody argues, core industrial workers are potentially more powerful today than they were in the past. Since the 1990s, industry has reconsolidated as capitalists have “moved away from conglomeration and towards a focus on a single industry or line of production” (49). Meanwhile, capital per worker has continued to rise across the economy (55). These trends suggest that capital is now “extremely vulnerable to worker action,” especially due to the just-in-time nature of lean production, and the fact that it involves an ever greater quantities of “fixed and sunk capital” (65). All of this adds up to a potentially immense power for an organized working class.

It is true that workers have yet to actualize this power through mass action, but Moody rightly argues that, if we look at history, we see that working-class power does not build not slowly over time, as one might suppose. Instead, workers’ power builds suddenly through periodic surges or “waves” of collective action (71). Moody gives the examples of waves of class struggle in 1910-

1920, 1933-1937, 1945-1949, and 1966-1978 (73). He argues that the period we are living in has been different in that there were no surges during the upswing, 1982-2007, nor since the down-swing started, 2007-2017 (73). Yet, he says the workforce is undergoing “compression” and will likely spring into action at some point (75). In the past, upsurges in working class activity were associated with “attacks on living standards and particularly on working conditions through changes in the labor process” (73). In an era of lean production, these sorts of pressures have been compressing the working-class spring for a long time. Moody argues that, when the upsurge finally arrives—if it does arrive—what will matter will be the orientation of the “militant minority” (76). Here, Moody focuses on neither the leaders of struggle, nor the rank and file, but rather on the fraction of the workforce that has been shaped by struggles before the upsurge begins, akin to the radical workers of 1930s associated with the “Socialist Party, Communist Party, Trotskyists, Musteites, and veterans of the IWW” (76). They have the power to push struggles in a more radical direction or to dissipate struggles through their disorganization (77).

Perhaps surprisingly for a younger readership, references to militants formed in recent social movements in the US, such as Occupy and Black Lives Matter hardly appear in the first part of Moody’s book (the indigenous struggle at Standing Rock is not mentioned at all). However, these movements are considered in the book’s final few chapters (see 147). There, Moody identifies a tendency of these sorts of movements to shift, as Bayard Rustin argued they should, from “protest to politics” (107). Moody casts doubt on this trajectory, especially on leftist efforts to find a home in the Democratic Party, or to try to split that party (119). There is more hope in forming a new party, he says, as has begun to occur in some European countries. However, in those countries, Moody argues, electoralism has subordinated elements of mass struggle to itself, leading to “moderation of party program and goals” and “declining electoral fortunes” (149).

At the end of the book, we get a sense of Moody’s larger strategic vision: if the militant minority can create “a mass democratic membership organization or party,” which does not disperse its power but rather gathers it together, then a future upsurge of working class struggle can become a force that is socialist or at least “points in the direction” of socialism (150). The key is that the conquest of political power must be subordinated to the social struggle itself. Democratic organizations formed in the course of struggle can also become “prefigurative,” the germs of a future socialist society developing within the shell of capitalism (169). Moody conceives of this socialist society primarily in terms of workplace democracy and workers’ self-management (164). The force of *On New Terrain* is to argue that if we are in a “new phase” of capitalism, then this phase is primarily defined by a new “terrain” or “battleground,” where the old class struggle will take place (68). Moody is here arguing for what would be, from the perspective of other analysts of class struggle in the present period, a surprisingly minor shift in socialist strategy. The upshot is that we should work in or work with the logistics workforce to develop the militant minority within the unionized rank and file workforce (which today sadly accounts for little more than 10 percent of the total workforce), in preparation for a coming working class upsurge that will be

focused, as in the past, in the economy's industrial core. This argument is an important one: it certainly helps clarify the stakes and issues at the heart of ongoing debates.

Unfortunately, Moody's argument here is impoverished by types of arguments with which he engages. Like other texts in this genre from Charlie Post and Dough Henwood, *On New Terrain* uses Guy Standing's *Precariat* as its primary foil (7).<sup>2</sup> Standing is an ex-ILO official, who has argued in—a book composed more of facts and anecdotes than of arguments—that the working class no longer exists as such, having been fragmented into series of classes, including, as Moody points out, not only the “precariat,” but also the “salariat,” and “proficians” (7). Standing argues for the adoption of a “precariat charter,” as the basis of a renewed social democracy adequate to flexible accumulation.<sup>3</sup> Besides Standing, Moody does not engage with any alternative viewpoints emerging on the socialist, communist, or anarchist left, which take the fragmentation *but not the dissolution* of the class as the key to their analysis.<sup>4</sup> In what follows, I argue that Moody has misread the present economic trends and hence also how they are recomposing the working class. For that reason, he also fails to analyze the period 2010-2015 as a period of renewed class struggle on the global scale. Recent struggles have clearly been shaped by ongoing class fragmentation, which Moody falsely claims has come to an end. That turns out to have major consequences for how we must think or rethink the communist project today.

## The Shifting Ground of Accumulation in the US

How has the terrain of capital accumulation shifted in the United States? We can begin where Moody does, with manufacturing job loss. The past twenty or so years have seen a dramatic decline in manufacturing employment levels, which stabilized at around 20 million workers in the 1970s, shrank slowly over the decades that followed, and then plummeted to around 12 million workers between 2000 and the present.<sup>5</sup> In *On New Terrain*, Moody argues that a “likely explanation for manufacturing job losses on the scale of the last thirty years or so, on that is internal to the workings of US capitalism, and, indeed, capitalism generally, is to be found in the rise of productivity” associated with lean and mean production (12). He recognizes that the pace of productivity growth has been overstated in official statistics, due to the mis-measurement of output growth in computers and electronics equipment, but he argues, correctly, that manufacturing pro-

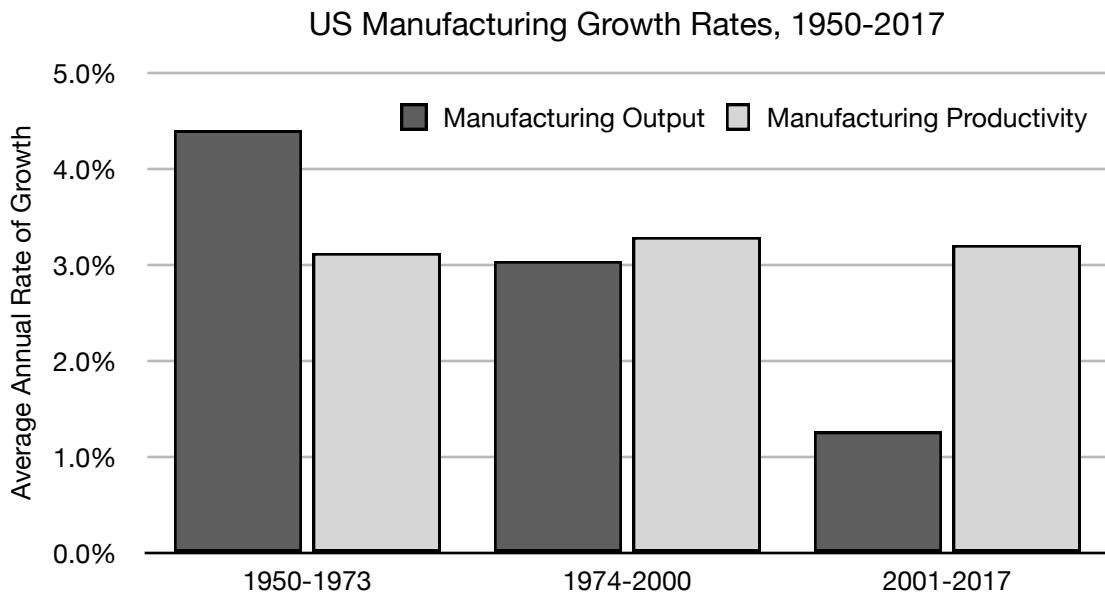
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<sup>2</sup> Guy Standing, *The Precariat: The New Dangerous Class*, Bloomsbury Press, 2011.

<sup>3</sup> Guy Standing, *A Precariat Charter: From Denizens to Citizens*, Bloomsbury Press, 2014.

<sup>4</sup> Endnotes, “The Holding Pattern,” *Endnotes* 3, 2013; Wildcat Germany, “Global Working Class,” *Wildcat* 98, 2015; Angry Workers of the World, “Insurrection and Production,” [angryworkersworld.wordpress.com](http://angryworkersworld.wordpress.com), 2016; , Savaş Karataşlı, Kumral Şefika and Beverly Silver, “A New Global Tide of Rising Social Protest? The Early Twenty-first Century in World Historical Perspective,” Presented at the Eastern Sociological Society Annual Meeting, Mini-conference on Globalization in Uncertain Times, Baltimore, MD, February 22-25, 2018.

<sup>5</sup> Bureau of Labor Statistics (BLS), “All employees, thousands, manufacturing, seasonally adjusted.”



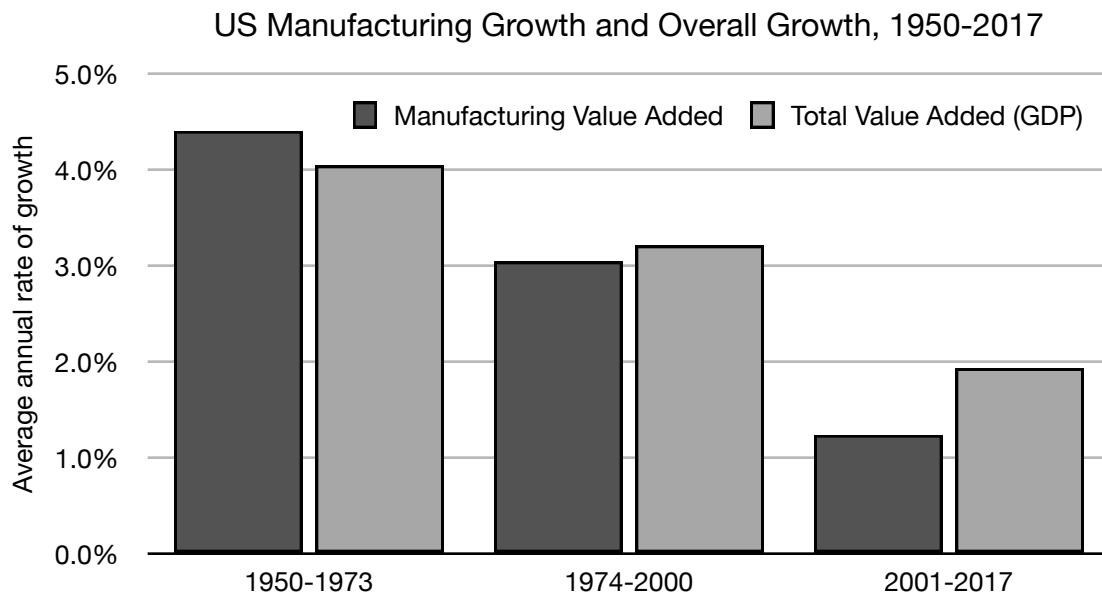
Source: Conference Board (formerly BLS), International Labor Comparisons

ductivity levels have grown at around 3 percent per year (13). According to Moody, that has been the main source of manufacturing job loss. The reality is somewhat different than Moody claims.

Manufacturing job loss can happen for one of two reasons. It can happen because manufacturing productivity grows so quickly that its growth rate *rises above* that of manufactured output, with the result that more is produced, using fewer workers. Or, it can happen because output grows so slowly that the output growth rate *falls below* that of manufacturing labor productivity.<sup>6</sup> The result will be the same: more is produced, using fewer workers. Moody is right that “manufacturing output in the United States has not declined overall” (10). However, he is wrong in saying that manufacturing output has “increased at rates close to those of the post-World War II Keynesian epoch of growth” over the past few decades (10). On the contrary, *the manufacturing output growth rate has slowed significantly*. That is the main cause of manufacturing job loss. We can see this by comparing a few statistical measures over time. In the US, manufacturing productivity grew at a steady pace over the course of three successive periods: 1950-1973, 1974-2000, and 2001-2017: at 3.1 percent per year, 3.3 percent, and 3.2 percent respectively. But manufacturing output growth rates collapsed over those periods: from 4.4 percent per year, to 3.1 percent, to 1.2 percent. The result is that, over those three periods, employment growth collapsed as well: from 1.2 percent per year, to -0.2 percent, and to -1.8 percent. If we take into account the mis-me-

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<sup>6</sup> The output growth rate for any industry ( $O$ ) is equal to the productivity growth rate ( $P$ ) plus the employment growth rate ( $E$ ); this is an accounting identity (in other words,  $O=P+E$ ). So for example, if output grows by three percent and productivity also grows by three percent, then there will be no growth in employment: all additional output can be produced without hiring any more workers ( $3=3+0$ ). If output growth falls to two percent per year, while productivity growth remains stable at three percent per year, then employment will fall by one percent, since all additional output can be produced with fewer workers ( $2=3-1$ ). The same result will take place if output grows by three percent per year, as before, but the productivity growth rate rises to four percent per year ( $3=4-1$ ).



Source: Conference Board (formerly BLS), International Labor Comparisons

surement of output growth in computers and electronics equipment, output rates and productivity growth rates will be lower in the later periods, but the consequences for jobs will stay the same.<sup>7</sup>

Manufacturing output has grown more slowly since 1973 due to international overcapacity in manufacturing.<sup>8</sup> The US is not only facing up against Chinese firms. Those firms are just the latest in a series of strong competitors, including European, Japanese, South Korean and Taiwanese firms, all competing to produce the same sorts of products. To retain market share in the face of this onslaught, US firms have had to do whatever they could to keep their productivity growth rates high—often in spite of lagging rates of investment, which is why firms have turned more to speed up than to adding new equipment. At the same, firms have shifted the most labor intensive portions of the production process abroad to take advantage of low wages elsewhere, which also had the effect of raising productivity levels here. The consequence has been that productivity growth rates have fallen less than output growth rates, resulting in manufacturing job loss.

The decline in manufacturing output growth rates and manufacturing employment would not necessarily be a problem for the overall economy, except that *no new sector has replaced manufacturing as an economic growth engine*. Manufacturing is unique as an engine of growth because incremental adjustments to the production process, through mechanization, make for

<sup>7</sup> For a recent analysis, see Susan Houseman, “Understanding the Decline of U.S. Manufacturing Employment,” Upjohn Institute Working Paper 18-287 (<https://doi.org/10.17848/wp18-287>). Houseman claims that, “without the computer and electronic products industry (hereafter referred to simply as ‘the computer industry’), real value-added or GDP growth in manufacturing was less than half that of the private sector average from 1979 to 2000, and only 12 percent in the 2000s” and also that “without the computer industry, manufacturing labor productivity generally has been no higher or only somewhat higher than that of the private sector,” which is to say, much lower than what I cite here. Houseman’s analysis is much more critical than what Moody suggests in *On New Terrain*.

<sup>8</sup> See Robert Brenner, *Economics of Global Turbulence*, Verso Books, 2006.

steady increases in labor productivity, hence falling prices, hence expanding markets. Nothing else has ever matched manufacturing in this regard.<sup>9</sup> As manufacturing output growth rates have fallen, so too have overall economic growth rates, as measured by the headline rate of GDP growth. Over the three periods I described above (1950-1973; 1974-2000; 2001-2017), GDP growth rates fell successively: from 4.0 percent per year, to 3.2 percent per year, to 1.9 percent per year. Note that in the earlier period, manufacturing led the overall economy in terms of its pace of growth. In the latter two periods, manufacturing trailed the overall economy.

Moody's account of the sources of manufacturing job loss is thus false in a crucial way: the source of job loss is not high levels of manufacturing productivity growth. It is low levels manufacturing output growth, which have also made for a slowdown in the overall rate of growth of the economy. As we will see below, that has made it difficult for workers who have lost their manufacturing jobs *plus the tens of millions of additional workers who have entered the labor force* to find jobs elsewhere in the economy. In sum, the overall labor force has grown from 90 million in 1979 to 145 million today, resulting in a fall in the manufacturing share of total employment from 22 percent to 8 percent (the industrial share of total employment fell from 27 percent to less than 14 percent). Including logistics workers here makes up for a portion of this loss, but not much, since according to Moody, there are around 3.5 to 4 million logistics workers in the US, accounting for only 2.5 percent of the total labor force or less (63). Nor would the inclusion of logistics workers here shift the overall direction of change, that is, ongoing decline.

The tendency of GDP growth rates to decelerate has now been recognized by a section of the economics profession, which refers to it as "secular stagnation."<sup>10</sup> The problem is not merely a downshift in the rate of economic growth, from an earlier golden age to a new normal, but rather, a gradual worsening of conditions. This worsening is all the more surprising given how much effort has put into reviving growth rates. Interest rates have been pushed down. Keynesian pump priming was never really abandoned. Debt levels have expanded not only among governments, but also businesses and households.<sup>11</sup> The result has been a series of asset-price bubbles around

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<sup>9</sup> What counts as services today more or less consists of the set of economic activities that have resisted industrialization over two centuries, and therefore have been beset by relatively low rates of productivity growth. The classic analysis of this problem is called Baumol's cost disease. See for example William Baumol, Susan Blackman, and Edward Wolff, *Productivity and American Leadership: The Long View*, MIT Press, 1991. New technological developments sometimes force a service to phase-shift into an industry, as for example today, in technologically sophisticated warehouse work. But such phase shifting has taken place only in select services over time. Countries that have developed quickly over the past 50 years, which have not been able to exploit specific resources, such as oil, have done so primarily through industrialization. See Mary Hallward-Driemeier and Gaurav Nayyar, *Trouble in the Making? The Future of Manufacturing-Led Development*, World Bank, 2018.

<sup>10</sup> See Coen Teulings and Richard Baldwin (eds.), *Secular Stagnation: Facts, Causes and Cures*, Centre for Economic Policy Research, 2014.

<sup>11</sup> See Wolfgang Steeck, "How Will Capitalism End?" *New Left Review* 87, 2014.

the world, most spectacularly in the Japanese economy in the late 1980s and early 90s and the US in the early 2000s and again in the late 2000s. No lasting recovery has taken place.

## The US in Comparative Context

Readers will note that Moody periodizes US economic history differently than I did above. He dates a new period as beginning in 1982, rather than 1973 (45). What effect does this difference in periodization have on the trends in the data? In what follows, I explain what is at stake in this periodization by comparing recent economic trends in the US to those in the US's nearest competitors among the so-called advanced industrial economies: that is, Germany, Japan, the UK, France, and Italy. Moody describes the US economy as if it were an example of wider trends, arguing that “although the focus is on the United States, much of what is written” in *On New Terrain* “applies to other developed industrial economies as well” (8). He is wrong particularly as concerns this question of periodizing recent economic history. That will then become important later on, when I discuss the differences between US and EU labor-market institutions.

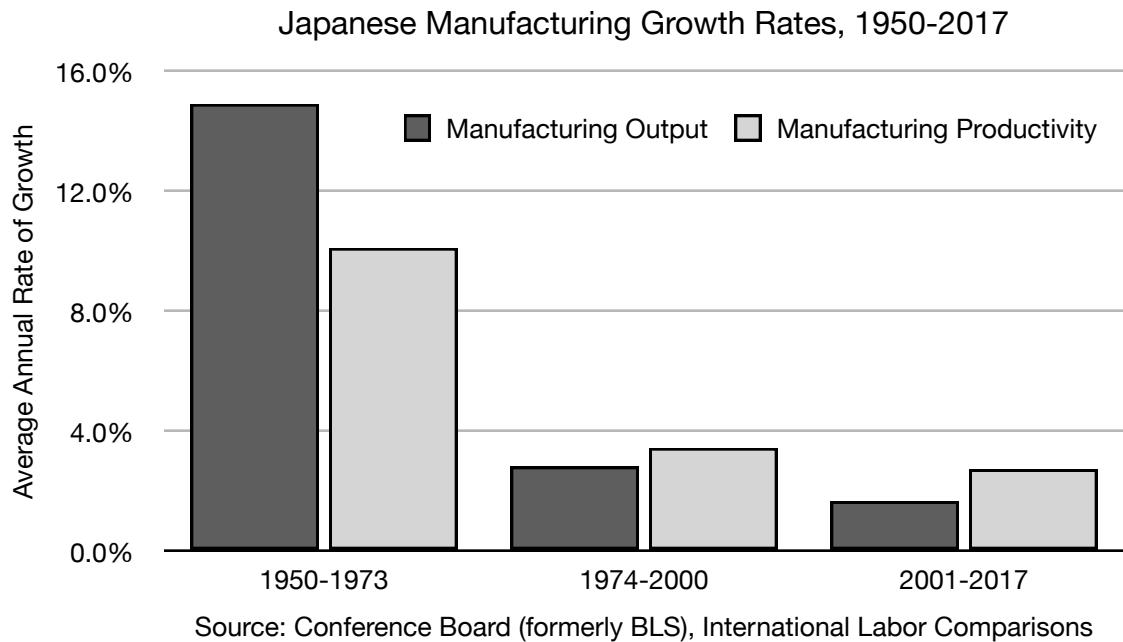
Average Annual GDP Growth Rates, by Country, 1960-2017

	1960s	1970s	1980s	1990s	2000-2017
<b>United States</b>	4.6%	3.2%	3.2%	3.3%	2.1%
<b>Japan</b>	10.7%	5.2%	4.4%	1.5%	1.0%
<b>Germany</b>	4.5%	3.2%	1.7%	1.5%	1.5%
<b>France</b>	5.8%	3.7%	2.5%	1.9%	1.3%
<b>Italy</b>	6.0%	3.6%	2.4%	1.6%	0.4%
<b>United Kingdom</b>	3.2%	2.7%	2.6%	2.2%	1.8%
	Source: Conference Board (formerly BLS), International Labor Comparisons				

If one has any doubts about trends playing out across high-income countries, it is instructive to look at some other cases. Moody suggests that we should see the period starting in 1982 as an upturn in the economy, rather than viewing the period since 1973 as one of a more or less continuous decline. In the US, GDP growth rates declined over time, but disaggregation by decade show this decline to have been shallow and inconsistent, due to an upturn in the mid-1990s (not in the 1980s, as Moody suggests). Looking at 5 periods—the 1960s, the 70s, the 80s, the 90s, and the new millennium (2001-2017)—we see that GDP growth rates fell from 4.6 percent per year, to 3.2 percent, to 3.2 percent, then rose to 3.3 percent, and then fell to 2.1 percent, respectively. The same uptick in growth rates appears even more strongly with regard to manufacturing value added. The mid-1990s economic recovery took place for three reasons, *all unique to the*

US. There was (1) an intense squeeze on US working class living standards; (2) a decline in the value of the dollar, relative to the currencies of other advanced capitalist countries; and (3) a major asset-price bubble in the US stock market, centered on tech stocks, which popped in 2001.<sup>12</sup>

Where is the corresponding upturn in the economic growth rates of Germany and Japan, the other two most advanced industrial countries in the world economy? In both countries, GDP growth rates declined steadily. In Germany, GDP growth rates fell from 4.5 percent per year, to 3.2 percent, to 1.7 percent, to 1.5 percent, over those same periods; in Japan, GDP growth rates fell from 10.7 percent, to 5.2 percent, to 4.4 percent, to 1.5 percent, to 1.0 percent. The same trends can be seen in the next largest high-income economies: in the UK, France and Italy. Looking at the manufacturing sectors of those other core capitalist countries, we see in some ways a more extreme version of the manufacturing job loss story in the US. In these countries, both manufacturing output and productivity growth rates collapsed after 1973, but downturns in manufacturing output growth rates were much more severe than those in productivity growth rates. The result, once again, was that manufacturing output growth rates tended to fall below productivity growth rates, causing ongoing manufacturing job loss. In these countries, as well, as manufacturing output growth rates declined, so too did the overall economic growth rate.



Key to what follows is that we must recognize the unique position of the US in the world economy: in spite of its decline, the US remains the premier economic-militarily power. The dollar is the main reserve currency for the world, and no currency is set to replace it. The US has used its position to force a major devaluation of its currency, to improve its international competitiveness

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<sup>12</sup> Robert Brenner, *The Boom and the Bubble*, Verso Books, 2002.

vis-a-vis other advanced capitalist countries. Between 1971 and 1995, the US dollar lost about 73 percent of its value relative to the Japanese yen, and about 59 percent of its value against the German mark. Over the course of the 1970s, 80s, and early 1990s, the US thus forced its competitors in Europe and Japan into a much worse competitive position. The brief-lived US recovery in the mid-1990s was not the example for the other high-income countries to follow; *it came at the expense of those countries.*<sup>13</sup> That should be key to any analysis of the domestic economy.

## Putting the Squeeze on the Working Class

By focusing on productivity growth, rather than the relationship between productivity growth and output growth—which is what actually leads to job expansion and decline—Moody misses the long-term tendency towards stagnation and slowdown. That is key because *the tendency to stagnation and slowdown is what has provided the source of the capitalist class's power to attack workers' wages and working conditions.* The point here is simple to make: slowing economic growth over the past few decades has issued in a decline in the demand for labor, putting workers in a potentially much more precarious position. Between 1947 and 1973, the unemployment rate in the US was 4.8 percent on average; between 1973 and 2013, it rose to 6.5 percent on average, an increase of 25 percent.<sup>14</sup> In the latter period, unemployment rates were even higher in Germany (6.7 percent), France (8.1 percent), Italy (7.6 percent), and the UK (7.5 percent)—all countries that saw unemployment rates consistently below 3 percent in the 1960s and early 1970s.<sup>15</sup> Moody does note that the unemployment rate has been much higher “since the early 1980s,” making for a greater “*experience of precariousness*” (29). However, surprisingly, he does not connect higher unemployment rates to their cause: lower rates of economic growth. Moody thus ends up telling a partial and incomplete story about US job trends. Here, too, it is crucial that he fails to distinguish between the character of the US labor market and labor markets elsewhere.

The extent to which rising unemployment rates has actually made workers more insecure has been influenced by the institutional frameworks that regulate labor markets, which vary across countries.<sup>16</sup> In the US, where there are few labor-market protections, rising unemployment rates

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<sup>13</sup> The US is also able to run massive trade and fiscal deficits without suffering any consequences in terms of its ability to borrow money (and in fact, its doing so also provides a major boost to global demand). The US allowing trade deficits to grow massively has made for an sharper decline in manufacturing employment shares here as compared to other advanced industrial countries, such as Germany and Japan, which still run trade surpluses.

<sup>14</sup> In the US, during the recovery in the mid-1990s, unemployment rates fell back to their pre-1973 levels, and workers were briefly able to fight for and win gains in real wages. When that short-lived boom came to an end, workers real wage growth stagnated. Today, headline unemployment rates are low once again, at the top of a long and shallow economic boom; we will see what effect that has on workers' real wages.

<sup>15</sup> A key point, discussed below, is that unemployment rates also no longer adequately capture the extent of the deficit in the demand for labor, as increasingly many workers are pushed into involuntary part-time work, etc.

<sup>16</sup> See Richard Freeman, *America Works: Thoughts on an Exceptional US Labor Market*, Russell Sage, 2007.

in the early 1970s, combined with rapid de-unionization, immediately issued in a worsening labor-market conditions. In European countries, the situation was more complicated, since stronger labor-market protections initially insulated many workers—in essence, male breadwinners who kept their jobs—from pressures associated with rising unemployment. The result? *Even though unemployment rates have been lower in the US, compared to Europe, the capitalist class here has been more capable than capitalist classes there of taking advantage of economic stagnation to put the squeeze on workers*—essentially responding to declining output per unit capital by raising profit per unit of output. As measured by rates of overall GDP growth, the US economy appears to be doing better than other high-income economies. However, as I show below, the US working class is actually worse off, since in the US almost all income gains go to the very rich.

Furthermore, regardless of how protected workers were initially in the 1970s, when unemployment rates began to rise, capitalists everywhere subsequently used falling rates of economic growth and higher rates of unemployment to demand concessions from workers. The working class and its representative unions (as well as, in Europe, its political parties) responded to these demands by fighting rearguard actions—at least to some extent—while actually ceding more and more ground to capital in the hopes of generating a renewed period of economic growth. That renewed growth has never come. Workers are getting tired of making sacrifices that only end up benefiting elites, but rarely if ever the workers themselves.<sup>17</sup> That is why many workers are also tiring of politics as usual, hollowing out the political center and turning instead to various populist movements. The extent and character of workers precariousness has also been shaped by this landscape of concessions.

## Precarity in Question

In *On New Terrain*, Kim Moody attacks Guy Standing for proposing the neologism: the “precariat” (7). But this term does not originate with Guy Standing. The notion that there is a specific, “precarious” sector of the working class was first advanced by insecure workers in countries like Italy and Spain in the early 2000s, in the course of a series of self-organized protests around EuroMayDay. In this context, a feminist collective, *la eskalera karakola* in Madrid, proposed *precarias a la deriva* (precariously drifting) to highlight the situation of many workers, particularly women, who were not represented as a section of the working class in the general strike in 2002.<sup>18</sup> The term then reappeared in 2004 in Italy, in the figure of *San Precario*, the patron saint of precarious workers, who surfaced as a giant puppet in protests following the introduction of the 2003 *legge Biagi*, which allowed greater “flexibility” in Italian firms’ hirings and firings of

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<sup>17</sup> Peter Mair, *Ruling the Void: The Hollowing of Western Democracy*, Verso Books, 2013.

<sup>18</sup> See Precarias a la Deriva, “Adrift through the Circuits of Feminized Precarious Work” ([eipcp.net/transversal/0704/precarias1/en](http://eipcp.net/transversal/0704/precarias1/en)) 2004; Precarias a la Deriva, “Precarious Lexicon” ([caringlabor.wordpress.com/2010/12/14/precarias-a-la-deriva-precarious-lexicon/](http://caringlabor.wordpress.com/2010/12/14/precarias-a-la-deriva-precarious-lexicon/)), 2005.

workers, making many workers much more insecure.<sup>19</sup> The term precarity was only taken up by European scholars after the waning of this short-lived wave of working class self-activity (as far as I know, the idea that precarious workers represented a new class, rather than a section of the working class, is particular to Guy Standing, rather than a general feature of this analysis).<sup>20</sup> Understanding why this term “precarity” spoke to struggling workers in the 2000s, particularly within a European context, would have required Moody to look comparatively at US and Europe labor markets. Moody does this sort of comparative work with regard to the political party formation (see 147-149), he but does not do the same for the formation of labor market institutions.

As is well known, postwar welfare states were more developed in Europe than in the US, but as is less well known in the US, they were mostly implemented by conservative political regimes.<sup>21</sup> In France, Germany, Italy, and Spain, welfare-state programs were put in place by right-wing governments that stressed national imperialist identities, the formation of male breadwinner households, and the maintenance of relatively fixed workplace hierarchies. In return for accepting such corporatist arrangements, male heads of working class households got substantial protections with regard to their employment. These workers are not hired and fired at will, as they are in the US. The result of this arrangement is that in Europe, male heads of households who kept their jobs have mostly been impervious to the normal effects of rising unemployment. *High rates of unemployment did not cause workers' real wages to stagnate, as happened in the US.* The workers who suffered, instead, were the unemployed, as well as the children and wives of the still-employed workers.<sup>22</sup> The crisis of employment in Europe thus largely took the form of a worsening exclusion.<sup>23</sup> Older unemployed workers were pushed into early retirement. Women did not enter the workplace, which is why women's labor force participation rates remained woefully low in many European countries, with the exception of Sweden, into the new millennium.

In order to take advantage of a persistently low demand for labor—given workers relatively stronger hold over the jobs they possessed—European capitalists needed to secure changes in the legal framework of employment, in order to strip employees of their protections (governments typically targeted new entrants into the labor market, rather than workers with already protected jobs).<sup>24</sup> Workers struggling around the concept of precarity were fighting against such “reforms.” Efforts to strip labor market entrants of employment security sparked major protests in France in

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<sup>19</sup> “L'apparizione del Santo,” ([youtube.com/watch?v=81W3Z2qB1Ag](https://youtube.com/watch?v=81W3Z2qB1Ag)). See also [precaria.org](http://precaria.org) (in Italian).

<sup>20</sup> Brett Neilson and Ned Rossiter, “Precarity as a Political Concept, or, Fordism as Exception,” *Theory, Culture & Society* 25, no. 7-8, 2008.

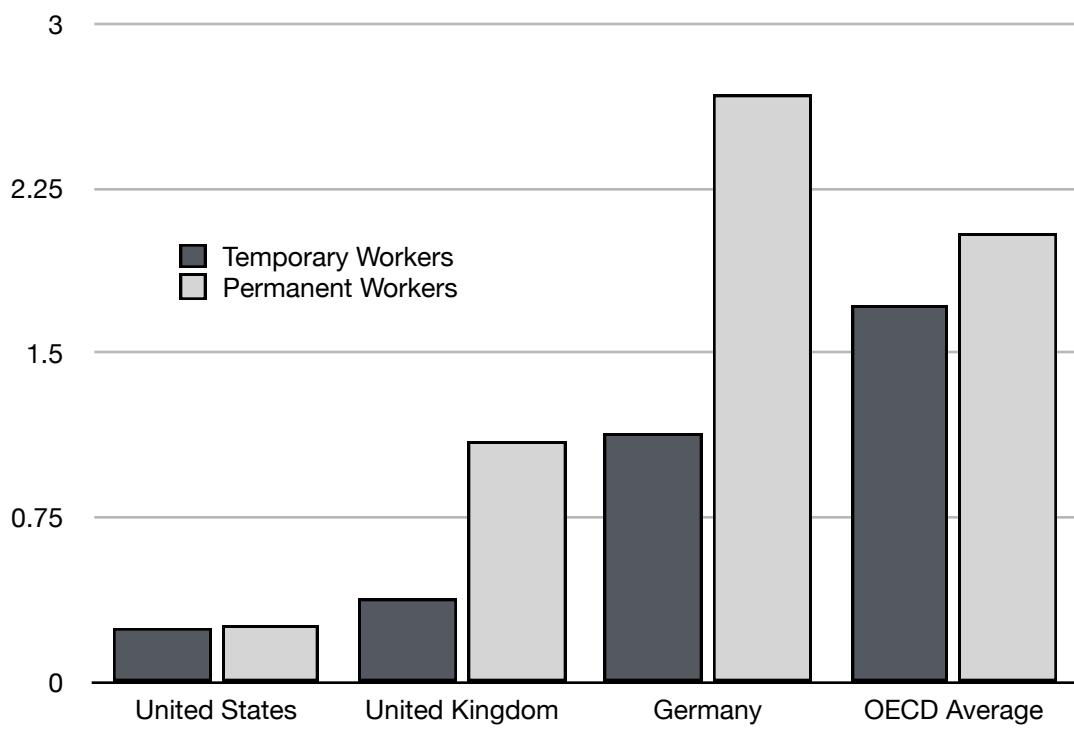
<sup>21</sup> See Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Princeton University Press, 1990.

<sup>22</sup> See Gøsta Esping-Andersen, *Social Foundations of Postindustrial Economies*, Oxford University Press, 1999.

<sup>23</sup> See David Rueda, “Dualization, Crisis and the Welfare State,” *Socio-Economic Review* 12, 2014.

<sup>24</sup> For an account of the variety of forms this process has taken, see Kathleen Thelen, *Varieties of Liberalization and the New Politics of Social Solidarity*, Cambridge University Press, 2014.

### OECD Index of Employment Protection against Dismissal, 2013



Source: OECD.Stat, "Labour – Employment Protection"

2006 and 2016. Meanwhile, in Germany, the 2004 Hartz IV reforms increased workers' precariousness significantly. Conflicts around labor insecurity have played out broadly across Europe, with workers mostly giving ground. As labor protections corrode, so-called non-standard forms of employment are expanding. Between 1985 and 2013, non-standard forms of employment rose from 21 percent to 34 percent of employment in France; from 25 to 39 percent of employment in Germany; and from 29 to 40 percent of employment in Italy.<sup>25</sup> Changes in the overall composition of employment are happening more slowly than changes in new job offerings alone. 60 percent of jobs created in the 1990s and 2000s in the OECD were non-standard.<sup>26</sup> These changes have made workers—particularly labor market entrants such as youth and recent immigrants—substantially more insecure than workers who first entered labor market in previous generations.

<sup>25</sup> OECD, *In It Together: Why Less Inequality Benefits All*, OECD Publishing, 2015, p. 144.

<sup>26</sup> OECD, *In It Together: Why Less Inequality Benefits All*, OECD Publishing, 2015, p. 29. One of the richest countries in the world per capita, Norway, also has one of the highest levels of non-standard employment. People in Norway are so rich that they do not work all that much. Voluntary part-time work is a key part of the story, but I leave it to one side. I focus on involuntary and/or insecure forms of non-standard work.

## Insecure Workers in the United States

In the US, labor market institutions are much simpler: all workers in the private sector are already precarious in the sense that this term has taken on in Europe. Only unionized workers have employment protections, but unionization rates have dramatically declined. Today, only 6.5 percent of the private workforce is unionized. Including public sector unions brings the unionization rate to 10.7 percent.<sup>27</sup> So almost all US workers can be hired at will and can be fired at will. Moody himself lays out the results: unemployment rates have been significantly higher than before and—given the absence of any real employment protections for non-unionized workers—that has been extremely effective in making workers feel more insecure in their jobs (29). There is no need to change labor laws to get this effect. The result: *there less of a need, in the US, to create alternative work categories to take advantage of a slack labor market.* The market mechanism accomplishes this task all by itself. We can see the consequences by comparing income growth rates in the US and France.<sup>28</sup> Overall incomes grew at an average annual rate of 1.8 percent in the US, 1980-2014, as compared to 1.0 percent per year in France, 1983-2014. But in the US, the bottom 50 percent of income earners saw their post-tax incomes increase at just 0.6 percent per year (33 percent of the overall growth rate), as compared to a 0.9 percent per year increase in France (90 percent of the overall growth rate). The headline growth rate has been higher here than in other high-income countries, but income growth rates for many workers have been worse.

Yet even in the US, where general immiseration is the primary outcome of the downturn, the growth of a specific, immiserated sector of workforce has still been large. Moody looks at BLS statistics to find that some 15 percent of the workforce is employed in temporary jobs, contract work, and unincorporated self-employment. A recent BLS survey, not included in *A New Terrain*, puts the estimate somewhat lower.<sup>29</sup> We can quibble about the results of the BLS survey, which merely asked workers to describe their own conditions and failed to include contract workers who work at more than one establishment. However, the truth is that identifying a category of workers in clearly defined precarious jobs will always be difficult in the US, since, once again, few workers here have any legally designated protections against firing, by reference to which other workers could then be said to be precariously employed.<sup>30</sup> In any case, *the section of the working class taking the brunt of a persistently low demand for labor in the US is much larger*

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<sup>27</sup> Bureau of Labor Statistics, Union Membership data.

<sup>28</sup> Data from Facundo Alvaredo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman (eds.), *World Inequality Report 2018*, Belknap Harvard Press, 2018, p. 86 and 105. See also <http://wid.world>

<sup>29</sup> See Bureau of Labor Statistics, “Contingent and Alternative Employment Arrangements, May 2017.”

<sup>30</sup> See Susan Houseman, “Measuring Non-Standard Employment in the United States,” paper presented at WIEGO, Kennedy School of Government, Harvard University, October 31-November 1, 2008 ([www.wiego.org/sites/default/files/publications/files/Houseman\\_Measure\\_nonstandard\\_empl\\_US.pdf](http://www.wiego.org/sites/default/files/publications/files/Houseman_Measure_nonstandard_empl_US.pdf)).

*than the number of workers in alternative work arrangements.*<sup>31</sup> To the latter should be added the 4.6 percent of workers who, on average, have involuntarily worked part-time, 2010-2017. We should also include the working poor: as is well known, one of the reasons the US has had relatively low unemployment rates over the past few decades, compared to European countries, is that US labor markets readily allow firms to create jobs that leave workers deeply impoverished (whereas in Europe, firms have had to fight for this right and have been successful in winning it, over the past couple of decades, to various degrees across countries). The OECD measures low-wage work rates, conservatively, as the share of individuals in households with at least one worker, who earn less than half of the median disposable income in their country. In the US, the pre-tax in-work poverty rate was 18.4 percent before taxes and transfers, and 12.1 percent after, in 2010. In France, the latter statistic was 6.7 percent; in Germany it was just 3.3 percent.<sup>32</sup>

Moody himself highlights the consequences of rising economic insecurity in the US, for a specific subset of workers, in terms of the decline in the share of jobs with good healthcare and retirement benefits, as well as in the stagnation in the growth of real wages. He claims that “the end of good working-class jobs is nigh!” (32). Moody summarizes these trends by pointing out that “more and more jobs are dead end in that they don’t offer a clear path to higher earning, as wages remain low over time and benefits become rarer” (26). However, he minimizes the consequences of such trends—in terms of constituting a growing, specifically immiserated sector of the workforce—by claiming that “the idea that workers change jobs all the time, making organizing impossible, is misleading” (26). Moody actually misreads job tenure trends in the private sector, since he fails to separate out married women, who have seen their job tenures lengthening, from men and unmarried women, who have seen their job tenures falling.<sup>33</sup> What is at issue here is *a dramatic transformation in the composition of the workforce, taking place under conditions of a low demand for labor, which has seen the relatively secure sectors of the working class giving way, and the relatively insecure sectors expanding.*

A more accurate measure of the extent of latter would also include workers who are not currently working, such as the 6.9 percent of the workforce that has been unemployed, on average, 2010-2017, plus the 1.3 percent workers who were discouraged or marginally attached to the la-

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<sup>31</sup> On this point, see my earlier critique of Charlie Post in Viewpoint Magazine, “Precarity Rising” ([www.viewpointmag.com/2015/06/15/precarity-rising/](http://www.viewpointmag.com/2015/06/15/precarity-rising/)), 2015, to which Post never responded.

<sup>32</sup> OECD, “In-work poverty” ([doi.org.proxy.uchicago.edu/10.1787/how\\_life-2013-graph86-en](https://doi.org.proxy.uchicago.edu/10.1787/how_life-2013-graph86-en)), in OECD, *How’s Life? 2013: Measuring Well-being*, OECD Publishing, 2013. The OECD also measures the low-wage share, defined as the share of workers earning less than two-thirds of median earnings. In the US, 25 percent of workers were low-wage workers, by this definition, in 2017. In Germany, the corresponding share was 19 percent in 2016. In France it was 9 percent in 2014. See OECD Wage Levels data ([data.oecd.org/earnwage/wage-levels.htm](http://data.oecd.org/earnwage/wage-levels.htm)).

<sup>33</sup> See, for example, Matissa Hollister and Kristin Smith, “Unmasking the Conflicting Trends in Job Tenure by Gender in the United States, 1983–2008,” *American Sociological Review* 79, no. 1, 2014.

bor market, in that period.<sup>34</sup> We should include here also the hidden unemployment registered in the dramatic rise in disability recipients since 1990, from 2.5 percent of working age adults to 5.2 percent.<sup>35</sup> We might also want to include the roughly 1 percent of adults who are currently incarcerated, since they have high incidences of unemployment before imprisonment.<sup>36</sup> We might also look at other groups among whom the employment-to-population ratio has fallen, more generally. Here, I would highlight the rise of the NEETs, that is, youth between ages 16 and 29 who are neither in education, employment or training—accounting for 16.9 percent of that age group in 2015.<sup>37</sup> Like the incarcerated and disabled, the NEETs are not counted in labor force statistics (note that some of these categories overlap; each also differs in terms of the population of which it is said to form a subset, so it is impossible to add them all up to produce a single precarious-worker share of employment). Falling participation rates affect many working class households.

The upshot is that, in the present period, as labor markets have become or have remained slack, *it has become harder to describe overall labor market conditions simply by looking at the headline unemployment rate*. The US and many European countries have become somewhat more like the rest of the world, where unemployment rates are lower even though increasingly many workers feel that their holds on their jobs has become more tenuous. Those workers know that there are many others, just like them, who are without work and who would be willing to take their places.

## Theorizing Variations in Superfluous Life

As Moody notes in passing, Marx would have seen all of these different sorts of workers, plus the unemployed and discouraged, as part of the *relative surplus population*, or industrial reserve army (23-24). This reserve army exists because workers are dispossessed of means of production and are hence compelled to work, regardless of prevailing labor market conditions. When the demand for labor is low, many workers are compelled to work for less than the prevailing wage, for less than full-time, or else under worse working conditions. We need to pay attention, there-

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<sup>34</sup> Computed from Bureau of Labor Statistics, Alternative Measures of Labor Underutilization for States, Archived Tables ([www.bls.gov/lau/stalt\\_archived.htm](http://www.bls.gov/lau/stalt_archived.htm)).

<sup>35</sup> Brendan Greeley, “Mapping the Growth of Disability Claims in America,” *Bloomberg Businessweek*, December 16, 2016 ([bloomberg.com/news/features/2016-12-16/mapping-the-growth-of-disability-claims-in-america](http://bloomberg.com/news/features/2016-12-16/mapping-the-growth-of-disability-claims-in-america)).

<sup>36</sup> Robynn Cox, “Where Do We Go from Here? Mass Incarceration and the Struggle for Civil Rights,” EPI Report, 2015 ([epi.org/publication/where-do-we-go-from-here-mass-incarceration-and-the-struggle-for-civil-rights/](http://epi.org/publication/where-do-we-go-from-here-mass-incarceration-and-the-struggle-for-civil-rights/)).

<sup>37</sup> Drew Desilver, “Millions of Young People in U.S. and EU Are Neither Working nor Learning,” *Pew Research Center*, January 28, 2016 ([pewresearch.org/fact-tank/2016/01/28/us-eu-neet-population/](http://pewresearch.org/fact-tank/2016/01/28/us-eu-neet-population/)).

fore, to the variety of forms that such superfluity takes.<sup>38</sup> Given a persistently low demand for labor, firms will also arise that depend on a constant supply of highly insecure workers for their survival. These firms super-exploit workers along a variety of axes. The absence of a single, normal way to lack work is therefore an expected outcome of labor markets that persistently fail to clear. That “unemployment” appeared as a normal mode of lacking work, for a time, depended, (1) on a set of government interventions into the labor market but also (2) on a *persistently high demand for labor*. When the latter disappeared, the former was also progressively undermined.

For these reasons, Marx’s more expansive concept of a surplus workforce—which is specifically immiserated in a context of an overall, general immiseration—is especially useful. Moody claims that the surplus population is not “a permanent body of individuals,” since people churn in and out of superfluous conditions (24). That is partially true, but it equally true that increasingly many workers find themselves stuck in what Marx calls the “consolidated surplus population,” which is less mobile across secure and insecure sectors of the workforce (vol 1., 798).

Today, the shape of the surplus workforce varies dramatically in form depending on institutional context, which determines what sorts of wages and working conditions workers are allowed to accept, and hence also what sorts of predatory hiring firms are allowed to deploy. Labor market institutions have been hollowed out but differently across countries. The shape of that hollowing determines the extent to which the surplus workforce appears as unemployed, detached from the labor market, contingently or temporarily employed, or working for poverty wages (or incarcerated, or on disability, and so on, and so on). That does not even take into account all of the illegal forms of employment which workers accept when their economic situations are precarious. Meanwhile, employers are constantly trying to take advantage of labor-market slack by annulling institutional frameworks that protect other workers from feeling the effects of that slack. Employers have been successful to different degrees. That in turn affects the degree to which the expansion of the surplus workforce affects working conditions *for the class as a whole*.

It goes without saying that the main reason that employers have been so successful in breaking institutional protections—insofar as these exist, which is to say, hardly at all in the US—has to do with the fact that the economy is stagnating; its growth rate is low. Labor market slack has remained a huge issue, so workers have been cajoled into accepting worsening conditions on the

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<sup>38</sup> Marx discusses three forms of superfluity in *Capital*. First, there is the floating surplus population, consisting of workers who work irregularly over the course of the business cycle. Their situation is closest to our modern notion of unemployment. Second, there is the latent surplus population, languishing in the countryside because they cannot find work in the cities. They are, as it were, discouraged from or marginally attached to the urban labor force. Marx also discusses a variegated stagnant or consolidated surplus population, which is not unemployed like the others, but rather, works for poverty wages (e.g. in domestic service), or else, makes whatever income it can selling the simple products of its labor directly on the market (e.g. in domestic industry). Under conditions of a persistently low demand for their labor, workers are thus forced to accept reductions in living standards in a variety of ways. See Endnotes, “Misery and Debt,” *Endnotes* 2, 2010, and Endnotes, “Identical Abject-Subject,” *Endnotes* 3, 2013.

promise that with further beatings, morale will improve. In the US, capitalists have increasingly abandoned any pretenses to the belief that the strength of the national economy, including its workforce, is an essential precondition of their own rising incomes. The capitalist are largely correct: the headline rate of growth for the US economy was 1.7 percent per year between 1980 and 2014. I mentioned before that for the bottom 50 percent of income earners, incomes rose at a rate of just 0.6 percent per year after taxes and transfers between 1980 and 2014. It would be remiss not to note that in this same period, the top one percent of income earners saw their incomes grow by 5.7 percent per year; the top 0.1 percent saw their incomes grow at a 8.8 percent per year.<sup>39</sup> In the US, job growth in recent years has occurred in just a few major metro areas, where rents are high and workers are increasingly forced to travel on long commutes to work from the far edges of cities where they can afford to live. Those who have been left behind have readily been told, by members of America's conservative press, that they "deserve to die."<sup>40</sup>

## Surplus Populations Worldwide

These trends are playing out not only in the advanced capitalist countries, but also across the developing world. Recent decades have seen an immense proletarianization of the world population. The consequence of ongoing proletarianization is that, today, a large share of humanity must sell its labor power—or the simple products of its labor—on the market in order to survive. Yet the demand for the labor of this proletarianized population has been, on the whole, persistently low. The ILO estimates that today, only 27 percent of workers worldwide have permanent employment of any kind, whether part-time or full time.<sup>41</sup> The rest of the labor force, some 73 percent, is employed on temporary contracts, or no contracts at all. In fact, around half of the global workforce has no immediate employer. These workers survive through own-account work, or as or unpaid family labor in the informal economy. That would be less surprising if the majority of the world's workers were still working in agriculture, as peasants or laborers. However, today, agriculture subsumes only a little more than a quarter of the world's workers. 73 percent are in non-agricultural jobs, of which the majority are employed in services (many informally).<sup>42</sup>

In the rest of the world, as in the US and EU, employers have taken advantage of the existence of an incredibly large labor surplus to transform labor market institutions. Many post-colonial countries adopted labor laws similar to those operating in their former European colonial metropoles. Thus, in many countries around the world, formally contracted workers actually have strong job security. As a result, in order to take advantage of massive labor surpluses, employers have had

<sup>39</sup> Facundo Alvaredo et. al., *World Inequality Report 2018*, p. 86.

<sup>40</sup> Kevin Williamson, "Chaos in the Family, Chaos in the State: The White Working Class's Dysfunction," *National Review*, March 17, 2016.

<sup>41</sup> ILO, *World Employment Social Outlook: The Changing Nature of Jobs*, ILO, 2015, p. 31.

<sup>42</sup> ILO, *Key Indicators of the Labor Market*, Ninth Edition ([www.ilo.org/kilm](http://www.ilo.org/kilm)).

to informalize formal sector jobs, to get around labor protections for formal workers.<sup>43</sup> Employers have also fought, successfully, to reform the formal sector itself: to win greater “labor flexibility” from the minority of contractually protected workers. At the same time, as is well known, surplus workers around the world have also formed a gigantic pool of labor for international capital. Workers are drawn from this pool to perform the most labor-intensive manufacturing jobs in the world economy’s supply chains. In order to take advantage of slack labor markets, businesses have convinced governments to create legally segregated export processing zones, where local labor laws do not apply, so employers can take maximum advantage of workers’ insecurity. Of course, the workers in these zones produce many of the goods logistics workers move around.<sup>44</sup>

The existence of a massive, surplus global workforce has led to a dramatic decline in the labor share of overall income, as employers worldwide have taken advantage of this persistent labor surplus to defeat workers’ claims to rising real wages. It is true that, since 1980, a large section of the global population has achieved incomes at or slightly above 2 dollars per day, exiting a world of rural poverty and entering one of urban insecurity. But only 12 percent of global income growth since 1980 has gone to the poorest 50 percent of the global population; meanwhile, more than twice that share, 27 percent, has gone to the richest 1 percent of global income earners.<sup>45</sup> This situation is a scandal. It is precisely the scandal that Marx predicted in *Capital*. Marx argued not only that precarity was a normal feature of labor markets in capitalist societies, as Moody suggests (23). He argued in addition that, over the long term, the core of regular industrial workers would shrink relative to the total workforce, as more and more workers were thrown into the surplus population, making it harder for workers still in the core to win income gains. This is the “*absolute general law of capitalist accumulation*” (vol. 1, 798). It is doubtful whether this law has always been in operation in capitalist societies, but it is surely an apt description of trends both globally and in the US over the past four or five decades, which have seen both an all-around impoverishment, as well as the expansion of a specific sector of impoverished workers.

## Ongoing Fragmentation and Its Consequences

Ultimately, these facts about precarity matter insofar as they shift the composition of the working class, with broader consequences for the shape of working class struggle in our times. Moody wants us to believe that a re-consolidation of the industrial workforce has recently taken place after a period of fragmentation. His main evidence here is the rise of “enormous logistics clusters” (41). Moody himself estimates that there are about 3.5 to 4 million logistics workers in the United States (63). According to Moody’s own statistics, the US workforce numbered 139 mil-

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<sup>43</sup> Jan Breman and Marcel van der Linden, “Informalizing the Economy: The Return of the Social Question at a Global Level,” *Development and Change* 45, no. 5, 2014.

<sup>44</sup> John Smith, *Imperialism in the Twenty-First Century*, Monthly Review Press, 2016.

<sup>45</sup> Facundo Alvaredo et. al., *World Inequality Report 2018*, p. 52.

lion people in 2010, or around 100 million if one takes Moody's working class and so-called proletarianizing middle class combined (40). The logistics workers are thus around 4 percent of the US proletarian or proletarianizing class, or less generously, around 2.8 percent of the overall workforce. Recall that in the meantime, the number of manufacturing workers collapsed from around 25 percent of the overall labor force to less than 8 percent. Moody's own estimate of the contingent workforce, for reference, is 22 million workers, *or around 15 percent of the overall labor force* (25). That is more than the number of manufacturing and logistics workers combined.

As I argued above, the present period has seen the breakdown of the industrial economic growth engine, with nothing else really taking its place, resulting in a tendency towards economic stagnation. That has given rise to two interconnected trends: first, the industrial workforce is no longer looking to its future expansion; instead, it is in continuous decline, fighting rearguard actions as it shrinks in size. In these efforts, it has been joined by a proletarianizing middle class, which is also fighting rearguard actions to preserve long-ago-won gains. At the same time, another section of the workforce is expanding, consisting of underemployed and/or underpaid workers. Many of these latter workers are wiling away their lives in what Moody himself calls "dead-end" jobs, with low average annual increases in labor productivity and little chance for future growth (172).<sup>46</sup> These workers have already seen their wages and working conditions eroded: for example, because they lost higher-wage, union jobs in industry, and are now working at Walmart (or are on disability). Otherwise, these workers in dead-end jobs never had any gains to lose, since they have been such jobs ever since entering the labor force.

The workforce is the split between a shrinking sector of secure workers, mostly fighting rear-guard action to preserve long-ago-won gains, and a growing sector of precarious workers. The issue here is that, as a result of this growing split, it is no longer the case that "an injury to one" is "an injury to all." Whether the workers who are fighting rear-guard actions sink quickly or slowly has only a very limited effect on outcomes for workers in the dead-end sector. The question is only how quickly or slowly the dead end sector grows. In the past, when the core industrial workforce was growing—and unionizing, and winning gains—the more secure sector of the workforce could claim, or at least could hope to claim, that its gains were of broader benefit to the working class. That is simply not true in an era of worsening stagnation, with lower rates of unionization, when there is greater dispersion of wages across firms, and rising wages in one firm or sector do not tend to cause wages to rise in other firms across the economy.<sup>47</sup> In that sense, polarization is also fragmentation. For this reason, now more than ever before, the working class needs to struggle across the lines that separate the employed from the unemployed and the secure from the insecure. These divisions within the class—which are a product of the dy-

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<sup>46</sup> These workers are mostly stuck in service sector jobs that will never see rapid productivity growth.

<sup>47</sup> Eileen Appelbaum and Ronald Schettkat, "Employment and Productivity in Industrialized Economies," *International Labour Review*, 134, no. 4-5, 1995.

namic development of capitalist economies, and are also incorporated into that dynamic as one of its key driving forces—fracture the potential unity of the class into so many separations. These fractures must be overcome by workers trying to “organize planned cooperation between the employment and the unemployed” in the course of their struggles (vol. 1, 793).

Moreover, the workforce is not only increasingly split in this sense, in a way that Marx expected. The workforce is also increasingly atomized, as well, since it is more and more absorbed into a callous cash nexus marked by intense loneliness, isolation, and lack of community. Marx focused on the industrial core not only because of its potential power at the point of production, but also because, he argued, the industrial working class was being formed into a more compact collective force, with the capacity to actually wield its power through concerted action—as a class “trained, united and organized by the very mechanism of the capitalist production process” (Vol 1., p. 929). By the end of 20th century, forces of fragmentation and atomization won out over collectivization.<sup>48</sup> This is the “new terrain” on which the class clash must unfold. Incredibly, this terrain has not stopped working class upsurges from taking place.

## The Global Upsurge Has Already Begun

Moody is entirely correct that the situation of workers will change only in the context of a massive upsurge in working class activity. Moody is also right when he says that we have lived through a long period of defeat and retrenchment, since the early 1980s. However, a key weakness of Moody’s argument is that he does not identify the period since 2010/11 as marking a global upsurge in working class activity. The details here are a difficult to reconstruct, since the table Moody provides shows “the major international strike waves that would have affected the United States” from “1900-1975” but also includes the period “1982-now” (73). It is clear in any case that for Moody, the upsurge is only *to come*. He speaks of a convergence of factors, “compressing” working class living standards, including “lean production” and “just-in-time supply chains” but suggests that “we cannot know when, or perhaps even if, this convergence will produce a conflagration” (75). In reality, the period since 2010/11 has seen a major uptick in working class activity on a global scale, including strike waves in China, Vietnam, Bangladesh and major social movements in countries such as Bosnia, Brazil, Egypt, France, Greece, Spain, South Africa, Tunisia, the UK, and the US (many of the latter also involving strikes to some degree).

The wave of struggles unfolding since 2010/11 has shown that occupations, blockades, riotous demonstrations, and strikes are available to a widening array of workers as tactics for fighting capital and the state. These mass actions have proven capable of shutting down large sections of society by disrupting crucial infrastructure or thoroughfares in order to bring issues of austerity, corruption, cronyism, inequality, informality, food and fuel prices, and racism to the fore. A mili-

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<sup>48</sup> See Endnotes, “A History of Separation,” *Endnotes* 4, 2015.

tant minority is clearly in formation in these all of these struggles and is orienting itself towards future waves of mass activity. In the US, many militants are flooding into organizations like the DSA, which seek to reorient the Democratic Party—a move that Moody rightly criticizes. But not all militants are doing that, or doing it exclusively. In my experience, militants formed in the recent wave of struggles are open to a diverse array of tactics: they see no contradiction between campaigning for Bernie Sanders, being active in the DSA, organizing tenants unions, occupying public spaces, and blockading highways and airports. At some point, they will of course be forced to choose *between* mass action and Democratic Party organizing. For that reason, arguments like Moody’s that show why the Democratic Party cannot be turned or split are key.

That there was a recent wave of struggles does appear in the margins of Moody’s text. Moody argues that the rank-and-file movements he envisions for the future will “have much to learn … from the Occupy movement, the 2011 Wisconsin uprising, immigrant resistance, and the Black Lives Matter and global social justice movements at the recent turn of the century” (166).

Meanwhile, in Europe, he argues, a “mass base” is developing that reflects “the same sort of consciousness underlying movements such as Occupy Wall Street, Black Lives Matter, Fight for Fifteen, union reform movements, or the Sanders campaign” (147-8). However, the parties that have formed a relationship with this base in Europe are “putting electoralism first and relegating mass struggle to a secondary supporting role” (149). All of this suggests that Moody thinks an international wave of struggle has begun, but he does not analyze its composition or character. The truth is that analyzing these struggles would prove difficult given Moody’s framework. Moody suggests that fragmentation has given way to consolidation; however, an analysis of these struggles shows that fragmentation remains a key issue. Workers are struggling in spite of this fragmentation, seeking new tactics, new organizational forms, new contents of struggle, new watchwords, and new collective identities that allow them to work together across fault-lines.

For example, in France, in 2016, the Hollande government’s announcement of a wide-ranging reform of the French labor code, designed to weaken labor protections, provoked a stunning popular reaction that went from strength to strength with the support of clear majorities of the French citizenry.<sup>49</sup> What marked this movement from its start was its growing militancy and breathtaking spread, with strikes, demonstrations and occupations unfolding all across the country. *But what made for the impressive power of this movement was a succession of alliances across hitherto separated social constituencies.* As in few other instances since the Great Recession, a major trade union federation launched itself into the fight against austerity. The CGT, tra-

<sup>49</sup> See Ferdinand Cazalis, “Nuit Debout: The Longest Month,” *Brooklyn Rail*, “Field Notes,” June 2016 ([brooklynrail.org/2016/06/field-notes/nuit-debout-the-longest-month](http://brooklynrail.org/2016/06/field-notes/nuit-debout-the-longest-month)); RV, “The Night Arisen Movement,” *Internationalist Perspectives*, April 24, 2016 ([internationalist-perspective.org/blog/2016/04/24/the-night-arisen-movement/](http://internationalist-perspective.org/blog/2016/04/24/the-night-arisen-movement/)). See also, Mouvement Communiste, “Against the conceptual dumbing down of the 2016 ‘movement’ in France,” June 2016, (English translation available at [libcom.org/library/against-conceptual-dumbing-down-2016-“movement”-france-mouvement-communistekolektivně-pr](http://libcom.org/library/against-conceptual-dumbing-down-2016-‘movement’-france-mouvement-communistekolektivně-pr)).

ditionally cautious of confronting its erstwhile allies in the Socialist party, called and supported recurrent general strikes, as well as blockades of ports, refineries, and nuclear power stations.

Meanwhile there arose a parallel militant movement of young people, first in high school occupations, and then in recurrent occupation of Place de la République, referred to as *nuits debout*. Remarkably, compared to successors from similar social layers, the latter also called for the broadest possible alliances, notably including trade union federations. Whilst the promise of such an alliance was never realized, it was equally supported, on the other side, by the leadership of the CGT, who were being pushed by an increasingly agitated membership to join forces with the youth. The sole manifestation of such unity, within mass demonstrations on the large days of action, occurred despite initial confrontations between union stewards and radical youth. Those confrontations were defused when the union leadership conceded the head of the demonstrations to the youth, and the mass of unionized workers allied with them against violent police repression. At one point, the French government sought to invoke emergency law against the movement to ban demonstrations but was forced to back down. Nor was the government able to win an outright victory to get the law approved. Opposition to the law was too powerful, in mass movements and demonstrations, so the government was obliged to resort to a special power, Article 49.3 of the French Constitution, to pass the bill without a vote in parliament. The struggle remained mostly defensive, and when it lost in this regard, it also began to dissipate. Crucially, the movement dissipated without being able to depend on a socialist victory in the next election cycle to repeal the labor law (instead, France got more neoliberalism under Macron).

The struggles that have taken place in the last decade, like the one in France described above, provide the ground on which we must test our theories of what exactly the “new terrain” is on which struggle will now unfold, and also, what will be the major sections of the workforce among whom this struggle will take place. An analysis that merely defends the continued importance of the core industrial workforce—and correspondingly minimizes the expansion of the non-core workers, including especially the large number of workers in low-wage, dead end, and otherwise precarious work—is not going to be able to explain these struggles. Instead, we need to analyze how the remainder of the industrial workforce fits into a larger mosaic of class fractions, including also that fraction of the workforce that consists of precarious workers in specifically immiserated sections of the class. The point here is not that these latter workers can or should replace the industrial workers in the core at the center of class struggle, but that a key feature of struggles today is that it conjoins core and precarious workers’ struggles in new ways.

Of course, the point here is not to cheerlead existing struggles, which would have to develop in new directions in order to achieve anything at all. Such struggles have been limited in all sorts of ways. Key among those limits was that most such struggles only touched workers in core sectors of the economy to a limited extent. Moody suggests that the movements of the future will find their center of gravity in the industrial core but it has been much more frequently the case that

recent waves of struggles have found their origins among the proletarianizing middle classes and workers in dead end service jobs. That then creates the context in which workers in the core are forced to move—so far, typically in the form of one day strikes, but in Egypt and France, for example, also in rolling strikes on a wider scale. This dynamic seems likely to continue: that is, *by undertaking mass action, workers outside of the core will continue to exert pressure on workers in the core to move beyond defensive struggles*. Moody suggests the main reason workers struggle is due to compression resulting from “attacks on living standards and particularly on working conditions through changes in the labor process” (73). It is clear that the background “compression” Moody describes has been present at an intense level for many decades. In recent years, we have seen different trigger events setting off waves of struggle, including police shootings and the announcement of bank bailouts and/or austerity measures. The main reason workers participate in mass action today as in the past is that their family members, neighbors, and others in and around their towns, countries, or regions are already engaging in struggle. Mass struggles tend to spread through *resonance*, as more and more people come to be moved to struggle.

## Who Counts as Core?

But what exactly is this core, and what is the role that it must play in an advancing wave of class struggle? That is a question to which Moody gives a number of different answers. In his book, he argues for an expansive definition of the “private industrial core,” which, he argues includes “production and nonsupervisory workers in mining, manufacturing, construction, utilities, transportation and warehousing and information” (37). That logistics workers, whom “many once considered service producers, are in fact a central part of the industrial core of the working class identified by Hal Draper” is a key part of Moody’s argument (64). The point here, for Moody, is that “logistics clusters” are productive; they are “*value producing agglomerations*,” which means that workers in these clusters have the capacity to idle “an enormous amount of fixed and sunk capital” through militant activity (65). However, elsewhere in *On New Terrain*, Moody provides a more expansive definition of the core of the working class. He points out that many service-sector jobs are also productive of surplus value and hence are “capitalistically organized” (21). The result is that “many sections of the class formerly thought of as peripheral” are now “closer to the core in their conditions and settings of work and in the leverage they have over capital’s restructured and reorganized processes of production,” including, according to Moody, “millions of service, sale, and even office workers” (41). This analysis suggests much less centrality for industrial workers (although many service workers continue to work in tiny establishments).

In another place, Moody is even more expansive, suggesting that “teachers unions” and “nurses building new unions” may be key to the coming wave of struggle (85). Of course, many of these workers are located in firms that are part of the public or non-profit private sector and hence do not produce surplus value. These workers are nevertheless core in another sense: they are key to

broader reproduction of capitalist society—and moreover, engage in activities that would be key to a communist world that is not organized around value-production. When these workers stop working, large parts of society shut down, creating zones of disruption that are then capable of drawing more workers into struggle. This final, most expansive concept of the core, which includes workers in all jobs that will outlast the end of capitalism, is the one that I find most appealing, but I recognize that the question—who counts as core?—remains open and compelling.

Of course, many workers do not fit any definitions of the core workforce, at least in Moody's less expansive sense. They do not work with large blocs of fixed capital and therefore lack power at the point of production.<sup>50</sup> Yet what we have seen in the recent wave of struggles is that even these workers have been empowered by ongoing shifts in the capitalist mode of production. In a world of lean, just-in-time production, circulation has itself become more and more a moment of production. Insofar as they are able to organize themselves outside of their workplaces to blockade circulation in and around major cities, the most precarious workers have been able to interfere with value creation on a massive scale. The most famous example of this was the *piqueteros* movement in Argentina in the late 1990s and early 2000s.<sup>51</sup> Their tactic of blockading infrastructure has now been adopted by workers in many countries. What is nevertheless true is that the state is willing to deploy police forces rapidly to clear these workers from streets, highways, and ports. Precarious workers thus cannot realize their power without a greater degree of participation from core workers, whom the state might be less willing to quickly clear away.

But that is not the only or even the key limit to the action of more precarious workers. In the wave of struggles starting in 2010/11, those engaged in struggle tended to concern themselves with new modes of collective care and reproduction, in the context of organized occupations.<sup>52</sup> That is key to the re-emergence of a communist movement in our times. However, those same struggles did not produce *a new conception of how to take over and transform the productive apparatus as a whole*. Such a conception forms an additional precondition of the re-emergence of the communist project today. This larger emancipatory project cannot be thought through concretely without the wide participation of that part of the workforce—however reduced its share in the overall workforce has become—that is engaged in socially necessary forms of labor.

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<sup>50</sup> Additionally, many workers in unskilled occupations are so precarious that they are unlikely to feel that they can risk participation in mass action around their workplaces unless that action is already unfolding on a much wider scale (in the 20th century, semi-skilled workers were a key sector of workforce precisely because it was more difficult to hire and fire them at will, even when they were not already protected by unions and labor laws).

<sup>51</sup> See Aufheben, "Picket and Pot Banger Together: Class recomposition in Argentina?" *Aufheben* 11, 2003 ([libcom.org/library/argentina-aufheben-11](http://libcom.org/library/argentina-aufheben-11)).

<sup>52</sup> See Endnotes, "The Holding Pattern" and "The Logic of Gender" in *Endnotes* 3, 2013.

## Reconstructing the Emancipatory Project Today

Again, the point here is not to stress a special role for the precarious section of workforce, but rather, to emphasize the complex interplay between precarious and other proletarian fractions on the shifting terrain of class struggle. The problem that Moody's project faces, in this regard, is the same problem that all autonomist conceptions of the communist project have faced in the present. Moody sees the emancipation of the working class as taking place primarily through workers' self-organization within the workplace. Since the workplace is one of the "last remaining universal authoritarian institutions," it is thus also "the most likely site of the emergence of direct democracy" today (164). Moody stresses that, in contrast to the state socialisms of the 20th century, "socialism in its most democratic form involves the 'takeover' and imposition of direct democracy on work and the production of goods and services by the working class itself" (168). Like the anarcho-syndicalists and councilists of the early 20th century—who had a strong influence on the young Gramsci, whom he quotes—Moody describes directly democratic workplace organizations as "prefigurative," the seeds of true or real socialism springing forth in the midst of a capitalist world (168). Moody's vision of direct democracy is of course very appealing.<sup>53</sup>

The problem is that Moody's vision of workers' self-management can appeal only to one portion of the working class: the portion that experiences the contradictions of the capitalist mode of production in terms of the management of production, especially around productivity-saving innovations. The classic version of this argument is that, in order to introduce productivity saving innovations into a production process, capitalists are forced to alter that process in ways that end up increasing the collective power of workers within their workplaces. To prevent workers from taking advantage of their growing power, capitalists are then forced to fragment the production process for the reason of preserving their despotic control over labor. The latter divisions appear to workers as so many irrationalities in production, which they could resolve by taking over the production process and managing it themselves.<sup>54</sup> This vision of workers' democratic self-management—not only controlling production for its own sake, but also for the sake of doing it better—has historically had a wide appeal. In the present moment, this conception of workers' emancipation appeals especially to teachers, nurses, tech workers and some industrial workers.

However, already in the late 1960s and early 70s, many industrial workers discovered that, for them, emancipation would not take the form of the self-management of production. Instead, they wanted to be freed from their jobs. These workers would have quit their jobs, immediately, if they could have secured an equivalent income in some other way. The reason workers wanted nothing more than to get out of the factory was that ongoing transformations of the industrial

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<sup>53</sup> However, in my view, Moody's appeal to direct democracy is somewhat inaccurate as a description of the council movements of the early 20th century: insofar as they elect recallable delegates rather than representatives, councils are neither direct democracies nor representative democracies; they overcome this binary opposition.

<sup>54</sup> See Angry Workers of the World, "Insurrection and Production."

production process had reduced them to cogs; their work had been deskilled to an extreme degree. Meanwhile, in the face of rising international competition among industrial firms, capitalists were holding down real wage growth and speeding up production lines to compete with one another for market share, giving rise to a wave of wildcat strikes. In the decades of deindustrialization that followed, many of these unhappy line workers lost their jobs, ending up unemployed, on disability, or working dead-end jobs at Walmart Supercenters. The sense that there is nothing left to be emancipated in one's work—that there is only an emancipation from work—is now even more widespread across the labor force as a whole. Many people work in jobs where labor productivity increases slowly, if at all. Such workers do not experience the dynamic tension described above. For workers in dead-end jobs, there is meaning only in passionate attachments formed outside of work. Work is merely the means to a life that takes place somewhere else.

This shift both in workers' experience of ongoing transformations in the production process and also in their corresponding visions of emancipation can be understood by reference to Marx's critique of political economy. For Marx, capitalism is not only a mode of management; it is a mode of production. The key dynamic at the heart of this mode of production is given in the way it drives capitalists to seek out and adopt incremental adjustments to the production process, which preserve or increase competitiveness by saving on time. The incremental adoption of innovations eventually "confiscates every atom of freedom, both in bodily and in intellectual activity" from workers in many though far from all workplaces (vol. 1, p. 548). Over time, the accumulation of technical changes has the further effect of expelling many workers from the production process altogether, since the "demand for labor ... falls progressively with the growth of total capital" (vol. 1, p. 781). The dynamic at the heart of the capitalist mode of production, playing out on an ever widening scale, is *the radical reduction in the amount of socially necessary work*. That reduction has the potential to free up free time for the all around development of people—not as workers, but as a multifaceted human beings. However, at present, the ongoing reduction in socially necessary labor time is experienced by workers only as a diminution in the demand for their labor, in a context in which they must nevertheless continue to find work to survive. The result is the persistence of poverty in a world of growing material plenty.

What we need today is a positive vision of communism that can appeal across the working class as a whole. This vision of communism is not only about the form by which our work is managed: despotism or democracy. Communism also has a content, which goes far beyond the democratic management of the workplace. We have within us the power to take over the production apparatus, to turn it towards human ends. Turning it towards human ends would mean, first of all, sharing out the work that remains, including taking care of the sick and the elderly, raising and educating children, growing and preparing food, producing and assembling electronics, manufacturing and sewing apparel, building and running networks of transportation and communication, producing and distributing energy, and designing new modes of collective self-management that allow everyone to participate in decision making. For some, the sharing out of work will mean

no longer being overworked; for others, it will mean inclusion in work that is meaningful and rewarding for the first time. Much of the work we do will have to be transformed to be more inherently enjoyable; forms of drudgery no one wants to do will be shared out or automated.

In taking over the production process and running it for ourselves—and in this way, abolishing the society that has grown up around the value form—we will be freed also from a life lived for and around work. In this context, many jobs will simply disappear—including many industrial and mining jobs that are highly ecologically destructive. Indeed, humanity freed from capitalism will have to turn its energies very quickly towards finding ways to avoid ecological collapse, while at the same time raising global living standards. We will all make sure that everyone, everywhere, has access to food, housing, shelter, energy, education, transportation, communication, healthcare, and so on, irrespective of the work that they contribute, so that the fundamental insecurities and scarcities of life are ended. As the total number of working hours falls, people will find that they have much more free time, which they will use to get some much needed rest and relaxation, as well as to pursue their passions outside of work, through voluntary association. How and in what ways communism will emerge will have to be figured out by the workers themselves, who must emancipate themselves not only as workers, but also as humanity.