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# **Working Class Disempowerment: A Dialectical Analysis**

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Supervisor: Dr. Sean McMahon

Thesis in Partial Fulfillment of the M.A. in Political Science The American University in Cairo

Spring 2017

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### **Acknowledgements**

"The mind of a writer can be a truly terrifying thing. Isolated, neurotic, caffeine-addled, crippled by procrastination, and consumed by feelings of panic, self-loathing and soul-crushing inadequacy. And that's on a good day." –Robert De Niro

There is nothing more accurate to explain the process that produced this thesis. It has been a journey occasionally interrupted by a particularly good work of fiction and then manically fuelled by self-doubt and French vanilla and/or caramel-flavored caffeine. It has also been a journey motivated by a lot of people.

Dr. Sean McMahon, my supervisor, has been a source of constant support and motivation—not to mention patience. His feedback and comments have been invaluable in pushing me to think and refining my ideas (or, sometimes, just reminding me to add a much-needed comma!). He has devoted endless hours of labor time to my questions and discussions, and accommodated my constantly changing deadlines (which I had set myself, no less). In more ways than one, this final product would definitely have been of much lesser quality without his guidance. For all of this, I am wholeheartedly grateful to him.

The Political Science Department at AUC has been very helpful. Yomna Amr, especially, has patiently answered all my questions, provided me with all manners of help and reminded me that I *would* finish. Dr. Nadine Sika, for whom I am teaching and research assistant, has understood when I had to steer all my efforts towards meeting deadlines and has expressed her faith in me every time.

If friends are the family we choose, then this thesis has proven I have chosen right. At certain times, those with endless (and superhuman) amounts of patience listened to my incoherent ideas, contributed to their eventual coherence and read draft after draft to give me their insight. Ingy, Salma, Nihal,

Yasmine and Yosra—I'm looking at you. At other times, I needed the friends who tolerated my disappearances, my complete immersion into books, my constant references to Marx and my incessant complaints about never finishing in time, even when they never understood any of it. They maintained the friendship, coaxed me out of the house, reminded me how proud they were and pushed me to look towards the light at the end of the tunnel: that, at some point, I *would be* done. Hana, Malak S., Nermeen, Laila, Yasmeen F., Farah H., Farah K. and Marwan, thank you. Finally, there were my friends on campus, who were there to keep me company during break time and occasionally just to drop by for a chat, a Harry Potter discussion, some quality work time or a good old laugh. Bahira, especially, it was great having someone to immediately celebrate being finished with!

Last, but definitely not least, I owe the most gratitude to my blood-related family. In addition to the entire family's (read: Mona, Dina, Mohamed) constant questions about whether I had finished (especially when I most definitely had not), they have been unfailing in their support throughout my entire life. My dad's witty banter and comebacks assure me I have someone to fall back on and push me to strengthen my arguments. My mom provides me with a strong and smart female example, as she has since forever, and for that, I am eternally grateful. Rana has contributed to this thesis by (mostly) tolerating the most absent maid of honor of all time, Mohamed has patiently heard (not listened to) endless monologues and paragraphs as I attempted to edit them aloud, and Ahmed, to his credit, has quickly adapted to the crazy deadline person he sees around. Finally, this is in honor of my late maternal grandfather and my beautiful grandmother, to whom I can trace, respectively, my love for academia and my passion for books, words and all that is literature. Thank you for making me me.

#### Abstract

Much like all processes, empowerment is dialectical. Rather than being a one-sided attempt, the (dis)empowerment of capital or the working class is governed by the perpetual struggle between them. Building on this, this thesis investigates the relation between both parties to the struggle, examining how workers have been disempowered by capital in our contemporary moment. By specifically focusing on production processes, social relations and mental conceptions, it analyzes workers' position in the class struggle and outlines opportunities for their organization, stronger resistance and alternatives. The thesis conducts a universal analysis, while drawing on particular examples, to emphasize the similarity in different workers' experiences, break through dominant fetishisms and enhance the working class's position in relation to capital and, hence, its prospects for empowerment and liberation.

### Chapter 1

### What, How and Why: Thesis, Framework and Contribution

Over the course of the past forty years, neoliberalism has become consolidated as the main political economic ideology and project. On one hand, it has strengthened the hold of capital over its assets and reallocated some more to them, and, on the other, it has robbed many others of their lands, jobs and incomes, effectively immiserating them. Neoliberal policies have also triggered the 2007-8 financial crisis, which has furthered this dynamic, and from which everyone is yet to recover—everyone except for capital, that is. While the specifics of the past few decades are particular to neoliberalism, the general pattern is not new to capitalism. In its constant quest for surplus value and further accumulation, capital condemns the rest of society (i.e. the working class) to a life of exploitation and impoverishment, a life of forced labor. The relationship between capital and workers is dialectical: accumulation for some necessarily means impoverishment for others, the attempt by capital to impose its social order is the same as workers fighting for their autonomy, the struggle to impose work is the same as that of escaping it.

The balance of the relation between capital and workers, however, is by no means fixed. In his analysis of the capitalist mode of production, Marx asserts that there is a "more or less concealed civil war between the capitalist class and the working class." The balance of class forces at any given moment depends on and determines the level of empowerment of workers vis-à-vis their exploiters.

<sup>&</sup>lt;sup>1</sup> David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005): 16-19.

<sup>&</sup>lt;sup>2</sup> Harry Cleaver, *Reading Capital Politically* (USA: The Harvester Press, 1979): 76.

<sup>&</sup>lt;sup>3</sup> Karl Marx, *Capital Volume I: The Process of Production of Capital* (London: Penguin Books, 1976): 412.

While some would shy away from the term "class struggle," it is paramount that we call it what it is. David Harvey makes this point perfectly: "if it looks like class struggle and acts like class war then we have to name it unashamedly for what it is." Understanding this is the first step to gaining any ground in the class struggle and changing reality.

The class struggle is present everywhere and underlies every aspect of our daily lives. Because capital realizes this reality, it constantly seeks to disempower and weaken the working class, both materially and ideally. A disempowered working class is one that does not (or cannot) assert "its autonomy as a class through its unity in struggle against its role as laborpower;"5 it does not have the means of doing so, or does not identify as one class in the first place. It is also a working class that is too weak to negotiate and/or impose its terms on capital. In the present neoliberal moment, when exploitation and accumulation rates have reached unprecedented levels,6 capital fights to disempower workers by continuously devaluing their labor-power commodity, worsening their living conditions and creating circumstances that not only leave them in no state to think about anything other than their daily survival, but that also pit them against each other. Capital further disciplines workers through the state-form, its institutions and other mechanisms, including technology. It utilizes and perpetuates different mental conceptions (read: fetishisms) that both divide workers and that workers internalize to accept the current state of affairs and not develop any common identity, let alone revolt.

<sup>&</sup>lt;sup>4</sup> Harvey, A Brief History of Neoliberalism, 202.

<sup>&</sup>lt;sup>5</sup> Cleaver, *Reading* Capital *Politically*, 83.

<sup>&</sup>lt;sup>6</sup> For an in-depth analysis of how this has been taking place, see Harvey, *A Brief History of Neoliberalism*.

### **Argument/Research Question(s) and Thesis**

Because a weak working class is dialectically linked to more capital accumulation, capital constantly tries to disempower workers.<sup>7</sup> Throughout this project, I pose the question: how is the working class being disempowered in its relation vis-à-vis capital in the contemporary neoliberal moment? And what are the processes capital deploys in the ongoing struggle to keep the working class relatively disempowered? I argue that capital utilizes all of its elements<sup>8</sup> towards this goal, through workers' devaluation and division and the normalization of its dominance, and analyze how these elements are specifically deployed in the neoliberal moment. In doing so, I also argue that the appearances of difference between workers are only just that, appearances, and that all workers experience capital's same efforts to disempower them. More specifically, I examine how capital utilizes three moments of the capitalist totality, namely production processes, social relations and mental conceptions, to weaken workers, and provide particular examples to show how these strategies take seemingly different forms in different contexts, but are essentially the same. I conclude by putting these moments back into the dialectic and showing how they all interrelate to satisfy the same goal. I also highlight the contradictions inherent within them to point out opportunities that workers can seize to their advantage in the class struggle.

<sup>&</sup>lt;sup>7</sup> This is done to a certain point, however, so that workers are not too weak to produce value for capital's accumulation. It usually necessitates state intervention, because capital does not discipline itself.

<sup>&</sup>lt;sup>8</sup> These are identified by David Harvey based on Marx's *Capital* as relations to nature, reproduction of daily life, legal and governmental arrangements, production (labor) processes, mental conceptions, social relations and technology and organization. They will be further elaborated in the section outlining my theoretical framework.

Essentially, I study capital's strategies in the class war so as to confront them and develop better means of overcoming them. In order to be able to take any emancipatory action and effectively challenge capital, we need to identify as one working class that, regardless of its members' different vocations or particular circumstances, is united in a common experience and common interests. Only when we understand ourselves to be "a class *in* itself," all selling our labor-power, and "a class *for* itself," united in that regard, will we be able to gain an upper hand in relation to capital. Only then will the working class be a step closer to emerging victorious and "abolishing itself and its opposite." When we come together as one working class, we will have the power to overthrow capital, dissolve our existence as a class and decide on what the alternate worlds will look like and what values are to be constructed and spread.

### Philosophy, Theory and Method

As expressed above, underlying this project is the most basic Marxian claim: society is comprised of two dialectically related classes. When capital replaced feudalism as the dominant mode of production, two distinct classes emerged: the capitalists (i.e. the bourgeoisie) and workers (i.e. the proletariat). These two classes are, by definition, antagonistic and their struggle over power constitutes

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<sup>&</sup>lt;sup>9</sup> Cleaver, *Reading Capital Politically*, 143.

<sup>&</sup>lt;sup>10</sup> Karl Marx, "Alienation and Social Classes," in *The Marx-Engels Reader*, ed. Robert C. Tucker (New York: W.W. Norton Company, 1972), 105.

<sup>&</sup>lt;sup>11</sup> Cleaver, *Reading Capital Politically*, 84; Harvey, *A Brief History of Neoliberalism*, 179.

the class war.<sup>12</sup> Within this context, capitalists are the owners of the means of production, of money and of surplus-value,<sup>13</sup> the commanders over labor-power, whereby they "[pay] the value of the labor-power...and [receive] in exchange the right to dispose of the living labor-power itself,"<sup>14</sup> and the personification of capital as value/money in motion.<sup>15</sup> In contrast, workers have no means of valorizing value; they are the members of society forced to sell their labor-power commodity, understood as "the aggregate of those mental and physical capabilities existing in the physical form," in order to survive and reproduce themselves;<sup>16</sup> they are "those who produce the wealth of others in general and the capitalist class in particular."<sup>17</sup> Throughout the course of this analysis, then, class is understood in Marx's terms. Much like Marx notes that capital is not a thing, <sup>18</sup> class is also not a thing, but a relation, or set of processes and relations, that develops because of how society is structured, rather than a classification based on wage levels, social status/prestige or profession.<sup>19</sup>

Building on this conceptualization of a class war, I ground my analysis in Marx's framework. Philosophically, I adopt Marx's dialectic, and theoretically, his labor theory of value. I use historical materialism as my method. Below are the basic tenets of each and how they pertain to my analysis.

<sup>&</sup>lt;sup>12</sup> Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Samuel Moore, ed. David McLellan, (Oxford: Oxford University Press, 1992): 3.

<sup>&</sup>lt;sup>13</sup> Karl Marx, *Capital Volume I: The Process of Production of Capital* (London: Penguin Books, 1976), 254, 734.

<sup>&</sup>lt;sup>14</sup> Ibid., 671.

<sup>&</sup>lt;sup>15</sup> Ibid., 256, 739.

<sup>&</sup>lt;sup>16</sup> Ibid., 270.

<sup>&</sup>lt;sup>17</sup> David Harvey, "Introduction," in Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Samuel Moore, (London: Pluto Press, 2008): 18. <sup>18</sup> Marx, *Capital Volume I*, 1005.

<sup>&</sup>lt;sup>19</sup> Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013): 6.

#### Dialectics

Dialectics is the philosophy that underlies Marx's, and my, work. Ontologically, it views the world as a closed totality.<sup>20</sup> A totality is "a logical construct that refers to the way the whole is present through internal relations in each of its parts,"<sup>21</sup> and can be observed and/or analyzed from any of these parts.<sup>22</sup> Within the totality (i.e. the capitalist totality), there are only processes and relations, not individual "things."<sup>23</sup> All parts relate to and interact with one another so that none can be singled out as either cause or effect.<sup>24</sup> In this understanding, what we call "things" are, in fact, epiphenomenal appearances of these innerrelated social relations and mutually dependent processes. This is why the totality can be wholly represented and understood from a focus on any one aspect.<sup>25</sup> A commodity, for example, is so much more than that; it is a reflection of "everything else that is happening in the social situation in which it is produced and consumed."<sup>26</sup>

The totality's mutually dependent processes and their internal relations are, in turn, in constant motion and change. They mutually affect one another and exist within a framework of other relations and processes, with a past, present and future. When discussing the capitalist mode of production, Marx outlines seven broad categories, the relations between which constitute bourgeois society. In footnote 4 for his chapter on "Machinery and Large-Scale"

<sup>&</sup>lt;sup>20</sup> Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (Chicago: University of Illinois Press, 2003): 139.

<sup>&</sup>lt;sup>21</sup> Ibid., 72.

<sup>&</sup>lt;sup>22</sup> Ibid., 140.

<sup>&</sup>lt;sup>23</sup> Ibid., 13.

<sup>&</sup>lt;sup>24</sup> Ibid., 27.

<sup>&</sup>lt;sup>25</sup> Ibid., 139.

<sup>&</sup>lt;sup>26</sup> David Harvey, *Social Justice and the City: Revised Edition,* (Athens, GA: The University of Georgia Press, 2009): 156.

Industry," Marx outlines six of them to be technology, relations to nature, processes of production, social relations, reproduction of daily life and mental conceptions of the world.<sup>27</sup> A seventh element is legal and governmental arrangements, which informs the entirety of section eight of *Capital, Volume I*. The dialectic between these seven moments of capital is expressed in Figure 1 below.

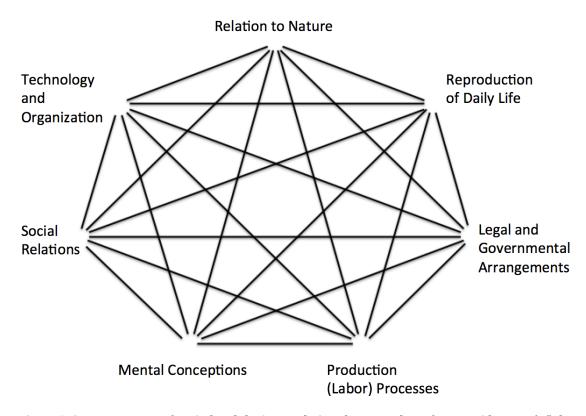


Figure 1: Seven moments of capital and the innerrelations between them, from David Harvey's "The Enigma of Capital and the Crisis This Time;" diagram from Sean McMahon's *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy.* 

Marx's philosophy is thus one of internal relations, and extends to include his concept of contradictions, or the relation between opposites. The idea is that the capitalist mode of production is inherently contradictory and that these contradictions are the main agents behind any and all of its developments and

<sup>&</sup>lt;sup>27</sup> Marx, Capital Volume I, 493.

changes.<sup>28</sup> Building on the ideas of constant motion and innerrelations, Marx explains how two interdependent opposites combine to form one whole, even as they each continuously change; they "do not only intersect in mutually supportive ways but are constantly blocking, undermining, otherwise interfering with, and in due course transforming one another."<sup>29</sup> This innerrelation, or interpenetration, of opposites lies at the heart of Marx's dialectics; the analysis is guided by looking at relations and their opposites and, hence, being able to identify both their unifying features and their antagonisms.<sup>30</sup> It allows us to study (and expect) change as constant rather than be shocked when it appears.<sup>31</sup>

The relation between capitalists and workers is the most basic example of this contradictory nature of the capitalist mode of production. While inherent opposites, neither can exist without the other; the end of one entails the end of the other, for "there can no longer be any wage labour when there is no longer any capital."<sup>32</sup> This mutual fate is obvious because workers "live only so long as they find work, and [they] find work only so long as their labour increases capital."<sup>33</sup> They cannot free themselves from capital without destroying it and the conditions for its existence.<sup>34</sup> It is this logic that entails that capital produces "its own grave diggers,"<sup>35</sup> and that once workers triumph over and abolish capital, they effectively abolish themselves as a class, as well.

<sup>&</sup>lt;sup>28</sup> Qtd. in Ollman, Dance of the Dialectic, 17.

<sup>&</sup>lt;sup>29</sup> Ibid., 17.

<sup>&</sup>lt;sup>30</sup> Ibid., 145.

<sup>&</sup>lt;sup>31</sup> Ibid., 14, 27.

<sup>&</sup>lt;sup>32</sup> Marx and Engels, *The Communist Manifesto*, 21.

<sup>&</sup>lt;sup>33</sup> Ibid., 9.

<sup>&</sup>lt;sup>34</sup> Georg Lukács, *History and Class Consciousness: Studies in Marxist Dialectics,* trans. Rodney Livingstone, (Cambridge: MIT Press, 1971): 20.

<sup>&</sup>lt;sup>35</sup> Marx and Engels, *The Communist Manifesto*, 16.

In light of this philosophy of internal relations, instead of studying individual phenomenological appearances, a dialectician's epistemology begins by first viewing these processes and relations as a whole. Then, one chooses to focus on smaller expressions in order to ascertain how they function within the totality and gain a better understanding of it.<sup>36</sup> This is abstraction and it does not "substitute for the facts but give[s] them a form, an order, and a relative value, just as frequently changing [one's] abstractions does not take the place of empirical research but does determine... what [one] will look for, even see, and of course emphasize."<sup>37</sup>

Marx's philosophical abstraction comprises three different levels and enables Marxian analysis to identify relations that no other framework does. Marx's process of abstraction lies behind his understanding of contradictions, for example, and how two seemingly opposite appearances can be expressions of the same relation.<sup>38</sup> The first level of abstraction is that of extension. This determines the spatial and temporal boundaries of one's analysis.<sup>39</sup> It is analogous to a wide-angle photograph insofar as it takes a snapshot of the space and the historical period under study.<sup>40</sup> Marx limits his work, for example, to the study of capital's appearance and function, leaving out the closer details of specific manifestations of capital (i.e. specific companies).<sup>41</sup>

Generality is the second level of abstraction. This one plays the role of the microscope insofar as it decides how closely one wants to look at one's object of

<sup>36</sup> Ollman, Dance of the Dialectic, 14, 157.

<sup>&</sup>lt;sup>37</sup> Ibid., 74.

<sup>38</sup> Ibid., 77.

<sup>&</sup>lt;sup>39</sup> Ibid., 74.

<sup>&</sup>lt;sup>40</sup> Ibid.. 76.

<sup>&</sup>lt;sup>41</sup> Ibid., 75.

study.<sup>42</sup> It is the decision of focusing on the most specific characteristics of something, its most general or somewhere in between. Essentially, it is the difference between studying social justice in a specific city, focusing on how it fits more broadly within the social relations of capitalism, or looking at the more general (and abstract) dialectical interrelations between capitalism's moments (mentioned above), for example.

The third decision one makes when abstracting concerns vantage point. The vantage point is the aspect of the relation or process from which one "view[s], think[s] about, and piece[s] together the other components in the relationship."<sup>43</sup> Abstraction of vantage point is also important, because, once one decides on all levels of abstraction, one's vantage point then leads the research and analysis. As it changes, so do the conclusions and explanations one reaches. Marx, for example, approaches his subject matter, capital, from the vantage point of means of production, and then proceeds to use this to gain a better understanding of the interrelated system.<sup>44</sup>

By changing how one abstracts and what one chooses to focus on, one yields different images. 45 These images are complementary, however. They provide understandings of different aspects that, when put together, help in understanding the totality. This offers the flexibility to look at processes and relations from different angles and with varying degrees of detail; it is what

<sup>&</sup>lt;sup>42</sup> Ibid., 75.

<sup>&</sup>lt;sup>43</sup> Ibid., 75.

<sup>44</sup> Ibid., 75.

<sup>&</sup>lt;sup>45</sup> In *Reading* Capital *Politically*, Harry Cleaver notes that there are only two perspectives from which to approach and analyze the class struggle: one for each of the struggle's parties. There is no third objective point of view. The strategy of workers should thus be, he emphasizes, to read everything in light of this and with the class struggle in mind. It is this approach that I utilize in this project.

allowed Marx to "see more clearly, investigate more accurately, and understand more fully and more dynamically his chosen subject." 46

This method of understanding capital through the relations between its different elements and processes is the dialectic. It is "to develop from the actual given relations of life the forms in which these have been apotheosized."47 The dialectic's innerrelations, contradictions and abstractions form the philosophical framework for my project. They allow me to find the connections between capital's different processes and relations, regardless of how unrelated they might seem, and thus to grasp a better understanding of how capital reproduces and maintains itself. By unraveling the contradictory relations comprising the capitalist mode of production, I can pinpoint its points of weakness and utilize it to the working class's favor. The dialectic's power of abstraction allows me to move between different vantage points and generality levels to gain a more holistic view of what I'm studying. In this case, it allows me to study capital's processes at a universal level and then focus on how they become particularly manifested in different cases. This drives my point of how workers' experiences are essentially the same everywhere despite the appearance of difference, and becomes a rallying and organizing point for them.

### The Labor Theory of Value

The combination of capital's processes and relations operates in circuit form; capital is value in motion.<sup>48</sup> The circuit of capital shows capital's transformation

<sup>&</sup>lt;sup>46</sup> Ollman, *Dance of the Dialectic*, 75.

<sup>&</sup>lt;sup>47</sup> Marx, *Capital Volume I*, 494, fn 4.

<sup>48</sup> Ibid., 256.

of value into more value, what Marx called "valorization." <sup>49</sup> Capital throws money (M) into the circuit to buy commodities in the form of means of production (MP) and labor power (LP). Through the production process (...P...), these commodities are changed into a new type of commodity that embodies more value than originally advanced (C'). Once sold, these commodities are transferred back into the money form of value (M'), only more of it (the original value plus the surplus). In normal circumstances, M' is then put back into the circuit for more accumulation (i.e. to yield M"). Understood as such, the circuit can be broken down into three main phases: [M—C], [C...P....C'] and [C'—M'].50 The first and the third are exchange relations in the sphere of circulation, while the second is a productive relation in the sphere of production. While they can exist and occur at different times and spaces, each of the three stages has to be completed for the circuit and the transformation of money to more money to be realized. 51 This circuit represents not only the continuous reproduction of commodities, but also the reproduction of capital itself and its relations.<sup>52</sup> It is represented below in Figure 2.

Figure 2: The Circuit of Capital, from Bell and Cleaver's "Marx's Theory of Crisis as a Theory of Class Struggle."

<sup>49</sup> Ibid., 252, 255.

<sup>&</sup>lt;sup>50</sup> Peter Bell and Harry Cleaver, "Marx's Theory of Crisis As A Theory of Class Struggle," *The Commoner* 5 (2002): 26-28.

<sup>&</sup>lt;sup>51</sup> Ibid., 26.

<sup>&</sup>lt;sup>52</sup> Lukács, *History and Class Consciousness*, 15.

Focusing on the relations between the working and capital classes in the contemporary neoliberal moment (innerrelated with the abovementioned processes), my thesis utilizes Marx's labor theory of value. The labor theory of value explains both material forms, such as the commodity, and ideals, such as value and profit. A commodity for Marx is the unity of two contradictory forms of value: use-value and exchange-value. Use-value is "the physical body of the commodity" and is "only realized in use or in consumption...[and] constitute[s] the material content of wealth, whatever its social form may be."53 Exchangevalue, on the other hand, is "the quantitative relation, the proportion, in which use-values of one kind exchange for use-values of another kind."54 It is "definite quantities of congealed labor-time."55 This brings us to Marx's primary assertion when it comes to value creation: the value of a commodity stems from the amount of socially necessary labor-time objectified in it, with socially necessary labor-time being "the labor-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labor prevalent in that society."<sup>56</sup> Value thus "represents human labor pure and simple, the expenditure of human labor in general."57 Another type of value produced, surplus-value, is the portion for which capital does not pay. It is "unpaid labor directly [extracted] from the workers and fix[ed]...in commodities."58 It is based on this that Marx asserts that "there is not

<sup>53</sup> Marx, Capital Volume I, 126.

<sup>&</sup>lt;sup>54</sup> Ibid., 126.

<sup>&</sup>lt;sup>55</sup> Ibid., 130.

<sup>&</sup>lt;sup>56</sup> Ibid., 129.

<sup>&</sup>lt;sup>57</sup> Ibid., 133.

<sup>&</sup>lt;sup>58</sup> Ibid., 709.

one single atom of ...value that does not owe its existence to unpaid labor."<sup>59</sup> Represented fully, then, the "value [of a commodity] =  $(c+v) + s^{**}60$  with c being constant capital, which reflects "the value of the means of production actually consumed in the course of production",<sup>61</sup> v being variable capital, which is "the monetary expression for the total value of all the labor-powers the capitalist employs simultaneously,"<sup>62</sup> and s being surplus value.

Workers are exploited through the process of production, because their labor-power commodity is exchanged for its value, which is less than it produces. Capitalist accumulation is contingent on this non-equivalence, expressed as surplus-value.  $^{63}$  Marx expresses this rate of exploitation, or extraction of surplus value, as  $\frac{s}{v}$ .  $^{64}$  The rate of surplus value varies according to three different variables, all of which capital tries to manipulate to its favor. The first variable is the extent of the working day. Extending working hours beyond socially necessary labor-time increases surplus labor-time and, thus, the amount of surplus-value produced. For example, if a worker reproduces him/herself in 4 hours, but the working day is 8 hours long, these four extra hours are surplus labor-time. Any value produced during that extra time does not go towards reproducing the workers; it is more value than what capital already invested and constitutes surplus-value. The length of the working day thus provides capital with the means of further exploiting its workers and increasing its accumulation. In more abstract terms, if line A----B---C is the total working day and line A----B

<sup>&</sup>lt;sup>59</sup> Ibid., 728.

<sup>&</sup>lt;sup>60</sup> Ibid., 320.

<sup>&</sup>lt;sup>61</sup> Ibid., 321.

<sup>&</sup>lt;sup>62</sup> Ibid., 417.

<sup>63</sup> David Harvey, "Introduction," 17; Hanieh, Lineages of Revolt, 46.

<sup>&</sup>lt;sup>64</sup> Marx, *Capital Volume I*, 668.

is socially necessary labor-time, B----C can be lengthened and made into A----B------ C to extract more surplus. 65 Secondly, in the event that working hours cannot be extended further, capital increases intensity rather than extent; it extracts surplus value by introducing technology to increase efficiency and the rate productivity (represented as  $\frac{c}{n}$  66). Here, machines decrease the amount of time it takes to produce commodities and increase surplus labor-time. In both cases, as socially necessary labor-time is decreased (i.e. line A-B), so is the value of the commodities produced, 67 and, by extension, that of labor-power if the commodities in question contribute to their reproduction (because, as a commodity, its value stems from the value(s) of what it takes to reproduce it).68 The value of the labor-power commodity is the third variable capital seeks to manipulate. With labor-power (i.e. variable capital) being an essential component of all processes, capital has to devalue the labor-power commodity in order to extract as much surplus from its workers as possible; how much it accumulates depends on it. It is in these relations of production that the class struggle between capital and the proletariat becomes most obvious and intense.

Seen as merely owners of the labor-power commodity in the capitalist mode of production, workers are commodified. Their labor-power is constantly reproduced through the worker's consumption and its value is "the value of the means of subsistence necessary for the maintenance of its owner." The value of this labor-power then becomes inversely proportional to the value it creates. The

<sup>65</sup> Ibid., 340.

<sup>&</sup>lt;sup>66</sup> Ibid., 762.

<sup>&</sup>lt;sup>67</sup> Ibid., 432.

<sup>68</sup> Ibid., 274, 276.

<sup>&</sup>lt;sup>69</sup> Marx, *Capital Volume I*, 274. Also expressed in Marx and Engels, *The Communist Manifesto*, 10.

more productive labor becomes and the more value it creates, the cheaper its own labor-power (which it is also tasked with reproducing as a commodity) becomes.<sup>70</sup> This is part of the process by which the product of labor becomes something entirely external to it, resulting in the worker's estrangement or "alienation" from it.<sup>71</sup> The worker's sweat and labor develops into something that belongs to someone else (the capitalist) and over which he/she has no control;<sup>72</sup> it becomes a commodity to be bought and sold on the market.<sup>73</sup> This alienation results not only in a worker's estrangement from the product of his/her labor, but also from his/her act of production, his/her human essence and, hence, from others around him/her.<sup>74</sup> This human essence is paradoxically seen as belonging to the commodity, not the worker who produced it.<sup>75</sup>

With alienation necessarily comes what Marx calls commodity fetishism. As products come to be seen as objects separate from the labor that created them, they become "autonomous figures endowed with a life of their own."<sup>76</sup> Commodities are valued for qualities believed to be intrinsic to them, rather than as the result of the social labor-power that created them; a "fantastic form of a relation between things" is assumed.<sup>77</sup> Fetishisms also extend to include ideas that are "necessarily delusional" and "conceal the real content of our social"

<sup>&</sup>lt;sup>70</sup> Karl Marx, "Estranged Labor," in *The Marx-Engels Reader*, ed. Robert C. Tucker (New York: W.W. Norton Company, 1972): 57.

<sup>&</sup>lt;sup>71</sup> Ibid., 58.

<sup>&</sup>lt;sup>72</sup> Ibid., 60.

<sup>&</sup>lt;sup>73</sup> Lukács, *History and Class Consciousness*, 87.

<sup>74</sup> Marx, "Estranged Labor," 61, 63.

<sup>&</sup>lt;sup>75</sup> Mark Andrejevic, "Estrangement 2.0," *World Picture* (2011), 5. Available online at: <a href="http://www.worldpicturejournal.com/WP\_6/PDFs/Andrejevic.pdf">http://www.worldpicturejournal.com/WP\_6/PDFs/Andrejevic.pdf</a>

<sup>&</sup>lt;sup>76</sup> Marx, Capital Volume I, 165.

<sup>&</sup>lt;sup>77</sup> Ibid., 165.

relations."<sup>78</sup> These fetishisms/mental conceptions affect both capitalists and workers. Ideas such as nationalism, racism and xenophobia are examples of the appearance of difference between workers that conceal the true similarity between them insofar as they are exploited members of the same class.

### Historical Materialism

My methodology is historical materialism. Historical materialism derives from the understanding that to be able to effectively understand and analyze the world, one has to historicize its material aspects. It is Marx's assertion, in contrast to Hegel, that "the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought." Reality has an essence that exists regardless of how, and whether, one experiences it. This material essence is based on the ways in which production is organized. It is determined by the property relations and modes of production present at a given point, and changes as they develop. History thus progresses with the (class) struggle over production means and maintenance of livelihood. This explains the differences between societies at different points in time, and highlights the need to situate them within their individual historical epochs and conditions to be able to properly study them. It was this insight that Marx and Engels pointed out in their preface to the *Communist Manifesto's* German Edition in 1872, emphasizing that

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<sup>&</sup>lt;sup>78</sup> Sean F. McMahon, *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy*, (London: Zed Books, 2017): 72.

<sup>&</sup>lt;sup>79</sup> Marx, Capital Volume I, 102.

<sup>80</sup> Ollman, Dance of the Dialectic, 139.

<sup>81</sup> Ibid., 75.

<sup>82</sup> Marx and Engels, The Communist Manifesto, viii.

revolutionary measures are not written in stone, but depend on the historical conditions of the time.<sup>83</sup>

While historical materialism does not dismiss the role of ideas (they *are* part of the internal relations and a material force of any totality), it emphasizes that social change is not dependent on them. In fact, it is ideas that change in accordance with the changes in material processes and relations.<sup>84</sup> The dominant ideas, for example, are those of the group in power at a given moment and "the prevailing mode of economic production and exchange...form[s] the basis upon which is built up...the political and intellectual history of that epoch."<sup>85</sup> In other words, "[i]t is not men's consciousness that determines their existence, but on the contrary, their social existence that determines their consciousness."<sup>86</sup>

To apply historical materialism to our contemporary moment, for example, means to understand the material history of capital's organization of society. It considers how labor functions under capital, how surplus-value fits into its dynamics and how these conditions develop a class structure in a specific way.<sup>87</sup> It then analyzes how all of this, in turn, manifests itself in the dominant forms of political organization as well as the prevalent ideas and ways of thinking. It is important to note that in emphasizing the role of production processes, historical materialism does not diverge from the dialectic. It merely provides a vantage point from which to consider the mutual innerrelations

<sup>83</sup> Ibid., 40.

<sup>84</sup> Ibid., 24.

<sup>&</sup>lt;sup>85</sup> Friedrich Engels, "Preface to the English Edition of 1888," in Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Samuel Moore, ed. David McLellan, (Oxford: Oxford University Press, 1992): 48.

<sup>86</sup> Lukács, History of Class Consciousness, 18.

<sup>&</sup>lt;sup>87</sup> Hanieh, *Lineages of Revolt*, 8.

between capitalism's different elements as well as the means to go beyond the fetishistic appearances of bourgeois ideals in a specific historical moment.

Our contemporary moment is a neoliberal one. I understand neoliberalism to be, as Harvey explains, "a political project to re-establish the conditions for capital accumulation and to restore the power of economic elites."88 It is the contemporary form of capital that bases itself on the claim that free trade and market freedoms guarantee all other freedoms and, hence, preaches the benefits of privatization and welfare spending reductions among others.<sup>89</sup> Neoliberalism is also characterized by the relative mobility of capital. It is not altruistic policy recommendations, however. Spearheaded and popularized in the 1970s and 1980s by Ronald Reagan and Margaret Thatcher, neoliberalism has dispossessed millions of their value and possessions across the world to increase capital's accumulation of surplus-value and has launched a conscious campaign to both discipline and weaken workers.<sup>90</sup> It has reorganized societies and their class relations further in favor of capital; it has, for example, exacerbated the exploitation of regions like the Middle East as well as their resources and markets, dramatically changing them in the process. 91 While it has arguably lost some of its strength and/or hegemonic status and might be in decline, 92 the neoliberal form of capital remains dominant in the present moment.

<sup>&</sup>lt;sup>88</sup> Harvey, A Brief History of Neoliberalim, 19.

<sup>&</sup>lt;sup>89</sup> Ibid., 7; Hanieh, *Lineages of Revolt*, 14.

<sup>&</sup>lt;sup>90</sup> David Harvey, *A Companion to Marx's Capital*, (London: Verso Books, 2010): 284-5.

<sup>&</sup>lt;sup>91</sup> Hanieh, *Lineages of Revolt*, 46, 73.

<sup>&</sup>lt;sup>92</sup> For more on this, see David Harvey, "The Enigma of Capital and the Crisis this Time." Paper presented at The American Sociological Association Meetings, Atlanta, April 16, 2010. Available at: <a href="http://davidharvey.org/2010/08/the-">http://davidharvey.org/2010/08/the-</a>

### **Previous Work/Literature**

One of the main contributions of this thesis is its dialectical analysis and merging of the ideal and the material aspects of the class struggle. It brings together a value analysis of the workers' relation to capital and how this relation connects to mental conceptions, social relations and other moments within the capitalist totality. It emphasizes the commonalities in workers' experiences across the world, regardless of particular appearances of difference. Looking at the literature, this seems to be rarely done; most studies focus on one moment or the other. In order to make sense of the vast amount of the literature on the topic, I organize it primarily on a theoretical basis. I group together research that is based on different grounds, namely non-Marxian work that is not dialectical and does not begin from the assumption of two contradictory, but related, classes. This corpus does not, by definition, conduct value analysis or link labor struggles the broader capitalist totality, ultimately reaching very different analyses/conclusions from my own. In the other corpus is research that accepts the duality of two classes struggling against one another, with the working class as the antithesis to capital and vice versa. This makes it similar to my research's assumptions, even if it does not yield the same analyses.

enigma-of-capital-and-the-crisis-this-time/; Bastiaan Van Apeldoorn, "The European Capitalist Class and the Crisis of Its Hegemonic Project," in *Registering Class: Socialist Reigster 2014*, eds. Leo Panitch, Greg Albo and Vivek Chibber, 189-206 (Pontypool: Merlin Press, 2014); Richard Saull, "Capitalism and the Politics of the Far Right," in *The Politics of the Right: Socialist Register 2016* (Pontypool: Merlin Press, 2016).

### Non-dialectical/Non-Marxian Research

Stemming from non-dialectical premises, this body of literature diverges from the two-class model inherent in Marx's work and the primary dialectical contradiction of all politics. It understands workers to be primarily manual/blue-collar/industrial laborers rather than anyone with a labor relation to the means and processes of production. It bases itself on different understandings of class that do not address the class struggle, effectively giving capital the upper hand and allowing its actions to continue unrestricted.

Some authors contend that Marx's two-class model is no longer sufficient for an effective understanding of contemporary society and suggest modifying it. They propose sub-divisions within the original dichotomy to account for the heterogeneity of classes, positing that non-manual, white-collar workers are not included in either one. Analyses that apply this line of thinking generally refer to non-manual workers as "professionals," middle-class intelligentsia," or "civil servants." This informs further studies on the so-called middle class, including Ehrenreich's which views the middle class as a distinct category, and investigates how its members are constantly trying to cling to their relatively

<sup>&</sup>lt;sup>93</sup> Dina Makram-Ebeid, "Labor Struggles and the Quest for Permanent Employment in Revolutionary Egypt," *Cairo Papers in Social Science* 33.4 (2015):
65-84; John C. Leggett, *Class, Race and Labor: Working Class Consciousness in Detroit,* (New York: Oxford University Press, 1968), 38; Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class,* (New York: HarperPerennial, 1990).
<sup>94</sup> Anthony Giddens, *The Class Structure of the Advanced Societies, 2<sup>nd</sup> ed.,* (London: Hutchinson, 1981): 31, 177; Leggett, *Class, Race and Labor,* 36.
<sup>95</sup> Joel Beinin and Marie Duboc, "The Egyptian Workers' Movement Before and After the 2011 Popular Uprising," *Socialist Register* (2015): 151.
<sup>96</sup> Joel Beinin, "Egyptian Workers and January 25<sup>th</sup>: A Social Movement in Historical Context," *Social Research* 79.2 (2012): 328; Joel Beinin, "Workers' Protest in Egypt: Neo-liberalism and Class Struggle in 21<sup>st</sup> Century," *Social Movement Studies* 8.4 (2009): 454.
<sup>97</sup> Beinin, "Workers' Protest in Egypt," 450.

privileged positions in society, even if she posits it might be disappearing.<sup>98</sup> The discussion of a middle class is non-dialectical and misrepresents relations in capitalist society. It succumbs to fetishisms propagated by and in the direct interest of capital. It must be noted, though, that towards the end of her volume, Ehrenreich does call for the middle class's "discovery" of the lower class as their natural allies in curbing the growth of the wealthy.<sup>99</sup>

At the particular level, this first body of literature deals with workers (very rarely if ever termed the working *class*) in fetishistic and non-relational terms. It treats them as one agent amongst many. They are seen as labor "movements," partaking in uprisings as an element of a broader popular base rather than one end of the class dichotomy<sup>100</sup> or as workers acting "collectively" in pursuit of individual gains for their group in the context of domestic politics, usually in the form of unions.<sup>101</sup> If the concept of class is invoked, it is in a different sense than Marx's; the category of the "middle-class poor" emerges, for example.<sup>102</sup> Their actions are measured in terms of demonstrations, strikes

<sup>98</sup> Ehrenreich, Fear of Falling, 246.

<sup>&</sup>lt;sup>99</sup>Ibid., 256.

<sup>&</sup>lt;sup>100</sup> Joel Beinin and Marie Duboc, "A Workers' Social Movement on the Margin of the Global Neoliberal Order, Egypt 2004-2012," in *Social Movements, Mobilization, and Contestation in the Middle East and North Africa,* eds. Frederic Vairel and Joel Beinin, (Stanford: Stanford University Press, 2013), 205-227; Beinin, "Egyptian Workers and January 25<sup>th</sup>;" Beinin, "Workers' Protest in Egypt;" Nadine Sika, "The Political Economy of Arab Uprisings," *European Institute of the Mediterranean,* March 2012.

<sup>&</sup>lt;sup>101</sup> Beinin and Duboc, "A Workers' Social Movement on the Margin of the Global Neoliberal Order," 223; Kwang-Yeong Shing, "Globalisation and the Working Class in South Korea: Contestation, Fragmentation and Renewal," *Journal of Contemporary Asia* 40.2 (2010): 211-229; Lefteris Kretsos and Markos Vogiatzoglou, "Lost in the Ocean of Deregulation? The Greek Labour Movement in a Time of Crisis," *Relations Industrielles/Industrial Relations* 70.2 (2015): 218-239.

<sup>&</sup>lt;sup>102</sup> Asef Bayat, "Plebeians of the Arab Spring," *Current Anthropology* 56.11 (2015): S34-35.

and/or sit-ins of the factory,<sup>103</sup> which are, in some instances, considered as contributing to the "delegitimiz[ation]" of the "regime,"<sup>104</sup> both notions that are entirely outside the concept of the class war. In other cases, workers' resistance is studied as an everyday occurrence, a coping mechanism rather than a revolutionary activity.<sup>105</sup> Even when workers' actions are referred to in terms of class, they are termed "class-based *social movement[s]*"<sup>106</sup> and cast in light of social movement theory and contentious politics, amounting to a non-dialectical understanding of the class war. This type of analysis is shallow and does not provide the full picture because it completely ignores how different processes and relations innerrelate within the capitalist totality. In other cases, attempts to situate Egyptian workers, for example, within the global capitalist order do take into consideration some of the innerrelations, but end up with a postcolonial, rather than Marxian dialectic, analysis. They use, for example, terms like "regime" that do not reflect the role of the state form within capitalist relations.<sup>107</sup>

Other authors within this first corpus question how Marx defines and identifies class. Some argue against what they call the "crude economic

<sup>&</sup>lt;sup>103</sup> Beinin and Duboc, "A Workers' Social Movement on the Margin of the Global Neoliberal Order,"; Beinin, "Egyptian Workers and January 25<sup>th</sup>;" Beinin, "Workers' Protest in Egypt;" Beinin and Duboc, "The Egyptian Workers' Movement Before and After the 2011 Popular Uprising," 136-156; Makram-Ebeid, "Labor Struggles and the Quest for Permanent Employment." <sup>104</sup> Beinin and Duboc, "The Egyptian Workers' Movement Before and After the 2011 Popular Uprising," 138.

<sup>&</sup>lt;sup>105</sup> Bayat, "Plebeians of the Arab Spring," S34.

<sup>&</sup>lt;sup>106</sup> Beinin and Duboc, "A Workers' Social Movement on the Margin of the Global Neoliberal Order," 226.

<sup>&</sup>lt;sup>107</sup> Ibrahim Aoude, "The Egyptian Uprising and the Global Capitalist System," *International Studies* 49.3/4 (2012): 315-330.

determinism" of Marx's two-class model. 108 Class, they claim, is a historically and culturally contingent category, one that is socially constructed and subject to the individual's different and often overlapping identities, instead of an objective and fixed economic relation. 109 It is only one facet of many that contribute to an individual's life. 110 This is based on a misreading of Marx's work, however, because it does not account for its dialectical element. Marx's historical materialism analyzes a society's history based on its dominant modes of production, but it also looks at how these processes and relations interact with and affect the society's organization. Thus, the two-class model Marx proposed does not suggest that the positions arising from classes' relations to production processes are static. Because processes and relations are in constant motion, a dialectical reading shows how classes are formed (i.e. come together) based on their relations to and *constant* inneraction with one another, to the means of production as well as in relation to the social and historical context. In fact, one of the strengths of Marx's dialectical method is that it takes all elements of capitalist society into consideration to produce a holistic understanding of it.

Another critique of Marx's class analysis model denies its significance and validity altogether. Pakulski and Waters (1996) argue that classes have radically dissolved and that we now live in what can be termed a "postclass society"

<sup>&</sup>lt;sup>108</sup> Zachary Lockman, "'Worker' and 'Working Class' in pre-1914 Egypt: A Rereading," in *Workers and Working Classes in the Middle East: Struggles, Histories, Historiographies*, ed. Zachary Lockman, (Albany: State University of New York Press: 1994), 72;

<sup>&</sup>lt;sup>109</sup> Ibid., 72; Makram-Ebeid, "Labor Struggles and the Quest for Permanent Employment," 67; Joel Beinin, "Will the Real Egyptian Working Class Please Stand Up?" in *Workers and Working Classes in the Middle East: Struggles, Histories, Historiographies*, ed. Zachary Lockman, (Albany: State University of New York Press: 1994), 266.

<sup>&</sup>lt;sup>110</sup> Sherry Linkon and John Russo, "Can Class Still Unite: Lessons from the American Experience," *Labor/Le Travail* 45 (2000): 349.

where people no longer identify along class lines.<sup>111</sup> This is an expression of bourgeois understanding and knowledge production. It is problematic given the increasing redistribution of surplus and reconcentration of social power in favor of capital. Pakulski and Waters' emphasis on lifestyle and consumption trends is also fetishistic; it accepts mainstream capitalist emphasis on consumption (i.e. sphere of circulation) and disregards production and its processes/relations. The fact that class as an analytical category is diminishing is, in itself, a tool (and triumph) by capital in the context of the class war.<sup>112</sup>

### Dialectical/Marxian Class Struggle

The works constituting the second corpus of literature can be said to abide by Marx's dialectical method, even if they don't explicitly state it, insofar as they identify two main classes in terms of which they conduct their analyses. In all of the investigations, the working class and capital are two sides of the same contradiction, dialectically inneracting with and maintaining one another.

The overarching commonality between all these different authors is their understanding of the working class as inclusive of all groups that are not capital. The working class does not just include industrial or commodity-producing workers; within the nature of the diverse and constantly expanding capitalism, civil servants, service sector employees and other types of workers are also grouped as part of the working class.<sup>113</sup> This corpus has a more comprehensive

<sup>&</sup>lt;sup>111</sup> Jan Pakulski and Malcolm Waters, "The Reshaping and Dissolution of Social Class in Advanced Society," *Theory and Society* 25.5 (1996): 671, 682-3.

<sup>&</sup>lt;sup>112</sup> G. M. Tamás, "Telling the Truth About Class," *Socialist Register* (2006): 255.

<sup>&</sup>lt;sup>113</sup> Rabab El-Mahdi, "Labour Protests in Egypt: Causes and Meanings," *Review of African Political Economy* 38.129 (2011): 387-402; Vincent Navarro, "Social

view of the working class, contending that even if the labor market and/or working classes have become more diverse since the dawn of capitalism, this is simply owing to the radical transformation of industries and does not make them into separate movements or groups. 114 Rather, the scholars here argue that "transcending working-class diversity" is the key to worker empowerment and that we should focus on "forging unity of purpose out of strategies of inclusiveness rather than repressing diversity."115 Differences amongst workers, such as wages and/or the type of job being done, are only capitalist ideas intended to break up workers' ranks. 116 Workers are, more or less, as Marx emphasized, interchangeable labor-power sellers. 117 El-Mahdi, for example, deems the distinctions between different types of workers (i.e. middle class) to be "redundant and misleading" 118 whereas Post is highly critical of the notion of a "labor aristocracy" that coalesces with capital against its fellow lesser-skilled workers, asserting that this stratum of workers is much more likely to be engaged in the struggle on behalf of the entire class because they have less individual life problems with which to deal. 119 Even work that admits the development of finer distinctions than simply skilled and unskilled labor acknowledges that this does not create new classes and only provides different

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Movements and Class Politics in the US," *Socialist Register* (1988): 425-447; Tamás, "Telling the Truth About Class"; Cleaver, *Reading* Capital *Politically*, 70. <sup>114</sup> Leo Panitch, "Reflections on Strategy for Labour," *Socialist Register* (2001): 368-392; Eric Hobsbawm, *The Age of Extremes*, (New York: Vintage Books, 1996): 304.

<sup>&</sup>lt;sup>115</sup> Panitch, "Reflections on Strategy for Labour," 370 (emphasis in original).

<sup>&</sup>lt;sup>116</sup> R.M. Blackburn and Michael Mann, *The Working Class in the Labour Market*, (London: The Macmillan Press, 1979), 30.

<sup>&</sup>lt;sup>117</sup> Ibid., 296.

<sup>&</sup>lt;sup>118</sup> El-Mahdi, "Labour Protests in Egypt," 389.

<sup>&</sup>lt;sup>119</sup> Charles Post, "Exploring Working-Class Consciousness: A Critique of the Theory of the 'Labor Aristocracy'," *Historical Materialism* 18 (2010): 28, 33.

matrices of inequality within society.<sup>120</sup> This dialectical understanding presents a view of class as objective, but not static, that is unlike approaches comprising the first body of literature.<sup>121</sup>

Even though this category of literature utilizes a conception of class very close to mine, not all the work in this corpus uses the labor theory of value to analyze the dynamics between capital and labor. These authors conduct their studies within the dialectic of a global capitalist totality but do not go as far as to explain the materialities and value behind these processes and relations. This is done, for example, by situating the state form within the broader context of global capitalism and explaining how neoliberal measures taken were detrimental for the majority of the people (i.e. the working class). Hanieh details some of neoliberalism's devastating effects on workers across the Middle East, elaborating it was differently experienced in different contexts. He mentions, for example, the reduction of wages in the public sector and the privatization of massive industries as strategies that regional capital has used in its struggle against workers in the case of Egypt. The analysis is incomplete without value, however. It needs to be taken a step further to explain how this has materially affected workers and contributed to the devaluation of their labor-power

<sup>&</sup>lt;sup>120</sup> Erik Olin Wright, *Class Counts: Comparative Studies in Class Analysis*, (Cambridge: Cambridge University Press, 1997): 16, 18.

<sup>&</sup>lt;sup>121</sup> Marsha Pripstein Posusney, "Collective Action and Workers' Consciousness in Contemporary Egypt," in *Workers and Working Classes in the Middle East: Struggles, Histories, Historiographies*, ed. Zachary Lockman, (Albany: State University of New York Press: 1994), 211-246.

<sup>&</sup>lt;sup>122</sup> El-Mahdi, "Labour Protests in Egypt;" Koenraad Bogaert, "Contextualizing the Arab Revolts: The Politics behind Three Decades of Neoliberalism in the Arab World," *Middle East Critique* 22.3 (2013): 213-234; Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013).

<sup>&</sup>lt;sup>123</sup> Hanieh, *Lineages of Revolt*.

<sup>&</sup>lt;sup>124</sup> Ibid., 53.

commodity and disempowerment, and how it fits within a more totalizing understanding of capitalism.

On the other hand, there has, of course, been value analysis done on the relation between capital and the working class. None of it has done what my thesis does, however. Some have focused on one aspect of capitalist development and traced its effects on workers, their value and their relations vis-à-vis capital. Others have conducted a detailed value analysis of Egyptian society to show its particular experience of the class war. Those works that have combined the material aspects of the class struggle with other moments (ideal or otherwise) from the capitalist totality in one analysis are not many. Hobsbawm's seminal work investigates much of the context and adopts a labor theory of value when discussing workers and their conditions, but does so in a global and historical framework and not specifically in the neoliberal moment. None of the research done combines a value analysis with an analysis of more than one element of the capitalist totality, however, and combines different examples. Similarly, none uses that analysis to show how they are all particular expressions of the same process.

#### Conclusion

In this project, I address the abovementioned lacuna in the literature. I conduct a dialectical value analysis of the specificities of the class war in the neoliberal moment. I examine how three specific moments of the dialectic—production

 $<sup>^{125}</sup>$  See Andrejevic, "Estrangement 2.0" for a discussion of technology and its effect on labor-capital relations.

<sup>126</sup> McMahon, Crisis and Class War in Egypt

<sup>&</sup>lt;sup>127</sup> Harvey, A Brief History of Neoliberalism; Cleaver, Reading Capital Politically.

<sup>&</sup>lt;sup>128</sup> Hobsbawm, *The Age of Extremes.* 

processes, social relations and mental conceptions—inneract in the contemporary moment and how capital deploys them to its favor to devalue and divide workers as well as to normalize the current organization of society.

Production processes and mental conceptions balance between the material and the ideal aspects of the struggle, and social relations are the perfect manifestation of this inneraction. My second chapter analyzes how changes in the neoliberal moment contribute production processes in the disempowerment of workers. Evolving means of organization and technological developments in the factory change how commodities are produced; workers are no longer required to be physically present, for example, and large numbers of them are constantly being made dispensable/surplus. This, in turn, affects social organization and relations, which are the focus of Chapter 3. Examining social relations exposes how the two classes interact amongst themselves and with each other and how this transformation of relations disempowers the working class. An example is how increased pressure and the threat of proletarianization creates competition and rifts between workers; it discourages any potential organization between them. This does not only apply to the workplace; neoliberal capitalism has affected all forms of social relations. The emergence of a "middle class", for example, is a case in point. Finally, the focus on mental conceptions in Chapter 4 illustrates how the ideals of neoliberalism are propagated to become commonsensical to workers and make them internalize their own inferior positions. While I give primary importance to these three aspects of the dialectic, it is important to note that the other four moments also factor into my analysis given the innerrelations between all of them. I cannot discuss revolutionizing production, for example, without referencing technology.

My final chapter concludes the analysis by bringing all the moments of the dialectic together and suggesting means of resisting capital's efforts at disempowering workers.

Throughout my analysis, I recognize that capital's dominance is neither given nor absolute; it exists within the context of capital's constant struggle with workers. Recognizing this fact and analyzing capital's power as a conscious strategy, as Cleaver points out, is a necessary first step in sharpening working-class struggle and changing the balance of the class war to our favor.<sup>129</sup> It creates windows of opportunity to capitalize on capital's contradictions and fight back, rather than give in to capitalist control as inevitable.

<sup>129</sup> Cleaver, Reading Capital Politically, 57.

## Chapter 2

# He Who Sows Does Not Reap: Production Processes in the Class Struggle

Marx's historical materialism emphasizes the role of production in organizing society and determining everything within it, including relations and ideas. In capitalism, production is "a unity, composed of the labor process and the process of creating value." It reproduces "not only commodities, not only surplus-value, but...also...the capital-relation itself; on the one hand the capitalist, on the other the wage-laborer." In doing so, capitalist production shapes the rest of society. It creates and continuously reproduces the conditions for labor exploitation as the dialectical opposite of capitalist accumulation, locking capital and labor in a constant class struggle.

Because each moment of capitalism is unique, influenced by and influencing the balance of the class war in that specific period, the neoliberal moment has completely revolutionized production processes. Neoliberal policies gave birth to the World Trade Organization (WTO), which has abolished trade barriers and preached trade liberalization. While there have been previous advances to technology (i.e. automation) during other moments, neoliberalism has been the era of a revolution in and sudden eruption of information and communication technology. Neoliberalism has also emphasized and broadened the scope of financialization, opening up the space for unrestricted and

<sup>&</sup>lt;sup>1</sup> Karl Marx, *Capital Volume I: The Process of Production of Capital* (London: Penguin Books, 1976): 293.

<sup>&</sup>lt;sup>2</sup> Ibid., 724.

<sup>&</sup>lt;sup>3</sup> Ibid., 723.

<sup>&</sup>lt;sup>4</sup> David Ladipo and Frank Wilkinson, "More Pressure, Less Protection," in *Job Insecurity and Work Intensification*, ed. Brendan Burchell, David Ladipo and Frank Wilkinson, (London: Routledge, 2002): 15.

<sup>&</sup>lt;sup>5</sup> David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005): 157.

deregulated speculative activities and expanding the reach of credit as a means for capitalist accumulation.<sup>6</sup> These changes have affected capital's relations with workers across the globe. They have altered the ways in which production is organized, raised productivity levels and increased capital's accumulation. They have also changed the nature of work, introducing novel, and more precarious, forms of labor.<sup>7</sup>

This chapter analyzes how neoliberalism's radical restructuring of production processes has severely weakened the working class vis-à-vis capital. Many workers have become underemployed or unemployed and reduced to capital's reserve army of labor. They are being devalued by working conditions that are increasingly more intense, more extensive and/or more precarious, conditions that have been facilitated by the leaps in technology, including communication technology. Workers are further devalued as capital in the neoliberal moment constantly unburdens itself of workers' social reproduction and dumps that responsibility and its costs on to them, without proportionately compensating them for it. Workers are also dispossessed and devalued through aggressive financial predation and primitive accumulation practices in the neoliberal moment. In addition to being devalued, workers are also broken up as capital imposes a new division of labor that transcends national borders.

<sup>&</sup>lt;sup>6</sup> Ladipo and Wilkinson, "More Pressure, Less Protection," 21; Harvey, *A Brief History of Neoliberalism*, 161.

<sup>&</sup>lt;sup>7</sup> Arne L. Kalleberg, "Precarious Work, Insecure Workers: Employment Relations in Transition," *American Sociological Review* 74 (2009): 2.

<sup>&</sup>lt;sup>8</sup> Susanne Soederberg, "The US Debtfare State and the Credit Card Industry: Forging Spaces of Dispossession," *Antipode* 45.2 (2013): 498.

#### Devaluation

There are several mechanisms by which capital further exploits and devalues workers in the workplace. To exploit them, capital makes workers do more for less. It can increase the intensity and/or extent of work. It can also directly devalue them by either decreasing the value of their means of subsistence or having them pay more for it, in both cases effectively increasing the costs of their social reproduction.

In this section, I look at ways by which capital exploits and devalues workers in production. I focus on the intensification/extension of work through various means, including precarious work and the so-called "gig economy," and on activities that amount to primitive accumulation, including privatization, financialization and the increase in social reproduction costs and their off-loading onto workers.

### Intensifying, Extending and/or Casualizing Work

Capital constantly wants to increase its accumulation of surplus-value. To do so, it has to manipulate either the extent or the intensity of work, or both. The former involves increasing the amount of surplus-time available, possibly by increasing the workday, whereas the latter is concerned with productivity. Increasing productivity as such "mean[s] an alteration in the labor process of such a kind as to shorten the labor-time socially necessary for the production of a commodity and to endow a given quantity of labor with the power of producing a greater quantity of use-value." It is the ratio of constant capital to variable capital, whereby efficient workers produce more surplus-value in the same

<sup>&</sup>lt;sup>9</sup> Marx, Capital Volume I, 431.

amount of time or even less; an increase in productivity is often directly related to technological innovation. While there are multiple ways of intensifying and/or extending exploitation and the workday, I focus on the new means capital has deployed to do so in the neoliberal moment. These include technological means that have facilitated new work arrangements, a rise in temporary and precarious labor, and the emergence of the so-called "gig economy," which have all contributed to the intensified exploitation of workers, their subsequent devaluation and disempowerment, and the increased accumulation of capital.

Capital has utilized many of the technological advancements that have emerged in the neoliberal era to extend labor-time and increase workers' productivity. This is not an unintended consequence of an otherwise neutral technology; as the dominant power in social relations in this era, capital has been able to decide what problems technology will fix.<sup>10</sup> In this case, the problem is work intensity and capital accumulation. As more workers own or are supplied with smartphones, tablets and laptops, communication with them is easier and more immediate. They become constantly connected to work, even during their free time.<sup>11</sup> Their exploitation becomes easier. These devices allow labor-time to be extended beyond the bounds of the workplace. In Britain, for example, one study showed that email use for work added an additional four hours to a normal workweek.<sup>12</sup> The extra hours technology adds to the working day are not paid overtime, but are rather voluntary. Even though workers perceive this extension

<sup>&</sup>lt;sup>10</sup> Sean McMahon, *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy*, (London: Zed Books, 2017): 47.

<sup>&</sup>lt;sup>11</sup> Jennifer L. Glass and Mary C. Noonan, "Telecommuting and Earnings Trajectories Among American Women and Men 1989-2008," *Soc Forces* 95.1 (2016): 19.

<sup>&</sup>lt;sup>12</sup> Aaron David Waller and Gillian Ragsdell, "The Impact of E-Mail on Work-Life Balance," *Personnel Review* 41.6 (2012): 162

as having negative effects on their personal lives,<sup>13</sup> they volunteer the extra hours. They believe that, because they can, they have to be available and check their email, take phone calls or otherwise work on the weekend or after work hours.<sup>14</sup> In this case, capital succeeds not only in extending working hours and extracting more unpaid labor-time from workers; it is also able to normalize it and have them volunteer to do it rather than protest their increased exploitation. This extension is not inevitable, though. In societies where the working class is relatively empowered, like France for example, work emails have been banned after working hours.<sup>15</sup> This deprives capital of one means of exploiting workers, and indicates that there *are* arenas open to working class resistance and pressure so that they gain some power against capital in the class war.

Technological advancement has also allowed more exploitation through work arrangements that masquerade as increased flexibility. Easy and constant access to technological devices has enabled workers to work remotely, with an estimated 13 percent of American workers working off-site and often from home in 2004. While telecommuting is often seen as a positive aspect of work, allowing workers to save time on the actual commute, for example, this is not the case. Workers do not actually save time, because they end up working longer hours. They are also more likely to work when they are not supposed to, seeing

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email.html?\_r=0

<sup>&</sup>lt;sup>13</sup> Ibid., 169.

<sup>&</sup>lt;sup>14</sup> Ibid., 168; Clare Kelliher and Deirdre Anderson, "Doing More With Less? Flexible Working Practices and the Intensification of Work," *Human Relations* 63.1 (2010): 93.

<sup>&</sup>lt;sup>15</sup> Alissa J. Rubin, "France Lets Workers Turn Off, Tune Out and Live Life," *The New York Times*, January 2 2017. Available online at: https://www.nytimes.com/2017/01/02/world/europe/france-work-

<sup>&</sup>lt;sup>16</sup> Glass and Noonan, "Telecommuting and Earnings Trajectories," 2.

<sup>&</sup>lt;sup>17</sup> Ibid., 16-17, 19; Kelliher and Anderson, "Doing More With Less?" 92, 98.

as they do not have to go to the workplace to do so.<sup>18</sup> It becomes harder for workers to disconnect from their work, and they end up providing capital with more labor time.<sup>19</sup> Capital takes advantage of the convenience of remote work for workers to rob them of more labor time. In addition to workers having to purchase the means of production themselves at home (i.e. electricity and internet connection), capital does not pay workers for the extra hours they work at home and, in the rare events that it does, workers are compensated for much less than if they spent more hours at the workplace.<sup>20</sup> Working from home also intensifies workers' labor. As they are less likely to be distracted by office socialization/interaction, workers exert more effort and focus better on their tasks when working remotely.<sup>21</sup> This also serves another purpose for capital, as workers become less likely to organize with their fellow workers. Although these new work arrangements, facilitated by technology, are actually more exploitative, their propagation as "flexible" makes workers feel grateful and/or obligated to give something back, to the extent that they sometimes voluntarily offer more labor time and effort.<sup>22</sup> Capital pushes workers to internalize their own exploitation. Thus, by increasing the intensity and extent of work, capital increases its rate of exploitation and accumulates more surplus-value. Increasing productivity also means capital needs less workers. With this, capital heightens inter-worker competition and raises unemployment rates, pushing wages down; it commensurately reduces the value of workers' labor power commodity. If workers move beyond the appearance of flexibility and understand their

<sup>&</sup>lt;sup>18</sup> Kelliher and Anderson, "Doing More With Less?" 92.

<sup>&</sup>lt;sup>19</sup> Ibid., 94.

<sup>&</sup>lt;sup>20</sup> Glass and Noonan, "Telecommuting and Earnings Trajectories," 18.

<sup>&</sup>lt;sup>21</sup> Kelliher and Anderson, "Doing More With Less?" 93-4.

<sup>&</sup>lt;sup>22</sup> Ibid., 95, 98.

exploitation for what it is, they can fight it. A most basic method would be to take matters into their own hands and stop volunteering the extra work, for example.

In the neoliberal moment, capital has also created jobs that are more precarious and more exploitative of labor, but that are more cost-effective for capital and its accumulation. These include short-term contracts, temporary and part-time jobs, and free-lancing. Since neoliberalism became dominant in the 1970s, the percentage of temporary jobs has increased.<sup>23</sup> Short-term contracts have also become very common given the degree of flexibility they afford employers.<sup>24</sup> In 2008, the International Labor Organization (ILO) estimated that less than 40 percent of workers had full-time jobs.<sup>25</sup> In the United States, agencies offering temporary help increased by an estimate of 11 percent a year between the 1970s and late 1990s.<sup>26</sup> Meanwhile, the years between 1979 and 1984 saw a 7 percent decline in Britain's full-time workers.<sup>27</sup> In 2013, 20.4 percent of the entire European Union workforce were part-timers.<sup>28</sup> In Japan, only one third of a company's employees have full-time status and benefits; everyone else is part-time and/or temporary.<sup>29</sup> In South Korea, temporary workers accounted for 32.4 percent of all workers in 2014 and 19 percent of

<sup>&</sup>lt;sup>23</sup> Kalleberg, "Precarious Work, Insecure Workers," 7-8.

<sup>&</sup>lt;sup>24</sup> Harvey, A Brief History of Neoliberalism, 168.

<sup>&</sup>lt;sup>25</sup> Andrew Herod and Rob Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," in *Neoliberal Capitalism and Precarious Work: Ethnographies of Accommodation and Resistance*, eds. Rob Lambert and Andrew Herod, (Cheltenham, UK: Edward Elgar Publishing, 2016): 1

<sup>&</sup>lt;sup>26</sup> Kalleberg, "Precarious Work, Insecure Workers," 8.

<sup>&</sup>lt;sup>27</sup> Maria Hudson, "Flexibility and the Reorganization of Work," in *Job Insecurity and Work Intensification*, ed. Brendan Burchell, David Ladipo and Frank Wilkinson, (London: Routledge, 2002): 40.

<sup>&</sup>lt;sup>28</sup> Herod and Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," 11.

<sup>&</sup>lt;sup>29</sup> Hudson, "Flexibility and the Reorganization of Work," 42.

Australian workers have non-standard/casual jobs.<sup>30</sup> While the changes might not seem dramatic in figures, they reflect one overarching policy of making workers more easily replaceable and shortening the duration of capital's commitments to them. It is also a means by which capital can circumvent relatively strong labor regulations in place in some countries.<sup>31</sup> In all cases, it is a means to drive down workers' wages. With no permanent status to protect them or make them feel secure, these temporary and part-time workers are more vulnerable to capital. They are more likely to go over and beyond their job requirements in an attempt to upgrade their employment status. Even though they are paid less than their full-time/permanent counterparts and are expected to work fewer hours, they usually end up working the same number of hours.<sup>32</sup> They are also less likely to risk aggravating their employers by organizing and/or pressuring for demands. Because they have no job security, temporary/part-time workers do not resist the severe exploitation to which they are subjected.<sup>33</sup> These workers also feel they are too weak for their individual or collective resistance to amount to anything.<sup>34</sup> This situation is an indication of capital's clever strategizing in this moment in the class war. Capital exploits workers for more surplus-value through unpaid work, while workers are devalued and increasingly too vulnerable, which makes it harder for them to organize.

<sup>&</sup>lt;sup>30</sup> Herod and Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," 9.

<sup>&</sup>lt;sup>31</sup> Ibid., 17.

<sup>&</sup>lt;sup>32</sup> Kelliher and Anderson, "Doing More With Less?" 93.

<sup>&</sup>lt;sup>33</sup> Ibid., 99.

<sup>&</sup>lt;sup>34</sup> Nicole S. Cohen, "Negotiating Writers' Rights: Freelance Cultural Labour and the Challenge of Organizing," *Just Labour* 17&18 (2011): 133.

The increase in worker precariousness is not confined to specific fields. In the neoliberal moment, it has been extended to include fields previously considered secure, including medicine, the university and journalism.<sup>35</sup> Selfemployment and "independent work", for example, accounts for a guarter of workers in professional, scientific and technical fields and for 20 percent in arts and entertainment.<sup>36</sup> In the European Union, independent work is the fastestgrowing method of employment.<sup>37</sup> Academia, especially in the United States, has witnessed a simultaneous decline in full-time and tenured/tenure-track appointments and rise in non-tenured and adjunct positions since the 1970s.<sup>38</sup> A job that was once characterized as the "last good job in America" <sup>39</sup> has now become as precarious as the rest, as academics find themselves easily replaceable and more constrained by the threat of insecurity. Similarly, journalists in Canada are increasingly working free-lance or are self-employed, rather than enjoying secure permanent positions.<sup>40</sup> Their incomes are unstable and they become vulnerable to being forced into the ranks of the surplus population. The precariousness and vulnerability of workers is not particular to one place and/or field.

Another neoliberal innovation in production that has worsened and intensified workers' exploitation, further disempowering them, has been the so-called emerging "gig economy" in recent years, spanning most (if not all) of the

<sup>&</sup>lt;sup>35</sup> David Harvey, *A Companion to Marx's Capital*, (London: Verso Books, 2010):

<sup>279;</sup> Cohen, "Negotiating Writers' Rights," 119.

<sup>&</sup>lt;sup>36</sup> Herod and Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," 13.

<sup>&</sup>lt;sup>37</sup> Ibid., 14.

<sup>&</sup>lt;sup>38</sup> Kalleberg, "Precarious Work, Insecure Workers," 8.

<sup>&</sup>lt;sup>39</sup> Otd. in Kalleberg, "Precarious Work, Insecure Workers," 8.

<sup>&</sup>lt;sup>40</sup> Cohen, "Negotiating Workers' Rights," 120.

services sector. Initially, the term "gig economy" was coined to describe people who, after the financial crisis in 2007-8, were forced to take on part-time and temporary jobs here and there, who essentially lived off of "gigs."<sup>41</sup> Today, the "gig economy" has come to denote the rising wave of technology-facilitated platforms that match service providers with those who need that particular service, most famous of which, perhaps, is Uber. Some of these platforms' services are performed offline and others are entirely finished online.<sup>42</sup> In both cases, they reflect work that has become more casual and unbinding work relations for capital.

The platforms of the gig economy, though flexible and convenient for their users and profitable for their owners, are even more exploitative of labor than normal work relations. Refusing to acknowledge the employment relationships they create and are part of, these platforms insist their service providers are independent contractors and that their only role is to connect them with clients.<sup>43</sup> Instead of calling their services work (as they are), these companies use euphemisms, framing their services as "tasks," "rides," or "gigs," for example.<sup>44</sup> Beneath this insistence is a very strong material explanation. These different characterizations use the pretense of "sharing" to conceal the fact

<sup>&</sup>lt;sup>41</sup> Tina Brown, "The Gig Economy," *The Daily Beast*, January 12 2009. Available online at: <a href="http://www.thedailybeast.com/articles/2009/01/12/the-gig-economy.html">http://www.thedailybeast.com/articles/2009/01/12/the-gig-economy.html</a>; Tom Musbach, "Thriving in the 'Gig Economy'," *Fast Company*, March 19 2009. Available online at:

https://www.fastcompany.com/1222400/thriving-gig-economy

<sup>&</sup>lt;sup>42</sup> Valerio De Stefano, "The Rise of the "Just-In-Time Workforce": On-Demand Work, Crowdwork, and Labor Protection in the "Gig-Economy," *Comparative Labor Law and Policy Journal* 37 (2016): 471.

<sup>&</sup>lt;sup>43</sup> Antonio Aloisi, "Commoditized Workers: Case Study Research on Labor Law Issues Arising From a Set of "On-Demand/Gig Economy" Platforms," *Comparative Labor Law and Policy Journal* 37 (2016): 653.

<sup>&</sup>lt;sup>44</sup> De Stefano, "The Rise of the "Just-In-Time Workforce"," 478-9.

that the service providers are selling their labor-time. <sup>45</sup> By thus not acknowledging their service providers as workers/employees, these platforms can evade labor power costs altogether while still accumulating. The gig economy companies do not have to guarantee or pay a minimum wage (or any wage for that matter), nor do they have to provide any form of benefits or insurance. <sup>46</sup> In fact, their terms and conditions often explicitly state that they will not provide any of that. <sup>47</sup> Already, just by virtue of how this work relation is arranged, workers' labor power commodity is devalued; they are not guaranteed any minimums and often have to work very long hours to achieve a living wage. At the same time, the companies/platforms stand to take a cut of each gig. Uber, for example, takes 20-30 percent off of every ride, in addition to other standard fees. <sup>48</sup> The CEO of CrowdFlower, one of such platforms, described the situation perfectly:

Before the Internet, it would be really difficult to find someone, sit them down for ten minutes and get them to work for you, and then fire them after those ten minutes. But with technology, you can actually find them, pay them the tiny amount of money, and then get rid of them when you don't need them anymore.<sup>49</sup>

These platforms also save money on means of production. The costs are, instead, dumped on to the workers. A company like Uber, for example, relies on the cars of its service providers and does not need to buy any of its own.<sup>50</sup> It also does not need to worry about the costs of maintaining the service or the means of

<sup>45</sup> Aloisi, "Commoditized Workers," 664.

<sup>&</sup>lt;sup>46</sup> Ibid., 653, 664, 673; De Stefano, "The Rise of the "Just-in-Time Workforce"," 479, 483.

<sup>&</sup>lt;sup>47</sup> De Stefano, "The Rise of the "Just-in-Time Workforce"," 487.

<sup>&</sup>lt;sup>48</sup> Donald E. Sanders and Patricia Pattison, "Worker Characterization in a Gig Economy Viewed Through an Uber Centric Lens," *Southern Law Journal* 26 (2016): 299; Aloisi, "Commoditized Workers," 673.

<sup>&</sup>lt;sup>49</sup> Otd. in De Stefano, "The Rise of the "Just-in-Time Workforce"," 476.

<sup>&</sup>lt;sup>50</sup> Aloisi, "Commoditized Workers," 672.

production; drivers handle all costs, including gas, maintenance and insurance.<sup>51</sup> It is workers' constant capital that is depreciated and devalued. In addition to their below-subsistence level compensation, workers in the gig economy also bear the responsibility of facilitating their work. This further devalues them as it adds more burden on their income.

In addition to the many costs they save on, companies of the "gig economy" further exploit workers through longer-than-standard working hours. Because workers depend on these individual "gigs" in the form of rides, tasks or other kinds of services, their wages come entirely from clients. They are paid only for the actual work done, after it is done.<sup>52</sup> Using this system of piece wages is directly in the interest of capital. In addition to not having to pay anything out of their own pockets, these platforms now push workers to work even more. This dynamic fosters competition between workers, discouraging organization or solidarity between them, and also helps raise productivity levels.<sup>53</sup> In both cases, capital accumulates while simultaneously disempowering workers. Moreover, many of the workers who join these platforms as service providers do not do so in their leisure time; these platforms are how they primarily make a living.<sup>54</sup> According to one ILO survey, at least 40 percent of the respondents relied on such work for their income.<sup>55</sup> In France, 81 percent of Uber drivers have no other jobs, and 71 percent depend on their Uber services as their

<sup>&</sup>lt;sup>51</sup> Ibid., 673.

<sup>&</sup>lt;sup>52</sup> De Stefano, "The Rise of the "Just-in-Time Workforce"," 476.

<sup>&</sup>lt;sup>53</sup> Harvey, *A Companion to Marx's Capital*, 242; De Stefano, "The Rise of the "Just-in-Time Workforce"," 479.

<sup>&</sup>lt;sup>54</sup> De Stefano, "The Rise of the "Just-in-Time Workforce"," 476.

<sup>&</sup>lt;sup>55</sup> Ibid., 476n.

biggest, or only, source of income.<sup>56</sup> Thus, the platforms more or less guarantee extended working hours as workers increase their hours to reach suitable income levels.<sup>57</sup> In addition to the fact that the "gig economy" is structured in a way that encourages longer and more intensified labor, its platforms also explicitly encourage this type of work. They advertise this as evidence of being hardworking, dedicated and perfect for the job, all very powerful neoliberal values as will be discussed in Chapter 4, rather than of "the cannibalistic nature of the gig economy."58 These platforms present themselves as altruistic, an easy means of adding to your income and/or a means of sharing and socializing. What they do not admit is that they prey on workers' contemporary vulnerability and lack of options to vastly accumulate. Uber, for instance, has an estimated worth of \$62.5 billion.<sup>59</sup> Meanwhile, its drivers, and the workers of other platforms, work very long hours for substandard wages, of which the platforms also take a cut. Viewed from this lens, the 'gig economy' very simply becomes capital's latest form of precarious and exploitative work in the neoliberal era, an updated version of the putting out system.

The previous cases are examples of how neoliberalism has sought to restructure work relations and processes in its own favor. It has rearranged pre-

<sup>&</sup>lt;sup>56</sup> Augustin Landier, Daniel Szomoru, and David Thesmar, "Working in the On-Demand Economy; An Analysis of Uber Driver-Partners in France," *Working Paper*, March 4 2016, 6. Available online at:

https://sites.google.com/site/dthesmar/working-papers

<sup>&</sup>lt;sup>57</sup> Aloisi, "Commoditized Workers," 662.

 $<sup>^{58}</sup>$  Jia Tolentino, "The Gig Economy Celebrates Working Yourself to Death," *The New Yorker*, March 22 2017. Available online at:

http://www.newyorker.com/culture/jia-tolentino/the-gig-economy-celebrates-working-yourself-to-death

<sup>&</sup>lt;sup>59</sup> James Bloodworth, "Uber's Vision of a 'Gig Economy' Doesn't Only Exploit Workers – It Harms Us All," *International Business Times*, November 1 2016. Available online at: <a href="http://www.ibtimes.co.uk/ubers-vision-gig-economy-doesnt-only-exploit-workers-it-harms-us-all-1589175">http://www.ibtimes.co.uk/ubers-vision-gig-economy-doesnt-only-exploit-workers-it-harms-us-all-1589175</a>

existing work arrangements and introduced new ones to enable its accumulation on one end, and discipline and devalue workers, on the other.<sup>60</sup> As capital increasingly exploits workers and extracts more work from them for the same or less exchange-value, its productivity increases and it needs less workers; it devalues workers' labor-power commodity. The intensification and extension of work also lowers both the amount of time and the resources workers have to reproduce themselves. While worker resistance is difficult, considering neoliberalism's general conditions of immiseration, the growth of the surplus population, (for example, over the course of twenty years between the 1980s and 2004 in the United States, over thirty million workers were laid off)61 and the rise in social distractions (i.e. television, mental conceptions...etc.,) it is not impossible. Though limited, the avenues for workers' resistance are not completely closed. The gig economy, for example, is still in its early stages and its regulations are being shaped. Workers can still exert pressure to make it more to their favor, but they need to come together and consciously do so. The controversy over the gig economy, for example, has recently resulted in a London court ruling that Uber has to recognize its employees as such and provide them with worker rights and benefits.<sup>62</sup> This is not the norm, though. Workers should understand that their lack of solidarity and organization contributes to the fact that they are so easily replaceable under neoliberalism at the moment. Workers' increasingly precarious work relations disempower them

<sup>&</sup>lt;sup>60</sup> Herod and Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," 25.

<sup>61</sup> Kalleberg, "Precarious Work, Insecure Workers," 2.

<sup>&</sup>lt;sup>62</sup> Bloodworth, "Uber's Vision of a 'Gig Economy'." The judgment itself is also available online at: <a href="https://www.judiciary.gov.uk/wp-content/uploads/2016/10/aslam-and-farrar-v-uber-reasons-20161028.pdf">https://www.judiciary.gov.uk/wp-content/uploads/2016/10/aslam-and-farrar-v-uber-reasons-20161028.pdf</a>

in relation to capital, yes, but they can organize means of resistance rather than give in to their exploitation.

## Primitive Accumulation/Accumulation by Dispossession

Another means by which capital has devalued workers through production in the neoliberal moment has been its means of accumulating value. Finance capital, the dominant faction in the neoliberal moment, greatly differs from earlier forms of capital in that it increasingly does not produce value, but rather extracts it from both workers and other factions of capital.<sup>63</sup> It engages in speculative activities that amount to "games of chance...whose only tangible result is a reshuffling of wealth and power among a tiny group of players."64 In doing so, neoliberal "production" processes are less about production and more about predation and primitive accumulation. Harvey discusses this dynamic at length, neoliberalism's predatory practices "accumulation dispossession."65 Capital accumulates, not only by exploiting workers to produce more surplus-value, but also by actively stealing from them. Direct methods of doing so have been the privatization of public assets and increased financialization; other means have targeted how workers reproduce themselves to steal from them. These processes, in turn, contribute to the massive devaluation of workers and their labor power commodity and, hence, to more capital accumulation.

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<sup>63</sup> McMahon, Crisis and Class War in Egypt, 42-3.

<sup>&</sup>lt;sup>64</sup> Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class*, (New York: HarperPerennial, 1990): 254.

<sup>&</sup>lt;sup>65</sup> Harvey, A Brief History of Neoliberalism, 159.

One of the most obvious means by which capital steals from workers in the neoliberal moment is privatization. Through this process, capital grabs what it is not entitled to, including what are supposed to be public/common goods. Privatization "open[s] up new fields for capital accumulation in domains hitherto regarded off-limits to the calculus of profitability."66 It allows capital to venture into new fields and commodify them into profit-generating endeavors. This includes obvious things like the public services sectors and public institutions, as well as less obvious ones, like intellectual property rights and the commodification of culture in the form of tourism, and results in massive accumulation.<sup>67</sup> In Egypt, for example, privatization has been a primary means of accumulation for capital. In 1991, it put 314 entities of its public sector on the market, which included a wide range of fields including industry, hotels and communications enterprises, and, by 2008, had a regional record of \$15.7 billion worth of privatization.<sup>68</sup> In more recent years, the Egyptian state-form has also listed shares in publicly owned companies, including at least two state-owned banks, to be traded on the stock market.<sup>69</sup> While capital obviously benefits, this negatively affects workers on the opposite side of the relation. This transfer of value translates into their massive disempowerment and devaluation. As

<sup>&</sup>lt;sup>66</sup> Ibid., 160.

<sup>67</sup> Ibid., 160.

<sup>&</sup>lt;sup>68</sup> Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013): 50.

<sup>69</sup> Mahmoud Askar, "Ba'd 'amayn Min Matalib Ra'īs Al-bursa B-tarḥ Al-sharikāt Al-'āma... Al-ḥukūma Tastagīb W Tu'lin Tarḥ Bankayn Lil-'Iktitāb Al-'ām... W Muḥalilūn: 19 Sharika Tantathir Al-tarḥ fī 2016... W Satudīf Siyūla Dakhma Lilsūq W Tugthib Mostathmirīn Gudud," [Two Years After the Stock Market's President Requested the Listing of Public Companies, the Government Responds and Announces the Public Listing of Two Banks... Analysts: 19 Companies Waiting for Listing in 2016 and Will Add Massive Liquidity to the Market and Attract New Investors], *Youm 7*, January 19, 2016.

previously public enterprises become private, workers are more vulnerable to capital. Motivated by increasing productivity and surplus-value as much as possible, capital cuts back on costs. This includes revoking workers' rights to a state pension and/or free healthcare, for example. In Egypt, privatization severely worsened working conditions and reduced real wages. In some cases, this also entails cutting back on workers themselves; an Egyptian textile company cut its labor force by more than half over the few years after its privatization. Privatization as accumulation by dispossession not only redistributes resources to capital's advantage, but also severely weakens workers. It robs workers of their right to public goods and leaves them scrambling to compensate their losses in wages and/or benefits. As workers are forced to lower their consumption, this translates into the devaluation of their labor power commodity and their disempowerment vis-à-vis capital.

Another direct means of accumulation by dispossession in the neoliberal moment has been financialization. This process has been so rampant that Harvey maintains that "[n]eoliberalization has meant, in short, the financialization of everything." The opening up of financial markets and extending them across the world with few regulations helps capital accumulate at the expense of workers. Essentially, financialization is financiers and investment bankers gambling away with "wealth that represents the labor of workers, the ingenuity of scientists and technicians [and] the vanishing abundance of natural resources" through their speculations, mergers and acquisitions to increase their own

<sup>&</sup>lt;sup>70</sup> Harvey, A Brief History of Neoliberalism, 161.

<sup>&</sup>lt;sup>71</sup> Hanieh, *Lineages of Revolt*, 60.

<sup>&</sup>lt;sup>72</sup> Ibid., 60.

<sup>&</sup>lt;sup>73</sup> Harvey, A Brief History of Neoliberalism, 33.

accumulation.<sup>74</sup> This increases the risk of workers' devaluation because, while these bankers earn millions, workers can lose everything in one of their gambles. They are at the mercy of bankers' and capitalists':

[s]tock promotions, ponzi schemes, structured asset destruction through inflation, asset-stripping through mergers and acquisitions...to say nothing of corporate fraud, dispossession of assets (the raiding of pension funds and their decimation and corporate collapses) by credit and stock manipulations.<sup>75</sup>

Workers also become more vulnerable as they are pulled into this financialization through things like consumer credit and the securitization of pensions. <sup>76</sup> The bankruptcy of Enron Corporation in 2001, for example, is a case in point. The most affected at the time were workers who lost their livelihoods and pensions. <sup>77</sup> Furthermore, the increasing innerconnections between economies and financial markets mean that when a crisis erupts, it affects all societies, regardless of its place of origin. <sup>78</sup> When this occurs, workers everywhere are the ones who bear the brunt of it. They are dispossessed while banks' interests are safeguarded and prioritized. <sup>79</sup> More recently, after the 2007-2008 financial crisis, the United States bailed out banks with over \$1 trillion, and has left American and international workers to absorb and deal with the effects

<sup>&</sup>lt;sup>74</sup> Ehrenreich, *Fear of Falling*, 254-5.

<sup>&</sup>lt;sup>75</sup> Harvey, A Brief History of Neoliberalism, 161.

<sup>&</sup>lt;sup>76</sup> For a detailed analysis of the latter see Susanne Soederberg, "Cannibalistic Capitalism: The Paradoxes of Neoliberal Pension Securitization," in *The Crisis This Time: Socialist Register 2011*, eds. Leo Panitch, Greg Albo and Vivek Chibber, 224-241 (Pontypool: Merlin Press, 2011).

<sup>&</sup>lt;sup>77</sup> Harvey, A Brief History of Neoliberalism, 162.

<sup>&</sup>lt;sup>78</sup> Ibid., 94.

<sup>&</sup>lt;sup>79</sup> McMahon, Crisis and Class War in Egypt, 43.

of the crisis.<sup>80</sup> Financialization thus helps capital not only accumulate, but also weaken workers and make them dependent on it. It is not a done deal, however. Workers can still refuse to pay the price for capital's mistakes and put an end to (or at least limit) its predation. Nothing is set in stone, but it depends on workers coming together and acting to change the balance of the class war.

Capital does not only steal from workers by directly grabbing what is theirs and/or extracting value from them. It also does so in more indirect ways. It robs workers by increasing the cost of their social reproduction and forcing them to devalue their labor power commodity.<sup>81</sup> One way to do this is by raising the price of food, something that has been happening across the world, not just in a specific society.<sup>82</sup> Between 2010 and 2011, for example, the food price index increased from 160.3 to 188 and the price of wheat per metric ton almost doubled.<sup>83</sup> Another way by which capital increases the cost of workers' social reproduction in the neoliberal moment is decreasing social spending. This includes the reduction or complete revocation of subsidies, for example, and cutting back on welfare. These processes reflect a strategy on behalf of capital; they are not particular to one society, but rather seem to indicate a global trend. In the 1980s, one of Margaret Thatcher's policies was to curb public spending, which would contribute to the devaluation of workers.<sup>84</sup> In the 1990s, Indonesia,

<sup>&</sup>lt;sup>80</sup> Fred Goldstein, *Low-Wage Capitalism: Colossus with Feet of Clay–What the New Globalized, High-Tech Imperialism Means for the Class Struggle in the U.S.,* (New York: World View Forum, 2008): xv.

<sup>&</sup>lt;sup>81</sup> Harry Cleaver, *Reading* Capital *Politically*, (USA: The Harvester Press, 1979): 135.

<sup>82</sup> Ibid., 157-8.

<sup>83</sup> McMahon, Crisis and Class War in Egypt, 54-5.

<sup>84</sup> Harvey, A Brief History of Neoliberalism, 59.

following IMF-mandated policies, completely removed food and gas subsidies.<sup>85</sup> Between the 1980s and late 1990s, Egypt cut back spending on subsidies by more than half.<sup>86</sup> It has also recently continued this reduction, completely lifting natural gas subsidies, partially reducing gasoline and electricity subsidies, reducing food subsidies by 14 percent in 2014 and health subsidies by more than half.<sup>87</sup> In Palestine, the Palestinian Authority has completely revoked electricity and water subsidies.<sup>88</sup> Capital takes advantage of workers' relative social disempowerment to pass the policies that help it, but the working class should not silently accept this; it needs to realize the implications for itself.

Increases in the prices of means of subsistence and the massive reductions to social spending mean that workers have to bear the entire responsibility for their reproduction. These policies signal an attack on workers and a massive decrease in their value as they are forced to forgo some things to afford others. To maintain their value, workers have to either spend more on food and less on other needs/commodities, or they have to lower the quality of their means of subsistence, as their wages generally do not experience commensurate increases. In either case, the value of their labor power drops as they are forced to reproduce themselves with less value.<sup>89</sup> In Egyptian society, for example, the poor are forced to reproduce themselves on what one nutritionist calls "the three poisons of modern food: salt, sugar and fat," because

<sup>85</sup> Ibid., 96.

<sup>86</sup> Hanieh, Lineages of Revolt, 69.

<sup>&</sup>lt;sup>87</sup> Iman Salah ElDin, "Taqlīs Al-da'm… Al-qarār Al-'agra' Fī 2014," [Reducing Subsidies… The Boldest Decision of 2014,] *EgyNews*, December 23 2014.

<sup>88</sup> Hanieh, *Lineages of Revolt*, 116.

<sup>&</sup>lt;sup>89</sup> McMahon, Crisis and Class War in Egypt, 115.

they can afford nothing else. 90 Workers are also further devalued as the consequences of their forced compromises catch up with them. In Egypt and Morocco, for example, reduced public spending and its ensuing impoverishment contributed to 20 percent of the societies' children being malnourished between 2000 and 2006 and to high rates of illiteracy—44 percent in Morocco and 34 percent in Egypt. 91 The increases in food prices and the pressure social reproduction exerts over workers' wages disempowers workers in their relation with capital. 92 Capital pays them less, saves on its production costs, as it offloads social reproduction onto workers, and maintains its same level of accumulation if not more. 93 If workers want to maintain the value of their labor power at the same level, they are forced to incur even more costs. This includes elements like better education or healthcare, for example, or acquiring new skills and knowledge that would help them compete for better-compensated jobs. 94 While workers' reproduction has been thus socialized on to them, this has not always been the case. There were times when the working class was strong and demanded a minimum degree of rights and privileges, including welfare. This is what workers need to empower themselves enough to be able to do.

Primitive accumulation, or accumulation by dispossession, helps capital lower workers' value and empower itself in relation to them. This process allows capital to accumulate with little cost as it preys on workers and extracts value

<sup>&</sup>lt;sup>90</sup> Maddison Sawle, "Egypt's Working Poor Are Facing A Silent Killer: Bad Food," Mada Masr, January 3 2017. Available online at:

http://www.madamasr.com/en/2017/01/03/feature/society/egypts-working-poor-are-facing-a-silent-killer-bad-food/

<sup>&</sup>lt;sup>91</sup> Hanieh, *Lineages of Revolt*, 72.

<sup>&</sup>lt;sup>92</sup> Ibid., 64, 68.

<sup>93</sup> Cleaver, Reading Capital Politically, 133.

<sup>&</sup>lt;sup>94</sup> McMahon, *Crisis and Class War in Egypt*, 115; Cohen, "Negotiating Workers' Rights," 127.

from them through processes like privatization, financialization and welfare reduction. The value of the working class falls as its wages and working conditions deteriorate. It is dispossessed, vulnerable and forced to incur the increasing costs of its social reproduction. Nevertheless, capital's relative empowerment is not inevitable. The class war balance is constantly changing and, like capital manipulates production processes to devalue workers, so too can workers take advantage of their position to strike back at capital.

#### Division

In addition to devaluing them, capital also divides workers in an attempt to disempower them. A strong working class is one that understands itself to be a class for itself and in itself; when workers are divided along whatever lines, this task becomes much harder. This section focuses on workers' division in the sphere of production. The primary means of doing so in the neoliberal moment has been through the creation of an international division of labor and pitting workers from different geographic regions against one another to bring wages down and discourage their unity.

#### The International Division of Labor

The rise in information and communication technologies in the neoliberal moment did not only open up the possibility of new work arrangements, but also offered capital a wider and more flexible labor force. These technologies facilitated the internationalization of capital, especially given the dominance of finance capital in the neoliberal moment, and the widening of capital's

95 Cleaver, Reading Capital Politically, 83-4.

transnational linkages and its extension beyond national borders. 96 They allowed capital to save on the cost of means of production (i.e. transport and communication) and access a wider reserve army of labor. 97 While some would positively characterize this extension as "global integration," this is a mischaracterization of a very deliberate move in the class war.98 The interests of capital strictly revolve around accumulation, regardless of where individual corporations originate.<sup>99</sup> These technologies and the transnationalization (often termed globalization) make it easier for capital to control and connect with labor all over the world, providing it with a much wider pool of workers. 100 This was also made even more significant with the end of the Cold War, as the global labor force came to include workers of the entire Soviet bloc and its allies, and of the imperialized world (who objectified less value). 101 The number of available workers for capital almost doubled between the 1980s and 2000. 102 With capital thus extending its hold more easily across the world, it is able to impose a division of labor across the world, rather than simply within the walls of the factory/workplace. 103 It offshores many of its tasks and forces workers to compete, not just with their national counterparts, but with workers in every other society as well. This competition both drives wages down and fuels interworker antagonisms. This division of labor and the hierarchy it establishes are part of capital's political strategy to disempower workers and gain the upper

<sup>&</sup>lt;sup>96</sup> Hanieh, *Lineages of Revolt*, 9; Harvey, *A Brief History of Neoliberalism*, 35.

<sup>&</sup>lt;sup>97</sup> Harvey, A Brief History of Neoliberalism, 92.

<sup>98</sup> Goldstein, Low-Wage Capitalism, 19.

<sup>99</sup> Hanieh, *Lineages of Revolt*, 174.

<sup>&</sup>lt;sup>100</sup> Kalleberg, "Precarious Work, Insecure Workers," 5.

<sup>&</sup>lt;sup>101</sup> Ibid., 5; Goldstein, *Low-Wage Capitalism*, 9.

<sup>102</sup> Goldstein, Low-Wage Capitalism, 3, 4.

<sup>&</sup>lt;sup>103</sup> Ibid., 55.

hand in the class war; workers need to work together to overcome these divisions between them if they are to tip the balance of power in the class war to their favor. 104

Neoliberal capital's transnational nature means that workers almost everywhere are within its reach and that, accordingly, capital can intensify its exploitation of them. Even more than earlier moments of capital, neoliberalism is not confined to one place. This is reflected in the increasing trend towards moving entire parts of the production process to distant places. This is, of course, motivated by capital's need to minimize what it spends on means of production as much as possible and maximize accumulation. It is now able to hire workers from other societies, who objectify less value, without it moving itself.<sup>105</sup> This is evident in how, in some cases, those workers' wages are ten times cheaper than what capital would pay at home. 106 In doing so, capital is also able to move its production to societies with weak labor regulations, where it can intensify its exploitation and accumulation. This dynamic is made even more possible as all skills have become more available worldwide than before, in contrast to the old division of labor when only the simplest tasks could be delegated to less advanced societies. Even the most advanced processes can now be performed in the imperialized and less developed capitalist countries. <sup>107</sup> By being able to move aspects of its production to the cheapest spaces, capital intensifies global competition and fosters antagonisms between different workers across the world. When British Unilever announced its intention to outsource some of its

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<sup>&</sup>lt;sup>104</sup> Cleaver, *Reading* Capital *Politically*, 115.

<sup>&</sup>lt;sup>105</sup> Goldstein, *Low-Wage Capitalism*, 10.

<sup>&</sup>lt;sup>106</sup> Ibid., 14.

<sup>&</sup>lt;sup>107</sup> Ibid., 12.

production to Eastern Europe, its German employees went on strike, knowing this move would cost them their jobs. 108 Similarly, Americans no longer just compete amongst each other, but also increasingly have to compete with workers from across the world. 109 In one particular example, shipping companies are offshoring transportation jobs from the United States to Mexico in the quest for cheaper and more exploitable labor. 110 This creates direct antagonisms between American and Mexican workers and makes them lose sight of their common enemy. It also worsens the conditions for both, as Americans lose their jobs and Mexicans are given wages well below subsistence levels, especially given the relative lack of labor rights in Mexico.<sup>111</sup> Through offshoring, capital pushes global wages down. 112 Its ability to relocate production anywhere in search of workers with less value and cheaper means of production facilitates the hyper exploitation of workers across the world. 113 It disciplines workers and makes them more inclined to accept its terms with the implicit (and often explicit) threat of going somewhere cheaper. In doing so, capital breaks workers' ranks, discourages their organization and disempowers them. Confronting this dynamic has to begin by all workers, Americans and Mexicans, realizing that they would do better to unite.

Capital in the neoliberal moment has also utilized the reverse trend; in addition to finding the cheapest labor and taking production to their societies, it has worked on attracting them to other societies. The emphasis on trade

<sup>&</sup>lt;sup>108</sup> Ibid., 44.

<sup>&</sup>lt;sup>109</sup> Ibid., 13.

<sup>&</sup>lt;sup>110</sup> Richard D. Vogel, "The NAFTA Corridors: Offshoring U.S. Transportation Jobs to Mexico," *Monthly Review* 57.9 (Feb2006): 22.

<sup>&</sup>lt;sup>111</sup> Ibid., 27.

<sup>&</sup>lt;sup>112</sup> Goldstein, Low-Wage Capitalism, xiii.

<sup>&</sup>lt;sup>113</sup> Ibid., 54.

liberalization has largely facilitated migration, providing capital with a new and relatively cheaper source of labor right at home. Because migrants are generally in more vulnerable positions, they accept lower wages.<sup>114</sup> This increases capital's reserve labor army at home and becomes a means of driving down the wages of all workers. This is very clear in the case of Israel, for example, which has turned to migrant labor primarily from Asia instead of Palestinians, because the former are more exploitable and make up a reserve army that also worsens the latter's conditions.<sup>115</sup> While the particular contexts differ, this is also the same dynamic in the Gulf Cooperation Council (GCC) countries, where migrant labor is extremely exploited and vulnerable (seeing as it can be deported at will) and thus provides the perfect labor force for capital. 116 The reliance on migrant labor makes it more difficult for workers to come together. In some cases, it drives a wedge between workers and encourages competition between them. 117 This is reflected in popular discourses—President Trump's being a case in point—that claim migrants steal jobs and public benefits that are meant for nationals. 118 In other cases, worker solidarity is even more difficult, because there is very little interaction or space for it. The GCC's migrant labor force shows this very clearly; its precariousness and constant movement in and out of the country does not help organization.<sup>119</sup> Capital thus encourages migration to its own benefit, to both increase its accumulation by gaining easier access to cheaper labor and

<sup>&</sup>lt;sup>114</sup> Ibid., 151.

<sup>&</sup>lt;sup>115</sup> Hanieh, *Lineages of Revolt*, 109.

<sup>116</sup> Ibid., 127

<sup>&</sup>lt;sup>117</sup> Goldstein, *Low-Wage Capitalism*, 151.

<sup>&</sup>lt;sup>118</sup> Sally Kohn, "Nothing Donald Trump Says on Immigration Holds Up," *Time*, June 29 2016. Available online at: <a href="http://time.com/4386240/donald-trump-immigration-arguments/">http://time.com/4386240/donald-trump-immigration-arguments/</a>

<sup>&</sup>lt;sup>119</sup> Hanieh, *Lineages of Revolt*, 131.

driving down wages at home and to break up workers. This also helps explain Germany's welcoming of large numbers of refugees, who are even more vulnerable than voluntary migrants, and its policies of integration towards them.

Neoliberal capital has utilized its transnational nature to exploit workers across the world and disempower them. Its ability to take production abroad, where costs and wages are lower, allows it to drive down all wages. It also disciplines workers with the threat of them losing their jobs to cheaper workers abroad hanging over their heads, and pits them against these foreigners. The same happens when neoliberalism opens up borders and encourages migration, as lower-waged workers flock in. In both cases, capital capitalizes on national differences to foster competition and create divisions between workers. Workers do not have to succumb to this logic, however. If they were to come together, they would recognize the truth that capital tries desperately to mask: *it* is the one worsening their conditions and they belong to one global working class, with very similar experiences of exploitation. Realizing this and acting on it would rob capital of one of its most important weapons in the class war, and would enable workers to dictate their own terms on it, thereby improving all of their conditions.

### Conclusion

One of the most obvious arenas where the class war is waged is the sphere of production. Within it, capital constantly tries to introduce change and revolutionize processes to its benefit, defined in terms of accumulation and power. This chapter analyzed capital's attempts to use production processes to gain power over the working class in the class relation. A significant way by

which it has done so has been the use of technology to intensify and extend the working day, as well as to develop new working conditions that are more casual, precarious and exploitative. Emails and telecommuting, for example, make workers more likely to work more after hours or during holidays, whereas the so-called gig economy allows capital to exploit workers without even acknowledging their relation as workers. Capital also uses accumulation by dispossession to extract more value from workers and dump the burden of workers' social reproduction onto them. It privatizes public assets, for example, and decreases welfare and social spending. These forms of primitive accumulation increase costs for workers and drive down the value of their labor power commodity. It makes them more vulnerable. Moreover, capital takes advantage of cheaper foreign labor to divide workers, discipline them and further its accumulation. It saves on production costs by offshoring certain processes and/or encouraging the migration of lower-waged workers. This helps pit workers against each other and conceal the true exploitative nature of capital. It also makes them more likely to accept substandard conditions because of how this reserve labor army makes them more easily replaceable. Despite this relative disempowerment of the working class in relation to capital, it is not the end of the class war. Workers still retain the power and the means to resist if they can organize together and take advantage of the opportunities that present themselves to them. They need to keep in mind the dialectical nature of their relation with capital. As precarious or vulnerable as their positions might be, workers are still essential to capital's accumulation process. If workers capitalize on this fact, they will possess a very powerful weapon against capital that allows them to dictate their own terms, gain the upper hand in the struggle against it,

and possibly abolish it altogether. Opportunities for working class resistance are discussed in more detail in Chapter 5.

### Chapter 3

# **Political Inneractions: Social Relations in the Class Struggle**

Relations are an integral part of Marx's analysis and method. They are factors of the dialectic, elements (such as capital) that include dialectical inneractions inherent within them. They are also the connections between the different processes and elements of the totality. As evidence of this integrality, or perhaps because of it, social relations are one of the moments Marx outlines as making up the capitalist mode of production. They must be studied on their own, as well as within the context of the totality where they constantly affect and are affected by the other elements. This includes looking at inter-class relations and how capital and workers relate to one another, as well as relations between workers themselves. An examination of social relations is one of solidarity, organization, difference and exploitation. It explicitly grounds the theoretical aspects of the class war in real everyday relations and interactions.

This chapter focuses on this aspect of the dialectic. It examines social relations in the neoliberal era and how capital tries to change them to its benefit in the class war at both the universal and the particular levels. Universally, capital uses social relations in the devaluation and division of workers; each of these processes entails particular mechanisms that have particular manifestations in different contexts. For devaluation, the creditor-debtor relation is one such mechanism, and the division of workers depends on

<sup>&</sup>lt;sup>1</sup> Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method,* (Chicago: University of Illinois Press, 2003): 73.

<sup>&</sup>lt;sup>2</sup> Ibid., 26.

<sup>&</sup>lt;sup>3</sup> David Harvey, *A Companion to Marx's Capital*, (London: Verso Books, 2010): 192, 195.

relations that include that of a "middle class" as well as urban and geographic relations.

#### Devaluation

As elaborated in the previous chapter, to disempower workers (and accumulate more), one of capital's main strategies is devaluing them. By reducing the value of their means of subsistence, increasing the length of the working day, introducing innovative means of production so that workers are exploited longer for lesser wages, capital makes it difficult for them to fight back. While some workers have more leverage than others, their impoverished conditions generally discourage any resistance. Workers' impoverishment also makes them less able to impose their terms on capital. Capital's devaluation of workers is not restricted to the factory, however. It extends beyond it to include other relations, as well. One particular social relation that helps devalue, and thus disempower, workers is that between creditors and debtors.

#### Debt as a Social Relation

Debt, whether private or public, is a political tool utilized to the favor of the party in a position to lend concentrated and centralized money. Though seemingly detached and impersonal, debt is a form of social relation based on the sale and purchase of money.4 It is not one-sided; the assumption of debt is at once the creation of credit. In Marx's words, "The seller becomes a creditor, the buyer

<sup>4</sup> Ibid., 75; Susanne Soederberg, *Global Governance in Question: Empire, Class and* 

the New Common Sense in Managing North-South Relations, (London: Pluto Books, 2006): 101.

becomes a debtor" and a relation emerges between both parties. 5 Who is creditor and who is debtor depends on the particular moment in the circuit of capital (i.e. workers are creditors when they sell their labor-power until they get paid for it.) The nature of this relation, though, means that it is not neutral; it is part and parcel of the constant class war. In the neoliberal moment, debt is a tool by which capital strengthens its hold over workers and the Global South's economies and secures an outlet (albeit temporary) for its overaccumulation problem.6 The centrality of debt to neoliberal capital becomes clear when one looks back to the beginnings of this moment. The end of the United States' use of the gold standard in 1971 signaled the end of Bretton Woods and the start of a new economic order; Keynesianism was no longer dominant and speculative capital was freer than it had been before. This was further institutionalized with the IMF gaining more surveillance powers in 1977 and the establishment of the International Debt Commission (IDC) in 1979.8 Although the latter proved shortlived, it represents the more significant role of debt under neoliberalism. In the neoliberal moment, capital utilizes its ability to issue credit to simultaneously further its dominance and accumulation at both the international and local levels, and to devalue and disempower the working class in relation to itself.

The global financial system ensures that countries of the Global South remain deep in debt and cannot escape this relation. The unbalanced power dynamic between debtor and credit means that rich capitalist societies are able

<sup>&</sup>lt;sup>5</sup> Karl Marx, *Capital Volume I: The Process of Production of Capital* (London: Penguin Books, 1976): 233.

<sup>&</sup>lt;sup>6</sup> Susanne Soederberg, "The Politics of Debt and Development in the New Millenium: An Introduction," *Third World Quarterly* 34.4 (2013): 536, 539; Soederberg, *Global Governance in Question*, 117.

<sup>&</sup>lt;sup>7</sup> Soederberg, *Global Governance in Question*, 105.

<sup>&</sup>lt;sup>8</sup> Ibid., 107.

to pressure those in need of the funds to adopt their policies and keep coming for more credit; without a constant flow of credit, debtor states are unable to maintain economic and social stability or to repay their original debts. They become targets of capital strikes and vulnerable to capital's decisions. The debtor societies cannot break from this cycle or its subsequent policies and conditions even if they wish it.<sup>10</sup> The threat of withholding much-needed money is too powerful a disciplining mechanism. 11 Accordingly, the relation of debtor/creditor becomes a strategic tool in the hands of capital. It allows it to enter these societies and expand and intensify its exploitation of them. 12 The extension of credit to less advanced societies in the Global South provides capital (from the North) with the ability to dispose of its surplus, avoiding a crisis of overaccumulation in the here and now, and to prey on the resources and cheaper, more vulnerable workers of these areas. 13 Debt is a form of fictitious capital; it embodies yet to be produced value that will be collected in the future if the debtor can raise enough funds to repay both the loan and its interests (in the case of states, for example, this is through taxation and/or other austerity measures).<sup>14</sup> In doing so, fictitious capital lays claim on workers' future wages, essentially devaluing them in advance—particularly when it is accompanied by

<sup>&</sup>lt;sup>9</sup> Ibid., 99; Jesse Hembruff, "Critical Review: The Politics of Sovereign Debt," *Third World Quarterly* 34.4 (2013): 712.

<sup>&</sup>lt;sup>10</sup> Soederberg, *Global Governance in Question*, 118; Stephen Gill, "Globalization, Market Civilization and Disciplinary Neoliberalism," *Millennium: Journal of International Studies* 24.3 (1995): 408.

<sup>&</sup>lt;sup>11</sup> Soederberg, *Global Governance in Question*, 98, 114.

<sup>&</sup>lt;sup>12</sup> Ibid., 103.

<sup>&</sup>lt;sup>13</sup> Ibid., 104; Hembruff, "Critical Review: The Politics of Sovereign Debt," 721.

<sup>&</sup>lt;sup>14</sup> Hembruff, "Critical Review: The Politics of Sovereign Debt," 721.

commodity price inflation.<sup>15</sup> It also allows capital to accumulate and expand outside the production sphere and without having to produce new value.<sup>16</sup>

While public debt is technically lent to and owed by the state, in the neoliberal moment when state revenues overwhelmingly come from payroll taxes, it is paid for by the workers of those societies. It is issued with conditions and strings attached, all of which directly expropriate from the working class. While their specificities vary in different contexts, the conditions for public debt always follow the same lines: liberal fiscal policies and reforms, open markets, increased privatization and decreased social spending.<sup>17</sup> The burden of debt is borne by the state through, not the capitalist class with money, but the majority of society. 18 It has to somehow produce the value it owes. Thus, to repay its debts, a state facilitates and intensifies the exploitation of labor to accumulate more in the money-form. This is done, for example, by increasing taxes, food prices and interest rates while simultaneously cutting back on social and welfare benefits.<sup>19</sup> In the event that a state defaults, it is forced to sell off its assets (another form of privatization), decrease spending further and/or intensify its exploitation of workers by extending the workday, for example.<sup>20</sup> In both cases, capital wins. On the one hand, debt generates interest and keeps debtor countries trapped within it, and, on the other, a default leads to a pursuit of

<sup>&</sup>lt;sup>15</sup> Fred Goldstein, *Low-Wage Capitalism: Colossus with Feet of Clay–What the New Globalized, High-Tech Imperialism Means for the Class Struggle in the U.S.,* (New York: World View Forum, 2008): xv.

<sup>&</sup>lt;sup>16</sup> Susanne Soederberg, "The US Debtfare State and the Credit Card Industry: Forging Spaces of Dispossession," *Antipode* 45.2 (2013): 498.

<sup>&</sup>lt;sup>17</sup> Soederberg, *Global Governance in Question*, 110; Gill, "Globalization, Market Civilization and Disciplinary Neoliberalism," 417.

<sup>&</sup>lt;sup>18</sup> Soederberg, *Global Governance in Question*, 105.

<sup>&</sup>lt;sup>19</sup> Ibid., 105; Soederberg, "The Politics of Debt and Development in the New Millenium." 537.

<sup>&</sup>lt;sup>20</sup> Soederberg, *Global Governance in Question*, 101.

accumulation by dispossession (i.e. primitive accumulation, or accumulating surplus-value at little to no cost) through the abovementioned policies. In Mexico in the 1990s, for example, IMF policies drove the country into a massive recession and greatly immiserated its working class.<sup>21</sup>

The dynamic of public debt being off-loaded onto workers has manifested itself in many societies. One of the most noted examples has been the case of the Argentinian default in the early 2000s.<sup>22</sup> Another explicit case was when capital in the form of the U.S. government exchanged Egypt's debt for shares in a privatized company, which it later sold to workers in 1985.<sup>23</sup> More recently, both the Egyptian and the Greek societies have been forced to assume debt and have turned to their workers to service them. After the 2007-8 financial crisis erupted in the United States, its rippling effects inundated the rest of the world. Greek society was thrown into a state fiscal crisis and forced to comply with capital's terms to secure the necessary credit. Only a year or two later in 2009, Greek society was indebted by 148 percent.<sup>24</sup> By 2013-2014, Greece's public debt had reached 175 percent.<sup>25</sup> Egyptian society has long been indebted; in the early 1990s, it had the fourth largest debt in the world.<sup>26</sup> By October 2016, after five years of political and economic upheaval, it was \$53 billion in external debt, the

<sup>&</sup>lt;sup>21</sup> Gill, "Globalization, Market Civilization and Disciplinary Neoliberalism," 418.

<sup>&</sup>lt;sup>22</sup> Analyzed in both David Harvey, *A Brief History of Neoliberalism,* (New York: Oxford University Press, 2005) and Soederberg, *Global Governance in Question*.

<sup>&</sup>lt;sup>23</sup> Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013): 51.

<sup>&</sup>lt;sup>24</sup> Yiannis Mylonas, "Crisis, Austerity and Opposition in Mainstream Media Discourses in Greece," *Critical Discourse Studies* 11.3 (2014): 320, 12n.

<sup>&</sup>lt;sup>25</sup> Ibid., 318, 320, 12n; Savas Michael-Matsas, "Greece at the Boiling Point," *Journal of Socialist Theory* 41.3 (2013): 438.

<sup>&</sup>lt;sup>26</sup> Sean McMahon, *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy*, (London: Zed Books, 2017): 43.

estimated equivalent of 80-85 percent of its GDP.<sup>27</sup> A month later, Egypt's request for a \$12 billion IMF loan was approved.<sup>28</sup> To service this debt, both societies turned to their workers. The bailout measures imposed on Greece by the Troika (the European Commission, the European Central Bank and the IMF) were essentially a strike against workers.<sup>29</sup> Prescribed austerity measures slashed wages by 30 to 60 percent and unemployment increased to 27-32 percent.<sup>30</sup> There were cuts to social and welfare spending as well. Pensions were decreased, the retirement age raised and Greek workers found themselves unable to gain access to basic needs including pharmaceuticals and electricity.<sup>31</sup> The Greek state-form also resorted to privatization to pay off its own mounting debts, selling state holdings estimated at €50 billion to various transnational capitalists, including German and Chinese corporations.<sup>32</sup> In Egypt, subsidies faced massive reductions.<sup>33</sup> The Egyptian state form also had to enforce a value-

<sup>&</sup>lt;sup>27</sup> Ziad Bahaa-Eldin, "Egypt: The IMF is Not to Blame – We Are," *Ahram Online*, October 5 2016. Available online at:

http://english.ahram.org.eg/NewsContentP/4/245227/Opinion/Egypt-The-IMF-is-not-to-blame—we-are.aspx

<sup>&</sup>lt;sup>28</sup> "IMF Executive Board Approves US\$12 Billion Extended Arrangement Under the Extended Fund Facility for Egypt," *International Monetary Fund,* November 11 2016. Available online at:

https://www.imf.org/en/News/Articles/2016/11/11/PR16501-Egypt-Executive-Board-Approves-12-billion-Extended-Arrangement

<sup>&</sup>lt;sup>29</sup> Mike-Frank G. Epitropoulos, "The Global Capitalist Crisis and the European Union, with Focus on Greece," in *Globalization, Crises and Change: Beyond the Global Capitalist Crisis: The World Economy in Transition*, ed. Berch Berberoglu, 83-101 (Surrey: Ashgate Publishing, 2012): 91.

<sup>&</sup>lt;sup>30</sup> Michael-Matsas, "Greece at the Boiling Point," 438.

<sup>&</sup>lt;sup>31</sup> Epitropoulos, "The Global Capitalist Crisis and the European Union," 89; Leo Panitch, "The Greek Election and Europe's Economic Crisis," *Global Research*, January 24 2015. Available at: <a href="http://www.globalresearch.ca/the-greek-election-and-europes-economic-crisis/5426531">http://www.globalresearch.ca/the-greek-election-and-europes-economic-crisis/5426531</a>

<sup>&</sup>lt;sup>32</sup> Nick Dearden, "Greece is About to be Completely Dismantled and Fed to Profit-Hungry Corporations," *The Independent* 12 August 2015.

<sup>&</sup>lt;sup>33</sup> Iman Salah ElDin, "Taqlīs Al-da'm… Al-qarār Al-'agra' Fī 2014," [Reducing Subsidies… The Boldest Decision of 2014,] *EgyNews*, December 23 2014.

added tax (VAT), adding 14 percent to the prices of a long list of goods and services. <sup>34</sup> This was topped with the floatation of the Egyptian pound in November 2016, a decision that instantly depreciated a pound that had already been devalued by 30 percent, at the lowest estimation, the previous September. <sup>35</sup> All these measures represented a strategy of "socializing" the debt, shifting the burden on the public, while accumulation is essentially private. <sup>36</sup>

This socialization of debt effectively devalues workers and disempowers them vis-à-vis capital. The unequal dynamics of debt assumption are displaced on to workers. An increase in taxes increases workers' financial obligations and forces them to cut back on other expenses. With their value thus continuously decreasing in more ways than one, workers find themselves in an increasingly precarious position vis-à-vis capital. At best, their state-form's debt relation makes them both dependent and further exploited. At worst, they lose their jobs and means of subsistence altogether. Food price increases, rising interest rates, inflation and reduced welfare spending, all directly related to loans' conditions, rob workers of their value. Because workers' wages do not rise commensurately, they either buy less or have to settle for lower quality goods. In both cases, the value of their labor-power drops in accordance with that of their means of subsistence. The Egyptian inflationary measures, for example, slashed workers' value by at least half according to the numbers above. The devaluation of

<sup>&</sup>lt;sup>34</sup> Osama Diab, Salma Hussein and Tarek Abdel Aal, "Waraqit Mawqif: Mashrū' Qānūn Al-Darība 'Ala Al-qīma Al-Mudāfa," [Position Paper: Value-Added Tax Bill,] *The Egyptian Initiative for Personal Rights*, August 2016, 2. Available online at: <a href="http://eipr.org/sites/default/files/reports/pdf/vat.pdf">http://eipr.org/sites/default/files/reports/pdf/vat.pdf</a>

<sup>&</sup>lt;sup>35</sup> Ahmed Feteha, "Egypt Edges Closer to Final IMF Nod for \$12 Billion Loan," *Bloomberg*, September 19 2016. Available online at: <a href="http://www.bloomberg.com/news/articles/2016-09-19/egypt-to-seek-imf-board-approval-for-biggest-middle-east-loan">http://www.bloomberg.com/news/articles/2016-09-19/egypt-to-seek-imf-board-approval-for-biggest-middle-east-loan</a>

<sup>&</sup>lt;sup>36</sup> Hembruff, "Critical Review: The Politics of Sovereign Debt," 721.

workers also makes them more inclined to work harder for longer hours in order to compensate for the losses to their income, which effectively increases their exploitation by capital. If the country opts for privatization (which, as one of the very basic neoliberal stipulations, it usually does), workers can soon find themselves out of work, as the new capitalist owner seeks to decrease his/her costs of production as much as possible in the quest for further accumulation. This scenario does not simply devalue the workers in question; it is part of a deliberate strategy to create a reserve pool of labor for capital and expand its accumulation.<sup>37</sup> It reduces laid-off workers to the most vulnerable stratum of workers as surplus labor as it robs them of their entire means of subsistence. When assessed together, the creditor/debtor relation between international capital and workers through the state-forms (usually from less advanced societies) and its ensuing policies devastate both the economies of the latter as well as their working class majorities while prioritizing the interests of capital creditors;<sup>38</sup> they immiserate the masses while further concentrating capital in the hands of very few.39

The debt relation does not only affect workers as members of debtor societies; it also has more immediate consequences on their daily lives in its private form. Private or consumer debt is the credit issued to individuals by banks. Often it is because of the abovementioned governmental arrangements and/or the changing production processes discussed in the previous chapter that workers enter into this relation; as their real wages drop, they are forced to turn

<sup>&</sup>lt;sup>37</sup> Harvey, A Brief History of Neoliberalism, 163.

<sup>&</sup>lt;sup>38</sup> Ibid., 73.

<sup>&</sup>lt;sup>39</sup> Ibid., 106.

to credit to finance their daily needs and reproduction.<sup>40</sup> This is also facilitated by the loosening of credit conditions and easing access to it.<sup>41</sup> The past three decades have witnessed the rise of credit card debt for average households; in 2011, it reached \$16000 in the United States and is currently growing elsewhere, too.<sup>42</sup> In Palestine, for example, consumer credit jumped from \$1.72 billion in 2008 to \$3.37 billion in 2010.<sup>43</sup>

The creditor/debtor relation is not one designed to ease workers' impoverishment, however; capital is the creator of both this problem and the credit that seemingly addresses it. Rather, the creditor/debtor relation helps capital deal with its tendency to overaccumulate.<sup>44</sup> It temporarily settles the contradiction of exploiting workers so much that they have no money to consume capital's produced commodities. By taking out credit and loans, workers can satisfy capital's need for consumers to dispose of its overproduction now. They also pay interest, valorizing capital's money for it and losing their own.<sup>45</sup> As workers' conditions get further out of balance under neoliberalism, their need for credit increases and capital complies; they become further ensnared in the debt trap. With increasing devaluation of the labor-power commodity, heightening inflation and the reduction of social spending, like in the Greek and Egyptian examples, workers turn to credit for their basic means of

 $<sup>^{\</sup>rm 40}$  Soederberg, "The Politics of Debt and Development in the New Millenium,"

<sup>540;</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 501.

<sup>&</sup>lt;sup>41</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 499.

<sup>&</sup>lt;sup>42</sup> Ibid., 493, 509.

<sup>&</sup>lt;sup>43</sup> Hanieh, *Lineages of Revolt*, 119.

<sup>&</sup>lt;sup>44</sup> Goldstein, *Low-Wage Capitalism*, xiii; Soederberg, "The US Debtfare State and the Credit Card Industry," 497.

<sup>&</sup>lt;sup>45</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 502.

subsistence.<sup>46</sup> Much like states might not be able to service their public debt, consumers can go bankrupt and become in even more need of credit. Capital's issuance of credit and workers' accumulation of private debt thus perpetuates capitalist relations for the time being and keeps the working class tied to capital and in check.<sup>47</sup> It is yet another way through which capital accumulates by dispossession and extracts money from workers, effectively devaluing and disempowering them.<sup>48</sup> In the event that this relation collapses for any reason, much like in public debt, it is the creditor that is protected from default and/or bankruptcy.<sup>49</sup> This was essentially the case when the housing bubble burst in the United States in 2007-8.<sup>50</sup> Moreover, banks' high interest rates and their fees ensure that they still accumulate more money.<sup>51</sup> Whereas the debt and risk are socialized, gain and accumulation are privatized.

The creation and issuance of credit by capital is part of a neoliberal strategy to devalue workers and maintain the status quo. Far from being neutral, debt is very much a political tool. It keeps debtor societies/workers both dependent on their creditors and in no position to rise, effectively coercing them into adopting neoliberal policies and reforms as the best means of managing their debts and finances. In reality, this all amounts to nothing more than a scheme to accumulate by dispossession and devalue and weaken these workers in the process. In 2005, Harvey noted that debt relations and the way debt

<sup>46</sup> Ibid., 494.

<sup>&</sup>lt;sup>47</sup> Harvey, A Companion to Marx's Capital, 246.

<sup>&</sup>lt;sup>48</sup> Ibid., 335.

<sup>&</sup>lt;sup>49</sup> Harvey, A Brief History of Neoliberalism, 73.

<sup>&</sup>lt;sup>50</sup> David Harvey, "The Enigma of Capital and the Crisis this Time." Paper presented at The American Sociological Association Meetings, Atlanta, April 16, 2010. Available online at: <a href="http://davidharvey.org/2010/08/the-enigma-of-capital-and-the-crisis-this-time/">http://davidharvey.org/2010/08/the-enigma-of-capital-and-the-crisis-this-time/</a>

<sup>&</sup>lt;sup>51</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 505.

'crises' have been managed over the previous five decades have resulted in "the biggest peacetime transfer of assets from domestic [workers] to foreign owners [capital]."<sup>52</sup> This, in turn, devalues workers as their financial burdens increase, with the cost of their social reproduction spiraling and their added debt. Failing to resist these conditions and escape the debt trap puts workers in a very weak position relative to capital. Difficult as this resistance may be, though, the balance of class power is not absolute. Workers can still have a say about it.

### **Division**

Another mechanism that capital deploys against the working class is division of ranks. The previous chapter discussed how division is used within production, how labor is separated and production processes arranged in ways that preclude worker organization. The concept of divide and rule is also utilized in the ways that the neoliberal form of capital restructures society's relations. While it is a general aspect of capitalism to revolutionize social relations, its neoliberal variant in particular has capitalized on inequalities and social divisions, reproduced and vastly intensified them. Two prominent examples of this are the so-called middle class and concrete urban and geographical divisions.

# The Middle Class as a Divisive Relation

The middle class is, by definition, seen as an intermediary, the bridge between either extreme of the class spectrum. It exists to lessen the extremity of a two-

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<sup>&</sup>lt;sup>52</sup> Qtd. in Harvey, *A Brief History of Neoliberalism*, 163.

class dichotomy and represents the neutral mainstream.<sup>53</sup> Traditionally, the middle class is understood to include a diverse range of middle managers, professionals and "white-collar" workers; it enjoys both decent wages and prestige/social status.<sup>54</sup> Its existence is crucial and any threat to it is a problem worth investigating and solving.<sup>55</sup> The middle class does not, however, exist as such. Its alleged members are no more than better skilled and/or better-waged members of the working class. Looking at class as a *relation* rather than a wage hierarchy allows us to see that these "middle class" members are in the same exploitative power relation with capital as any other worker. It moves us beyond the fetishization of income as fair compensation and/or a graduated hierarchy of

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 $\frac{http://www.madamasr.com/en/2016/05/22/news/u/world-bank-egypts-middle-class-shrank-in-the-lead-up-to-arab-spring/$ 

<sup>53</sup> Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class*, (New York: HarperPerennial, 1990): 3; Barbara Ehrenreich, "Is the Middle Class Doomed?" *The New York Times*, 7 September 1986. Available online at: <a href="http://www.nytimes.com/1986/09/07/magazine/is-the-middle-class-doomed.html?pagewanted=all">http://www.nytimes.com/1986/09/07/magazine/is-the-middle-class-doomed.html?pagewanted=all</a>; Lester C. Thurow, "The Disappearance of the Middle Class," *The New York Times*, 5 February 1984. Available online at: <a href="http://www.nytimes.com/1984/02/05/business/business-forum-the-disappearance-of-the-middle-class.html">http://www.nytimes.com/1984/02/05/business/business-forum-the-disappearance-of-the-middle-class.html</a>

<sup>&</sup>lt;sup>54</sup> Ehrenreich, *Fear of Falling*, 12; Hugo Radice, "Class Theory and Class Politics Today," *Socialist Register* (2015): 270.

<sup>55</sup> Joe C. Davis and John H. Huston, "The Shrinking Middle-Income Class: A Multivariate Analysis," *Eastern Economic Journal* 18.3 (1992): 277-285; Neal H. Rosenthal, "The Shrinking Middle Class: Myth or Reality?" *Monthly Labor Review* 108.3 (1985): 3-10; Bob Kuttner, "The Declining Middle," *The Atlantic*, July 1983. Available online at: <a href="http://www.bloomberg.com/news/articles/2016-09-19/egypt-to-seek-imf-board-approval-for-biggest-middle-east-loan;">http://www.bloomberg.com/news/articles/2016-09-19/egypt-to-seek-imf-board-approval-for-biggest-middle-east-loan;</a>; Nancey Leigh-Preston, "The Debate Over the Disappearing Middle," *Berkeley Planning Journal* 3.1 (1986): 119-144; Ehrenreich, *Fear of Falling*, 246; Ehrenreich, "Is the Middle Class Doomed?"; Thurow, "The Disappearance of the Middle Class"; "World Bank: Egypt's Middle Class Shrank in the Lead-Up to Arab Spring," *Mada Masr*, 22 May 2016. Available online at:

class and towards the true reality of class as a dual relation whereby two classes (capital and workers) are locked in struggle.<sup>56</sup>

Even when Marx and Engels invoke the term "middle" class, it is to denote a temporary category during the transition to capitalism. Discussing what they termed society's middle strata, including tradespeople, small shop owners and skilled handicrafts people,<sup>57</sup> they indicate that these strata end with the full development of industrial society. The "manufacturing" and "industrial middle class[es]," rose with the transition from guilds to small-scale manufacture, but were soon replaced by the "industrial millionaires" who came to form the modern bourgeoisie.58 This middle stratum was unable to maintain the scale needed to partake in modern industry and was eventually wiped out by the unforgiving laws of competition and pushed downwards to the proletariat.<sup>59</sup> Whereas, at the time when Marx and Engels were writing, they could claim that this class still existed in industrially and commercially underdeveloped countries where the transition to capital and "modern civilization" was yet incomplete,60 this no longer holds. In our contemporary moment, no society, no matter how underdeveloped it may be, can claim to escape capital and/or industrialization. This transitional phase is now over; there are two classes determined by their

<sup>&</sup>lt;sup>56</sup> McMahon, *Crisis and Class War in Egypt*, 16; Hanieh, *Lineages of Revolt*, 126; André Gorz, "Technology, Technicians and Class Struggle," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 159-189, (London: Humanities Press, 1976): 176; Harry Cleaver, *Reading Capital Politically* (USA: The Harvester Press, 1979): 116.

<sup>&</sup>lt;sup>57</sup> Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Samuel Moore, ed. David McLellan, (Oxford: Oxford University Press, 1992): 11.

<sup>&</sup>lt;sup>58</sup> Ibid., 4.

<sup>&</sup>lt;sup>59</sup> Ibid.. 11.

<sup>60</sup> Ibid., 29.

relations to one another and to the means of production.<sup>61</sup> The middle class is a group of employed workers selling their labor time/power for money.<sup>62</sup> How much they make, or the social prestige that comes with it, is irrelevant in this case.

With that in mind, what discussions, popular and scholarly alike, have termed a case of a "shrinking" and decreasing middle-class is actually a heightening of the class war. 63 Their discussions of more skewed wealth distributions and income inequalities have nothing to do with the size and/or existence of a middle class, and everything to do with neoliberalism as a political project. 64 The alleged existence of a middle class and all the attention it receives contribute to that political project in the ways it affects social relations. It conceals the true exploitative relation of class and propagates the superiority of some workers over others. This breaks down the ranks of workers, fosters competition between them by creating seemingly contradictory interests for them and dividing them based on skill, and creates artificial differentiating markers based on prestige/status that further promote such divisions and competition.

One of the groups distinguished from workers as "middle class" is the stratum of supervisors and managers. They see themselves, and are seen, as superior to the rest of the workers by virtue of their higher positions. Their role of "directing, superintending and adjusting," is actually a role of capital's that it

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<sup>61</sup> Radice, "Class Theory and Class Politics Today," 278.

<sup>62</sup> Goldstein, Low-Wage Capitalism, 262.

<sup>&</sup>lt;sup>63</sup> Ibid., xvii. Also see supra note 56 for works that have engaged in this discussion.

<sup>&</sup>lt;sup>64</sup> Harvey, A Brief History of Neoliberalism, 19.

has delegated to them.<sup>65</sup> Supervisors exist in the workplace as personifications of capital to ensure the production process goes smoothly and to discipline workers when need be.<sup>66</sup> This power delegation divides workers "into operatives and overlookers, into private soldiers and sergeants of an industrial army,"<sup>67</sup> and creates a hierarchical relationship of power that leads to inter-worker antagonisms rather than a relation of solidarity.<sup>68</sup> Instead of workers of all levels identifying with one another, supervisors see themselves as part of the "elite" whom they are replacing.<sup>69</sup> They become middle, rather than working, class, forgetting that while they are "a special kind of wage-laborer" tasked with some of capital's functions, they are wage-laborers all the same.<sup>70</sup> On the other end of the relation, workers beneath them also perceive them as capital's agents.<sup>71</sup> These supervisors are part and parcel of the exploitation they have to go through on a daily basis. The relations between both groups of workers thus become more antagonistic and authoritarian,<sup>72</sup> making any form of unity or organization

<sup>65</sup> Marx, Capital Volume I, 449.

<sup>&</sup>lt;sup>66</sup> Harvey, A Companion to Marx's Capital, 174; André Gorz, "The Tyranny of the Factory: Today and Tomorrow," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 55-61, (London: Humanities Press, 1976): 57.

<sup>&</sup>lt;sup>67</sup> Karl Marx, "From Manufacture to Modern Industry," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 1-12, (London: Humanities Press, 1976): 7. Originally in *Capital Volume I*, 549 as "dividing the workers into manual laborers and overseers, into the private soldiers and the N.C.O.s of an industrial army."

<sup>&</sup>lt;sup>68</sup> Gorz, "Technology, Technicians and Class Struggle," 167; Harvey, *A Companion to Marx's Capital*, 185.

<sup>&</sup>lt;sup>69</sup> Ehrenreich, *Fear of Falling*, 252; Gorz, "Technology, Technicians and Class Struggle," 180.

Marx, Capital Volume I, 450; For another analysis of this, also see "White Collar – A Myth Destroyed, A Class Made Stronger," Communist Party of Britain (Marxist-Leninist), 1973. Available online at:

https://www.marxists.org/history/erol/uk.secondwave/cpbwhitecollar.htm.

<sup>&</sup>lt;sup>71</sup> Gorz, "Technology, Technicians and Class Struggle," 167.

<sup>&</sup>lt;sup>72</sup> Harvey, *A Companion to Marx's Capital*, 175.

between these groups of workers in the workplace very difficult. The relation becomes one of exploitation as the middle class identifies with capital versus a lower working class. $^{73}$ 

The middle class also differentiates workers based on skill. In addition to "the gradations in hierarchy, there appears a simple separation of the workers into skilled and unskilled,"<sup>74</sup> which also corresponds to a hierarchy of wages.<sup>75</sup> Working class members with relatively monopolized skills, or working in sectors that produce more relative surplus-value (and are, thus, nominally better compensated) become part of the upper echelons of society. In our contemporary these skilled laborers are those with relative authority/power, expertise and higher education in addition to skills. <sup>76</sup> They are the "white-collar" "professionals", middle managers, doctors, professors, lawyers and IT professionals. Their intellectual or mental labor is considered a skill and is distinguished from the lower-skilled manual labor.<sup>77</sup> This is then constantly expressed and reiterated in the workplace, as the skilled come into better positions, while the rest are more intensely exploited. The distinction separates between these different groups of workers so that the middle class no longer identify as workers. There is a "pervading sense of the indignity of the slightest manual labor" that keeps them away from it and from identifying with manual workers as part of the same group. 78 They have no problem accepting,

<sup>&</sup>lt;sup>73</sup> Erik Olin Wright, *Class Counts: Comparative Studies in Class Analysis*, (Cambridge: Cambridge University Press, 1997): 32.

<sup>&</sup>lt;sup>74</sup> Marx, *Capital Volume I*, 470.

<sup>&</sup>lt;sup>75</sup> Ibid., 469.

<sup>&</sup>lt;sup>76</sup> Wright, *Class Counts*, 16, 18.

<sup>&</sup>lt;sup>77</sup> Harvey, A Companion to Marx's Capital, 186.

<sup>&</sup>lt;sup>78</sup> Thorstein Veblen, *The Theory of the Leisure Class*, (New York: Dover Publications, 1994): 27.

emphasizing and perpetuating the idea that they are a different (and better) class even though they only experience a more privileged relationship with capital.<sup>79</sup> In contrast, average labor (often also termed simple or unskilled) is easily replaceable and, accordingly, enjoys lower wages and much less prestige. As workers with fewer skills and less education, these workers are devalued, increasing both surplus labor and surplus-value for capital.<sup>80</sup> They have no space for any relations or exchanges and, hence, because workers are stuck with tasks away from one another, their organization becomes that much harder.<sup>81</sup> These distinctions are not natural, but socially determined and directly benefit capital.<sup>82</sup> They help capital create a group of superior workers who see themselves as part of a distinct class versus a group of more exploitable and expendable lower-skilled workers. Being socially determined, however, they can be overcome if workers put their minds to it and capitalize on their common experiences.

This sense of middle class superiority and disdain for lower-ranking jobs is not particular to one society; however, it is very concrete and clear in several examples. In Egypt, skilled and unskilled laborers are not seen as the same thing or part of the same class. Higher skilled and better-waged labor, the so-called professionals and white-collar workers, have much better social standing. They do not even refer to themselves as "workers"; in fact, the term very often involves a derogatory connotation. Rather, when referring to themselves, "middle class" members are professionals, academics, doctors, lawyers,

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<sup>&</sup>lt;sup>79</sup> Wright, *Class Counts*, 22.

<sup>80</sup> Marx, Capital Volume I, 470.

<sup>81</sup> Cleaver, Reading Capital Politically, 128.

<sup>82</sup> Ibid., 128, 132.

accountants... anything *but* workers. This becomes blatantly obvious in a remark like that of former Minister of Justice Mahfouz Saber, who asserted that sons of garbage collectors could not become judges.<sup>83</sup> While his comments elicited uproar, he stood his ground, responding that "whoever applies to be a judge should have grown up in a suitable social environment and have to be at least from the middle class" and that, sorry as it may be, this was the de facto situation not only in the judiciary, but also in the police and the military.<sup>84</sup> Saber's comments, though outraging, are not surprising. They reflect the very classist nature of Egyptian society and represent the views of many who identify with the middle class and want to dissociate themselves from "lower-class" workers as much as possible. To them, the general Egyptian population, particularly those whom they consider "uneducated," are looked down on and not considered equals.<sup>85</sup>

American society experiences similar divisions and alleged superiority. The professional middle class views those "below" it as "lower" class others; they are not part of the same class by any means. <sup>86</sup> Like the Egyptian middle class, American professionals distinguish themselves from the "ordinary" majority and do not identify with them as allies in the struggle against capital. <sup>87</sup> They see blue-

http://www.egyptindependent.com/news/do-justice-minister-s-classistremarks-reflect-reality-egypt

<sup>&</sup>lt;sup>83</sup> Hend El-Behary, "Do the Justice Minister's Classist Remarks Reflect Reality in Egypt?" *Egypt Independent*, 12 May 2015. Available online at: <a href="http://www.egyptindependent.com/news/do-justice-minister-s-classist-">http://www.egyptindependent.com/news/do-justice-minister-s-classist-</a>

<sup>84</sup> Ibid.

<sup>&</sup>lt;sup>85</sup> Sherene Seikaly and Pascale Ghazaleh, "Abduh al-Fallah: Elite Myths and Popular Uprisings," *Jadaliyya*, March 15 2011. Available online at: <a href="http://www.jadaliyya.com/pages/index/910/abduh-al-fallah\_elite-myths-and-popular-uprisings-">http://www.jadaliyya.com/pages/index/910/abduh-al-fallah\_elite-myths-and-popular-uprisings-</a>

<sup>86</sup> Ehrenreich, Fear of Falling, 256, 258.

<sup>87</sup> Ibid., 252, 256.

collar workers as conservative and backward, for example.<sup>88</sup> The distinctions in both societies are so profound that there are references to even further divisions within the alleged middle class. Egyptian sociological accounts discuss the differences between lower and upper middle class behavior, spending patterns and socializing places.<sup>89</sup> In the United States, there are references to the emergence of an "upper middle class" as working female family members significantly increased their households' income.<sup>90</sup> American divisions are also complicated insofar as they significantly cut along racial lines. Both cases exhibit how much the idea of a "middle class" affects social relations, creating divisions between workers and discouraging their unified organization against capital.

The dichotomy between a "middle class" of supervisors and skilled workers and lower-level unskilled workers also breaks workers' ranks because it creates seemingly contradictory interests for each of them. The former group is often relatively more empowered. In contrast to the unskilled, and thus expendable, workers who continue with "constant labor of one uniform kind," the higher-ranked workers are managers who stand in for capital and have uncommon skills that put them in much better negotiating positions. Their skills and capital's need for them becomes leverage with which they can negotiate over work benefits and better pay; they also have the advantage of being able to more easily switch jobs than the more expendable lower/unskilled workers. This makes unity or organization between these different groups of workers less

<sup>88</sup> Ibid., 106-7.

<sup>&</sup>lt;sup>89</sup> Mona Abaza, "Shopping Malls, Consumer Culture and the Reshaping of Public Space in Egypt," *Theory, Culture and Society* 18.5 (2001): 108.

<sup>&</sup>lt;sup>90</sup> Ehrenreich, *Fear of Falling*, 223.

<sup>&</sup>lt;sup>91</sup> Harvey, A Companion to Marx's Capital, 181.

<sup>92</sup> Marx, Capital Volume I, 460.

<sup>93</sup> Ehrenreich, *Fear of Falling*, 208.

likely. Their interests are directly contradictory because these supervisors and higher-ranking, better-skilled workers are conscious of the advantages and benefits that come with their place/rank and have no intention of letting them go.<sup>94</sup> They want to make sure the unskilled remain where they are, leaving them to become as "stupid and ignorant as it is possible for a human creature to become."<sup>95</sup> They realize that that their privilege is predicated on its dominance over the rest of the workers; their material well-being is conditional on the material deprivation of these workers. <sup>96</sup> They are further motivated to constantly work towards maintaining their privileged status for fear of becoming redundant or easily expendable and falling into the lower ranks of the proletariat.<sup>97</sup>

One way the middle class maintains the distinction is by ensuring it is always more skilled and on its way to holding managerial positions; another way is by visibly distinguishing itself from the rest of the working class. They are keen on conspicuously consuming and spending on luxury and status goods. Heir status becomes materially locked on how much they spend and on what. This sets them apart from lower-level workers who can barely afford their day-to-day necessities. It also benefits capital. In addition to providing a good consumer base in its quest for superiority, the middle class is also pushed to live beyond its means, often assuming vast amounts of consumer debt, to maintain

<sup>&</sup>lt;sup>94</sup> Il Manifesto, "Challenging the Role of Technical Experts," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 123-143, (London: Humanities Press, 1976): 125.

<sup>95</sup> Marx, *Capital Volume I*, 483, 489-90.

<sup>&</sup>lt;sup>96</sup> Wright, *Class Counts*, 10.

<sup>&</sup>lt;sup>97</sup> Ehrenreich, *Fear of Falling*, 15.

<sup>&</sup>lt;sup>98</sup> Veblen, *The Theory of the Leisure Class*, 51.

<sup>&</sup>lt;sup>99</sup> Harvey, A Brief History of Neoliberalism, 170.

that image. The debt finances this conspicuous consumption and allows households to maintain their living conditions in the wake of changing social and economic conditions.<sup>100</sup> The "middle class's" sense of superiority and keenness on it, thus does not only help capital by breaking up workers' ranks, but also by becoming a means of accumulation of both consumers and debtors.

In Egypt, this conspicuous consumption becomes very apparent when looking at the new developments that neoliberalism introduced. Both services and establishments (malls, hotels, clubs and the like) emerged to cater to the "elites" status needs. <sup>101</sup> World-renowned brands and local brands that positioned themselves as luxurious made themselves available to situate their owners as belonging to the society's capitalist class and being able to afford such leisure. <sup>102</sup> The American case is even more apparent because of the dominance of the credit culture. Middle class and "elite" belonging is very much attributed to fulfilling the American Dream. However, not many Americans can actually afford it and rely on debt and consumer credit to finance it and establish this allegedly "middle" social status. <sup>103</sup> Some utilize credit to finance their daily subsistence needs in an effort to overcome their devaluation in the wake of excessive

<sup>&</sup>lt;sup>100</sup> For detailed analyses of the middle class's debt problem, see Teresa A. Sullivan, Elizabeth Warren and Jay Lawrence Westbrook, *The Fragile Middle Class: Americans in Debt*, (New Haven: Yale University Press, 2000); Katherine Porter, *Broke: How Debt Bankrupts the Middle Class*, (Stanford: Stanford University Press, 2012).

<sup>&</sup>lt;sup>101</sup> Petra Kuppinger, "Globalization and Extraterritoriality in Metropolitan Cairo," *The Geographical Review* 95.3 (2005): 349, 368.

<sup>&</sup>lt;sup>102</sup> Ibid., 350, 369

<sup>&</sup>lt;sup>103</sup> Johnna Montgomerie, "The Pursuit of (Past) Happiness? Middle-Class Indebtedness and American Financialization," *New Political Economy* 14.1 (2009): 1-24.

neoliberalism;<sup>104</sup> others utilize it for conspicuous consumption to match the middle class image of American society.<sup>105</sup> In either case, credit is representative of a portion of the working class becoming more and more entangled in neoliberal financialization to finance a living that contradicts the interests of its class. In terms of both the material and the ideal, workers are relatively disempowered vis-à-vis capital.

We have already established that the middle class does not objectively exist as a class; it is a stratum of better-waged and better-skilled workers that comes to see itself as superior to other workers and more in tune with capital. As supervisors/managers, members of this "class" perform capital's function for it and as skilled "professionals", they see themselves as superior to the simple and more average laborers. This "class" thus does everything in its power to maintain its status and privilege, including assuming more debt, thereby intensifying and extending the creditor/debtor relation. The need to maintain its privilege also makes the middle class side with capital and its needs even though it would do much better to unite with its fellow workers. In the cases of Britain and the United States, their "middle classes" subscribed to neoliberalism in its very early stages against the rest of the working class. As Thatcher intensified the fight against workers in an effort to consolidate neoliberalism, removing any vestiges of the welfare state that remained, the "middle class" was amongst her base of

<sup>&</sup>lt;sup>104</sup> Goldstein, *Low-Wage Capitalism*, xiii; Soederberg, "The US Debtfare State and the Credit Card Industry," 494.

<sup>&</sup>lt;sup>105</sup> Montgomerie, "The Pursuit of (Past) Happiness?" 17, 18.

<sup>&</sup>lt;sup>106</sup> Ehrenreich, *Fear of Falling*, 191.

supporters.<sup>107</sup> Their eyes locked on their increasing privileges in the shape of private housing, property and other individualistic benefits, and they turned a blind eye to the war being launched against workers and undermined the British legacy of a strong working-class identity.<sup>108</sup> The United States witnessed a similar dynamic as American liberalism transformed into its neo- variant and ignored "Reagan's 'War on the Poor'."<sup>109</sup> Middle class members moved away from liberal opposition to support his policies, signaling the beginning of a paradigm where interest in the "poor" working class is virtually nonexistent. It was "in short, liberalism without the poor or, as it might just as well be put, middle-class liberalism without a conscience."<sup>110</sup> Thus concerned with its own well-being, when and if the middle class resists capital's hierarchy or authority, it has been to ensure its privileges remain in place or are reinstated.<sup>111</sup> The middle class's divisive nature thus serves to both discipline the working class and create a hierarchy for it.<sup>112</sup> It helps capital pull a group of workers to its side and decrease the possibility of an inclusive working class unity.

The notion of the middle class, or of some workers' superiority over others, greatly aids capital in its war against workers. It creates a power dynamic within the working class itself, pitting workers against one another and promoting competition amongst them.<sup>113</sup> It creates divisions and hierarchies between different groups of workers and convinces them of their difference. This

<sup>&</sup>lt;sup>107</sup> Harvey, *A Brief History of Neoliberalism*, 59. This also relates to Lenin's point in *The State Revolution* on the necessity of political parties for imbuing any form of class consciousness.

<sup>&</sup>lt;sup>108</sup> Ibid., 60-1.

<sup>&</sup>lt;sup>109</sup> Ehrenreich, *Fear of Falling*, 191.

<sup>&</sup>lt;sup>110</sup> Ibid., 191.

<sup>&</sup>lt;sup>111</sup> Gorz, "Technology, Technicians and Class Struggle," 179.

<sup>&</sup>lt;sup>112</sup> Marx, Capital Volume I, 481.

<sup>&</sup>lt;sup>113</sup> Cleaver, *Reading Capital Politically*, 115.

severely disempowers workers and curtails their ability to identify and organize as one. It decreases the likelihood of them coming together against capital. 114 These distinctions also serve capitalist accumulation by having workers buy into notions of superior status and resort to increased consumption to prove it. This does not only allow capital to realize the values of these commodities in money form, but it also locks a good segment of the working class in debt, leading again to increased capitalist accumulation. If members of the middle class start looking at the objective reality of their situation as similarly exploited workers and take the workers' side rather than that of capital's, the working class would be in a much stronger position in the class war.

#### **Urban Relations and Divisions**

In the neoliberal moment, urban development is carried out in several ways, all of which can disempower workers. Because space has a dialectical relation with social processes on the ground, both mirroring and influencing them, studying urban developments offers an understanding of social relations in that context.<sup>115</sup> They affect the relations, identities and perceptions of different social groups within that space;<sup>116</sup> spatial separation, for example, separates identities and loyalties, as well.<sup>117</sup> I focus specifically on the stark urban divisions that

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<sup>&</sup>lt;sup>114</sup> Ibid., 153.

<sup>&</sup>lt;sup>115</sup> David Harvey, *Social Justice and the City: Revised Edition*, (Athens, GA: The University of Georgia Press, 2009): 27; Elena Vesselinov, Matthew Cazessus and William Falk, "Gated Communities and Spatial Inequality," *Journal of Urban Affairs* 29.2 (2007): 124.

<sup>&</sup>lt;sup>116</sup> Guy Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires, Argentina: A Challenge for Town Planning," *Housing Studies* 20.2 (2005): 262; Zaire Dinzey-Flores, "Islands of Prestige, Gated Ghettos, and Nonurban Lifestyles in Puerto Rico," *Latin American Perspectives* 40.2 (2013): 100.

<sup>&</sup>lt;sup>117</sup> Hanieh, *Lineages of Revolt*, 100.

increasingly manifest themselves in cities across the world through the increased construction of gated communities and the move away from the city and into the suburbs. More often than not, made even more concrete by walls and gates, these divisions serve to exclude, devalue, divide and steal from workers. They have limited workers' access to both places and services, contributed to the divisions amongst their ranks, further devalued those who could not afford to keep up and added to capital's accumulation of surplus in different ways.

The rise of gated communities and the move into the suburbs excludes workers and limits their access to both specific areas as well as services. Gated communities and new suburban developments are typically private, geared towards capital and the small group of workers that can afford them (or become grossly indebted to do so). Their gates and security systems give their inhabitants exclusive status and deny entry to anyone who cannot afford it as well as the consumption trends that come with it (except as servants, of course). This gated phenomenon has emerged everywhere. In Egypt, gated communities have been mechanisms of escaping the outside and becoming more "globalized"; 119 their names, like Dreamland, Hyde Park, Kattameya Heights, Palm Hills and Beverly Hills, indicate their level of luxury and exclusivity. 120

<sup>118</sup> Vesselinov, Cazessus and Falk, "Gated Communities and Spatial Inequality,"

<sup>111;</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 267; Dinzey-Flores, "Islands of Prestige," 98; Kuppinger, "Globalization and Extraterritoriality in Metropolitan Cairo," 349.

<sup>119</sup> Kuppinger, "Globalization and Extraterritoriality in Metropolitan Cairo," 355. 120 Asef Bayat and Eric Denis, "Who is Afraid of *Ashwaiyyat*? Urban Change and

Politics in Egypt," *Environment and Urbanization* 12.2 (2000): 199; Eric Denis, "Cairo as Neoliberal Capital? From Walled City to Gated Communities," in *Cairo Cosmopolitan: Politics, Culture, and Urban Space in the New Globalized Middle* 

Their counterparts in Buenos Aires similarly boast of swimming pools, lakes and golf courses. 121 In China, these gated communities have created and consolidated a Beijing suburbia. 122 In the United States, where suburbs have long been developed, these gated communities become a new means of establishing privacy, exclusivity and distinction from the rest. 123 Because these areas are relatively richer than the rest of society, capital moves to provide them with what they need. Dialectically, this means that the more capital does so, the less resources other areas have. 124 Areas to which workers do have access, often relegated as slums and/or ghettos, are impoverished not only in material terms, but also in terms of the quality of education, employment, health and other social services.<sup>125</sup> Because of high land rents within the city, these areas are often also crammed, overcrowded and in very poor condition. 126 In Egypt, these areas are called ashwa'iyat (or informal communities) and seen as not belonging to the norm.<sup>127</sup> These informal communities are not exclusive to Egypt, but have their counterparts in all large North African cities. 128 While some workers do enter these exclusive communities as labor (domestic and manual, mostly), this only

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*East*, eds. Diane Singerman and Paul Amar, 47-72, (Cairo: The American University in Cairo Press, 2006): 53.

<sup>&</sup>lt;sup>121</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 258.

<sup>&</sup>lt;sup>122</sup> Pengjun Zhao, "The Impact of Urban Sprawl on Social Segregation in Beijing and A Limited Role for Spatial Planning," *Tijdschrift voor Economische en Sociale Geografie/Royal Dutch Geographical Society* 104.5 (2013): 583.

<sup>&</sup>lt;sup>123</sup> Elena Vesselinov and Renaud Le Goix, "From Picket Fences to Iron Gates: Suburbanization and Gated Communities in Phoenix, Las Vegas and Seattle," *GeoJournal* 77.2 (2012): 218.

<sup>&</sup>lt;sup>124</sup> Harvey, *Social Justice and the City*, 112-3.

<sup>&</sup>lt;sup>125</sup> Ibid., 79.

<sup>126</sup> Ibid., 135.

<sup>&</sup>lt;sup>127</sup> Bayat and Denis, "Who is Afraid of *Ashwaiyyat*?" 199.

<sup>&</sup>lt;sup>128</sup> Hanieh, *Lineages of Revolt*, 72.

worsens their situation; <sup>129</sup> their need to be close to their place of employment causes them to develop poor-quality housing outside the gates. <sup>130</sup> In Buenos Aires, for example, where these gated communities have proliferated, they have been juxtaposed with "crowded self-built homes" occupied by the lowest of workers, many of whom are migrants. <sup>131</sup> Some of these gated communities have also monopolized the use of previously public resources, including nature, and deprived workers with no access to them. <sup>132</sup> This is clear in coastline developments in New Jersey and Florida; <sup>133</sup> it is also mirrored in Egypt in the gated communities that seize and privatize the desert and the water needed to pour life into it, <sup>134</sup> and along the coasts of both the Red Sea and the Mediterranean. By excluding workers, these gated communities deprive them of resources and services; they contribute to the working class's dispossession. With limited access to good-quality goods and services, workers reproduce themselves on items of lower value and, thereby, devalue themselves.

This suburbanization trend devalues workers on another level, as well. As these new developments move further away from the city, so do most employment opportunities. <sup>135</sup> This leaves workers who cannot move their residence to the suburbs with two options: stick with the low-waged and unskilled employment opportunities in the city or seek the better alternatives in

<sup>&</sup>lt;sup>129</sup> Kuppinger, "Globalization and Extraterritoriality in Metropolitan Cairo," 349.

<sup>&</sup>lt;sup>130</sup> Vesselinov, Cazessus and Falk, "Gated Communities and Spatial Inequality," 117.

<sup>&</sup>lt;sup>131</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 256.

<sup>&</sup>lt;sup>132</sup> Vesselinov, Cazessus and Falk, "Gated Communities and Spatial Inequality," 121.

<sup>&</sup>lt;sup>133</sup> Ibid., 121.

<sup>&</sup>lt;sup>134</sup> Denis, "Cairo as Neoliberal Capital?" 56.

<sup>&</sup>lt;sup>135</sup> Harvey, *Social Justice and the City*, 54, 63.

the suburbs and bear the costs. 136 The latter option is neither easy nor cheap. Like everything else, transportation systems are not in workers' favor. Spending generally goes to transportation networks, like highways and ring-roads, that cater to car-owning capital and better-waged workers who can afford them, rather than to public transportation from the city. <sup>137</sup> This, of course, assumes that these employment opportunities are accessible by public transportation, which many are not.<sup>138</sup> In addition to being underdeveloped, transportation from inside the city to the suburbs usually exceeds what workers can spend on transportation costs. 139 It also effectively increases unwaged labor time. This is very obvious in the case of Beijing, where the new suburbs are barely reachable by public transport, while a network of highways provides those who can afford cars with easy access to both employment and services. 140 It is also clear in both Cairo and Buenos Aires where both countries' militaries have taken it upon themselves to build elaborate highway networks to connect these exclusive gated communities and suburbs, but not to improve public transportation.<sup>141</sup> Egyptian suburb 6 October, for example, is not accessible by public transport. For workers to get there, they typically have to change between different modes of transportation, all of which are private/local efforts. 142 In addition to these alternative transportation being dangerous, informal and means

<sup>&</sup>lt;sup>136</sup> Ibid., 62.

<sup>&</sup>lt;sup>137</sup> Ibid., 62-3; Zhao, "The Impact of Urban Sprawl on Social Segregation in Beijing," 573.

<sup>&</sup>lt;sup>138</sup> Zhao, "The Impact of Urban Sprawl on Social Segregation in Beijing," 573.

<sup>&</sup>lt;sup>139</sup> Harvey, *Social Justice and the City*, 62, 64.

<sup>&</sup>lt;sup>140</sup> Zhao, "The Impact of Urban Sprawl on Social Segregation in Beijing," 583.

<sup>&</sup>lt;sup>141</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 258; McMahon, *Crisis and Class War in Egypt*, 169.

<sup>&</sup>lt;sup>142</sup> Dalia Wahdan, "Transport Thugs: Spatial Marginalization in a Cairo Suburb," in *Marginality and Exclusion in Egypt*, eds. Habib Ayeb and Ray Bush, 112-132, (London: Zed Books, 2012): 120.

unaccommodating, they are also expensive. In 2007, commuting costs represented almost 30 percent of workers' incomes. Whether workers choose to stick with low-wage employment or unemployment in the city or to take the farther alternatives, they are devalued. In the first case, they become either unskilled or surplus labor, having to make do with whatever pittances they are given. In the second, the high transportation costs erode the increased wages these better opportunities offer.

Gated communities do not only increase the class segregation between capital and workers and devalue the latter, but they also foster intra-working class divisions. These suburbs are not only appealing to capital, but have also become popular among the stratum of the working class (aka. the "middle" class), who can afford them.<sup>144</sup> In addition to their better access to services, these gated communities are markers of status and conspicuous consumption in and of themselves.<sup>145</sup> Accordingly, better-waged workers become engulfed in these communities, socializing with and relating more to capital than they do to lesserpaid workers. The communities that emerge become very localized and homogeneous, predicated on one's material abilities and levels of conspicuous consumption.<sup>146</sup> In the United States, they also add a racial/ethnic element to the segregation, which further increases the division among workers.<sup>147</sup>

<sup>&</sup>lt;sup>143</sup> Ibid., 121.

<sup>&</sup>lt;sup>144</sup> Vesselinov, Cazessus and Falk, "Gated Communities and Spatial Inequality," 113

<sup>&</sup>lt;sup>145</sup> Dinzey-Flores, "Islands of Prestige," 99, 101.

<sup>&</sup>lt;sup>146</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 262; Vesselinov, Cazessus and Falk, "Gated Communities and Spatial Inequality," 111, 119; Dinzey-Flores, "Islands of Prestige," 101.

<sup>&</sup>lt;sup>147</sup> Vesselinov and Le Goix, "From Picket Fences to Iron Gates," 219.

In all cases, gated communities make their inhabitants oblivious to their surroundings, othering all outsiders. In some cases, these others become invisible. 148 Those living inside the gates do not see the "misery and grime which form the [necessary] complement of their wealth."149 In other cases, the gates protect their inhabitants from the outside poorer communities, which are seen as unsafe, immoral, violent and full of crime. 150 They are something from which to run. In Buenos Aires, gated community residents interact less and less with the city and its inhabitants. 151 In Puerto Rico, there has become virtually no room for interaction between the residents of gated communities and others, as the former use the range of services to which they have access, but nobody else does.<sup>152</sup> When they are forced to venture out, they use the highways in their private cars. Interactions between these different groups of the working class, when they happen, are interactions of strangers rather than allies with the same interests. In fact, suburban Egyptians, like their counterparts elsewhere, see this lack of interaction as positive; their gates help them elude the city's traffic, noise and poorer (allegedly more violent) people. 153 The social relations between these strata are, at best, facilitated by acts of charity rather than solidarity and, at worst, relations of avoidance, lack of interaction and, often, contempt.<sup>154</sup> The gates thus help capital disempower workers by creating concrete differences

<sup>&</sup>lt;sup>148</sup> Harvey, *Social Justice and the City*, 132; Ehrenreich, *Fear of Falling*, 257.

<sup>&</sup>lt;sup>149</sup> Otd. in Harvey, *Social Justice and the City*, 132.

<sup>&</sup>lt;sup>150</sup> Dinzey-Flores, "Islands of Prestige," 96, 99; Bayat and Denis, "Who is Afraid of *Ashwaiyyat*?" 185; Denis, "Cairo as Neoliberal Capital?" 50.

<sup>&</sup>lt;sup>151</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 262.

<sup>&</sup>lt;sup>152</sup> Dinzey-Flores, "Islands of Prestige," 101.

<sup>&</sup>lt;sup>153</sup> Bayat and Denis, "Who is Afraid of Ashwaiyyat?" 199.

<sup>&</sup>lt;sup>154</sup> Thuillier, "Gated Communities in the Metropolitan Area of Buenos Aires," 263; Denis, "Cairo as Neoliberal Capital?" 57.

between their different strata and literally walling off interaction between them; each stratum moves and lives in a different space.

Urban development in the form of gated communities and suburbs has been deployed by neoliberal capital to simultaneously disempower workers and increase its accumulation. Through their imposition of concrete exclusionary walls and barriers, these developments radically transform urban relations. They monopolize access to good services and often to nature, dispossessing workers of them. They also steer good employment opportunities away from the city center where most workers live, forcing them to incur the additional cost of transportation (if it even reaches those areas.) Additionally, these gated communities and suburbs divide the working class, as those workers who can afford them become isolated within them and identify more with capital than with their fellow workers. What capital attempts to conceal with these divisions is that if all workers were to come together, including the "middle class" superiors, they would be able to pressure capital into elevating all their conditions, not just those of a small minority. At the same time, because these developments are predominantly private ventures, with the land in many cases (like Egypt) having been gifted or acquired at very low prices, 155 they serve as a repository for capital's wealth and one of the outlets for its surplus. 156 They are effective means of primitive accumulation as previously public land and resources (like the beach) are seized by capital and commodified for accumulation. Together, all these elements contribute to the relative

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<sup>&</sup>lt;sup>155</sup> Hanieh, *Lineages of Revolt*, 63.

<sup>&</sup>lt;sup>156</sup> Harvey, Social Justice and the City, 114-5, 158.

disempowerment of workers in the class war; they weaken their negotiating position and decreas the potential for their unity, to the advantage of capital.

### Conclusion

Social relations are an essential dimension of the class war. They are constantly utilized and transformed as capital and workers struggle against one another. This chapter has examined how different social relations are deployed by neoliberal capital to relatively weaken and disempower workers. The relation between creditor and debtor is one that features prominently in a moment appropriately termed "the debtfare state." 157 By assuming debt, both private and public, workers become more and more devalued. They are expected to repay theirs debts and interest with no commensurate increase to their wages, automatically devaluing them; in fact, more often than not, their wages are attacked from other fronts, like increasing taxes. Through this relation, capital keeps workers in the debt loop and pressures them to accept its conditions and policies, while it keeps accumulating. Another relation is that of the "middle class." Though nothing more than better-waged and higher-skilled workers, these "middle class" members are encouraged to think of themselves as superior to workers and to constantly distinguish themselves from lower-waged and/or lower-skilled workers, mostly through conspicuous consumption. Through this hierarchy, the middle class divides workers' ranks and fosters antagonisms between them. It also keeps the upper ranks of workers indebted to fund their consumption, again giving capital the upper hand. Workers are also divided and devalued through urban relations. As more "middle class" members are

<sup>157</sup> Soederberg, "The US Debtfare State and the Credit Card Industry."

encouraged to move to the suburbs and gated communities, those who cannot afford to are relegated to a different "class" and become inferior. Relations between both groups become practically non-existent; their interactions are not ones of organization and/or solidarity. For the moment, capital is able to circumvent the possibility of working class unity. To be able to stand a chance against capital in the class war, workers need to realize these divisions for what they are: capital's political maneuvers, and to identify as one, regardless of how capital structures social relations to divide them.

### Chapter 4

# Weaponizing the Ideal: Mental Conceptions in the Class Struggle

Mental conceptions comprise the ways in which we think of and create the world. Linked as they are to material processes and relations, dominant ideas reflect the circumstances in which they originate as well as the class force exercising the most power in a given moment.<sup>2</sup> Capital uses many of its ideas to fetishize appearances and conceal its exploitative essence. These ideas mask the social relations inherent to and underlying capital's relations and processes, and present the order of things as given and natural.<sup>3</sup> They become integral to manufacturing a level of consent to capital's dominance and are objectified in some of its elements like, say, technology. The changes to production processes and the restructuring of social relations discussed in the previous two chapters, for example, would not have been possible without a set of ideas to inform them. Understood as such, bourgeois mental conceptions are "fetishistic because [they deal] only with the relations between things rather than the social relations between classes." 4 They "replicat[e] the misleading signals in the world of consciousness and thought."5 To overcome these fetishisms is to understand the world "right-side-up." Mental conceptions are thus a very important aspect of the class struggle.

<sup>&</sup>lt;sup>1</sup> Karl Marx and Friedrich Engels, *The Communist Manifesto*, trans. Samuel Moore, ed. David McLellan, (Oxford: Oxford University Press, 1992): 24.

<sup>&</sup>lt;sup>2</sup> Sean McMahon, *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy*, (London: Zed Books, 2017): 37.

<sup>&</sup>lt;sup>3</sup> David Harvey, *A Companion to Marx's* Capital, *Volume Two*, (London: Verso Books, 2013): 121.

<sup>&</sup>lt;sup>4</sup> Harry Cleaver, *Reading Capital Politically* (USA: The Harvester Press, 1979): 77.

<sup>&</sup>lt;sup>5</sup> Harvey, *A Companion to Marx's* Capital, *Volume Two*, 145.

<sup>&</sup>lt;sup>6</sup> Ibid., 145.

This chapter analyzes how mental conceptions and ideas are used by capital in the contemporary moment to gain more power in relation to workers. It shows how capital in the neoliberal moment propagates ideas that contribute to the division of workers and the normalization of the status quo by workers themselves. By producing ideas that mask the class element inherent to all social relations and having workers internalize their own exploitation, capital manages to weaken workers. While there are ideas of resistance and conceptualizations that seek to expose capitalist relations and processes for what they are, these are not dominant. To have a fighting chance against capital, workers have to reclaim, not only the sphere of production, but also the ideal domain.

#### Division

Capital's efforts to divide and weaken workers are many. Chapters 2 and 3 discussed the myriad ways capital seeks to do this through production processes and social relations. These involve the physical separation of workers within the workplace and beyond it through the international division of labor and the urban phenomenon of gated communities, as well as the breaking up of workers' ranks through the creation of hierarchies between them and giving some privileges at the expense of others. Central to all of these efforts, however, are the ideals that support them. Neoliberal ideas divide workers through their increased underlining of non-class distinctions, including race, religion, political affiliations and/or nationality, and their promotion of individualism and rationality as the dominant mode of thinking.

### Anything but Class

One of the most obvious and straightforward means of dividing workers is having them identify as anything *but* workers. This includes emphasizing nonclass differences, like race, ethnicity, nationality and religion, among others. Whereas neoliberalism, as an ideology, allegedly acknowledges no distinctions other than those of the market and advocates a progressive agenda of freedom for all, its dynamics cultivate and capitalize on these differences in an effort to steer workers clear of the class war.<sup>7</sup> Even though:

neoliberalism, as a discourse, works to remove racism from public life...it helps produce the socioeconomic contexts through which racism plays out across communities as a response to the instabilities and insecurities produced by neoliberalism.<sup>8</sup>

These distinctions, whether blatant or subtle, divide workers along different lines, usually more than one at the same time and, in so doing, discourage their solidarity. Indeed, any political mobilization or collective action is promoted in non-class terms. In many cases in the West, solidarity between white workers is promoted as saving the traditional white male experience from challenges, including religious, cultural, gendered, queer and racist ones, so that white workers unite together against non-white migrants, for example. It presents these differences as being fundamentally opposed to and obstructing the possibility for workers' unity. In extreme cases, this sometimes leads to explicit violence and war between these different groups of workers, completely turning

<sup>&</sup>lt;sup>7</sup> Richard Saull, "Capitalism and the Politics of the Far Right," in *The Politics of the Right: Socialist Register 2016*, 136-153, (Pontypool: Merlin Press, 2016): 146. <sup>8</sup> Ibid., 147.

<sup>&</sup>lt;sup>9</sup> David Harvey, *A Brief History of Neoliberalism,* (New York: Oxford University Press, 2005): 168.

<sup>&</sup>lt;sup>10</sup> Ibid., 50; Saull, "Capitalism and the Politics of the Far Right," 141.

their attention away from capital.<sup>11</sup> It is important to note that this section does *not* dismiss or ignore these categories as irrelevant or the unique experiences of exploitation they result in as unimportant; on the contrary, the main point is to show how capital manipulates and appropriates these differences so as to discourage workers' resistance to their exploitation as a whole *as well as* to the other particular forms of oppression.

Non-class distinctions that have been increasingly mobilized in the contemporary period are those that arise with migration, including race, for example. Chapter 2 discussed how migration materially contributes to the division and erosion of workers' value by providing capital with a cheaper and more exploitable labor force; migration also offers capital a very useful weapon in ideally breaking up workers. Even though "the flag does not put food on the table,"12 it is mobilized to distinguish between local (often white) workers, who are naturally superior, and (non-white) immigrants/refugees, who steal jobs and contribute to the former's insecurity and impoverishment.<sup>13</sup> The cause of this impoverishment becomes the unwelcome intruders to the country, regardless of the reasons these migrants left their home countries in the first place, not capital's use of migration to bring wages down. White British workers, for example, have tended to blame their immiseration on immigrants, viewing immigrants, rather than capital, as the reason for the unequal distribution of resources. 14 This discourse is encouraged and further propagated by capital. In the midst of the refugee influx into Europe in 2015, for example, Former British

<sup>&</sup>lt;sup>11</sup> Harvey, A Brief History of Neoliberalism, 200.

<sup>&</sup>lt;sup>12</sup> McMahon, Crisis and Class War in Egypt, 173.

<sup>&</sup>lt;sup>13</sup> Saull, "Capitalism and the Politics of the Far Right," 146-7.

<sup>&</sup>lt;sup>14</sup> Huw Beynon and Lou Kushnick, "Cool Britannia or Cruel Britannia? Racism and New Labour," *Socialist Register* (2003): 238-9.

Prime Minister David Cameron, characterized refugees as a "swarm" and blamed them for wanting to get into the United Kingdom illegally, maintaining that many of them were "economic migrants." <sup>15</sup> In doing so, he implicitly invoked the threat they would pose to British workers, trying to turn the latter against them. In the event that neoliberalism itself does come under attack for worsening the conditions of the working class, it is because it has opened society's doors to others, contributing to the import of cheaper goods and labor rather than because it has furthered workers' exploitation. The presented solution is then about protectionist policies and controlling free trade, rather than questioning the entire capitalist mode of operation, which is primarily responsible for these poor living conditions. 16 This has been, for example, a huge part of U.S. President Trump's presidential campaign, in which he has promised to strengthen trade barriers and keep foreigners out.<sup>17</sup> Trump has claimed he would "ensure open jobs are offered to American workers first."18 He has not, however, vowed to put an end to, or even brought up, capital's exploitation of labor. Even in the absence of racism, local working classes are unlikely to relate to migrants when they are increasingly portrayed as foreigners; migrants' being labeled as such makes it easier for local workers to perceive them as different and focus on the

<sup>&</sup>lt;sup>15</sup> Jessica Elgot, "How David Cameron's Language on Refugees Has Provoked Anger," *The Guardian,* January 27 2016. Available online at: <a href="https://www.theguardian.com/uk-news/2016/jan/27/david-camerons-bunch-of-migrants-quip-is-latest-of-several-such-comments">https://www.theguardian.com/uk-news/2016/jan/27/david-camerons-bunch-of-migrants-quip-is-latest-of-several-such-comments</a>

<sup>&</sup>lt;sup>16</sup> Saull, "Capitalism and the Politics of the Far Right," 138.

<sup>&</sup>lt;sup>17</sup> Katie Allen, "Trump's Economic Policies: Protectionism, Low Taxes and Coal Mines," *The Guardian*, November 9 2016. Available online at: <a href="https://www.theguardian.com/us-news/2016/nov/09/trumps-economic-policies-protectionism-low-taxes-and-coal-mines">https://www.theguardian.com/us-news/2016/nov/09/trumps-economic-policies-protectionism-low-taxes-and-coal-mines</a>

<sup>&</sup>lt;sup>18</sup> Julia Preston, "Immigrants Aren't Taking Americans' Jobs, New Study Finds," *The New York Times,* September 21, 2016. Available online at: <a href="https://www.nytimes.com/2016/09/22/us/immigrants-arent-taking-americans-jobs-new-study-finds.html">https://www.nytimes.com/2016/09/22/us/immigrants-arent-taking-americans-jobs-new-study-finds.html</a>

differences rather than the commonalities between them. This is clear in the case of workers from India and the Philippines in GCC countries, for example, who are seen as foreigners and "guest workers," and not as potential allies in the class war.<sup>19</sup>

Race also makes it harder for workers of the same societies to identify together. In the United States, social stratification coincides with race/ethnicity, so that white workers of both genders earn more than blacks and Hispanics, regardless of the fact that Hispanics might often work more.<sup>20</sup> This also speaks to the generally lower skills and poorer living conditions of non-white workers in the United States that create distinctions based on work sectors, education and status.<sup>21</sup> Systemic inequalities perpetuate these differences and result in workers of the same race being grouped together in specific jobs.<sup>22</sup> Even if there are no stereotypes attached to specific races/ethnicities (which there often are), these distinctions become so inherent to the system that they seem almost natural. Workers of different races or sectors are unlikely to interact or compare experiences and, therefore, it becomes very difficult for them to identify as one class of workers and organize as such against capital.

There are also other distinctions that are emphasized in different contexts to the same end result: class is never invoked. Capital utilizes whatever distinctions at its disposal to keep workers divided and move their increasing

<sup>19</sup> Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013): 144.

<sup>&</sup>lt;sup>20</sup> Derek Thompson, "The Workforce is Even More Divided by Race Than You Think," *The Atlantic,* November 6 2013. Available online at: <a href="https://www.theatlantic.com/business/archive/2013/11/the-workforce-is-even-more-divided-by-race-than-you-think/281175/">https://www.theatlantic.com/business/archive/2013/11/the-workforce-is-even-more-divided-by-race-than-you-think/281175/</a>

<sup>&</sup>lt;sup>21</sup> Ibid.

<sup>&</sup>lt;sup>22</sup> Ibid.

frustration away from it. In some cases, these distinctions revolve around religion.<sup>23</sup> Bahrain is a very clear example of this. According to this mental conception, Bahrain's population is primarily divided along Sunni/Shi'a lines and, with Shi'as facing constant persecution and discrimination, this is how inequalities are always perceived and performed instead of along class lines.<sup>24</sup> In this case, migration is also used to foster divisions. Sunni migrants are motivated to come to Bahrain and are given citizenship as well as other privileges to maintain and perpetuate these religious differences. This divides workers along sectarian lines and helps capital veil how its dynamics are at the heart of the matter.<sup>25</sup> The Syrian case is similar insofar as the Syrian war has been framed in sectarian and tribal terms in an effort to mask the fact that the Syrian uprising had initially been protesting a neoliberal autocracy. <sup>26</sup> In other cases, the dividing non-class element has been political affiliation. Palestinian workers, for instance, are primarily divided between the two rival Palestinian political factions, Hamas (the Islamic Resistance Movement) and Fatah (the Palestinian National Liberation Movement). This stops them from coming together as a Palestinian working class against their Palestinian and Israeli exploiters and capital, more generally.<sup>27</sup> It keeps them busy fighting one another in fetishistic terms.

Highlighting workers' differences of race, nationality, culture, religion and/or politics allows capital to break up workers and mask the true nature of its relations. The emphasis on these distinctions makes it harder for workers to go beneath the appearance of things and realize their common enemy and

<sup>&</sup>lt;sup>23</sup> Harvey, A Brief History of Neoliberalism, 171.

<sup>&</sup>lt;sup>24</sup> Hanieh, *Lineages of Revolt*, 152.

<sup>&</sup>lt;sup>25</sup> Ibid., 152.

<sup>&</sup>lt;sup>26</sup> Ibid., 161.

<sup>&</sup>lt;sup>27</sup> Hanieh, *Lineages of Revolt*, 114.

interests. Capital is able to divert attention away from the exploitation of workers as such and cast workers' problems and conditions in terms of competition against one another. Class structures and inequalities remain unchallenged and threats to workers' livelihoods are depicted as originating elsewhere.<sup>28</sup> By extension, capital is able to continue to reproduce its same dynamics and class hierarchies.<sup>29</sup> They become the normal order of things, just how society is structured.

# *Individualism/Neoliberal Rationality*

Another mental conception neoliberal capital deploys in the class war is its individual-based rationality (and subsequent policies), predicated as it is on the basic assumptions of rational choice and profit maximization. Neoliberal ideology highlights the capacity of the individual to self-actualize and pursue his/her self-interest through the market and free exchange, seeking to mask the true class relation between capital and labor. <sup>30</sup> With the dominance of neoliberalism in our contemporary moment, this rationality has extended beyond the confines of the market to include all aspects of daily and political life. <sup>31</sup> Now, everyone is encouraged to think and act in individuated, rational and calculating terms. <sup>32</sup> It is the *homo oeconomicus* reasoning, where everything is exclusively measured and calculated in economic terms, even when they are not

<sup>&</sup>lt;sup>28</sup> Saull, "Capitalism and the Politics of the Far Right," 138.

<sup>&</sup>lt;sup>29</sup> Ibid., 142.

<sup>&</sup>lt;sup>30</sup> Hugo Radice, "Class Theory and Class Politics Today," *Socialist Register* (2015): 284

<sup>&</sup>lt;sup>31</sup> Wendy Brown, *Edgework: Critical Essays on Knowledge and Politics*, (Princeton: Princeton University Press, 2005): 40; McMahon, *Crisis and Class War in Egypt*, 38

<sup>&</sup>lt;sup>32</sup> Ibid., 42.

explicitly commodified and/or monetized. <sup>33</sup> In promoting this mentality, neoliberalism promotes individual motivations and self-care; it replaces workers' concern with the public for that of their own selves. Brown maintains that "[a] fully realized neoliberal citizenry would be the opposite of public-minded; indeed, it would barely exist as a public."<sup>34</sup> This can also be applied at the level of working class organization. In pushing workers to self-actualize and think as rational-minded entrepreneurs, neoliberalism breaks workers' concern for, and solidarity with, one another.

The *homo oeconomicus* mentality promotes intra-working class divisions by fuelling competition among workers. Encouraged to think in individual terms, workers realize that their best chances lie in setting themselves apart from the rest and making themselves as indispensable as possible to capital. Their labor power is a commodity and no more; neoliberal rationality maintains they make that commodity as attractive and profitable as possible.<sup>35</sup> This labor-power commodity is their means of securing and guaranteeing their futures; <sup>36</sup> otherwise, they risk impoverishment and jeopardizing their survival.<sup>37</sup> In that sense, competition ensues between workers and their relations become part of a zero-sum game with winners and losers, rather than based on collective class action.<sup>38</sup> Workers become alienated from both their work and those around them, as they become solely concerned with self-betterment and selling their

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<sup>&</sup>lt;sup>33</sup> Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution,* (New York: Zone Books, 2015): 31.

<sup>&</sup>lt;sup>34</sup> Brown, *Edgework*, 43.

<sup>&</sup>lt;sup>35</sup> Brown, *Undoing the Demos*, 22.

<sup>&</sup>lt;sup>36</sup> Ibid., 211.

<sup>&</sup>lt;sup>37</sup> Ibid., 22.

<sup>&</sup>lt;sup>38</sup> Ibid., 38.

labor-power commodity. <sup>39</sup> While Brown maintains that this rationality permeates even the most seemingly uncommodified spheres, because that is how individuals have become interpellated and socialized by neoliberalism, the spheres she cites are not as explicitly unmonetized as she presents them to be. "[O]ne's education, health, fitness, family life, [and] neighborhood" are all means by which workers can *invest* in their labor-power commodity to make it more appealing to capital. <sup>40</sup> The acts of "studying, interning, working, planning retirement, or reinventing [oneself] in a new life" are workers' ways of competing against one another. <sup>41</sup> In that sense, these spheres *are* concerned with money; neoliberal rationality capitalizes on the ideas of individualism and self-interest to make workers think in terms of themselves as only owners of the labor-power commodity and heighten competition between them as each tries to sell his/her own.

Neoliberal rationality also manifests itself when dealing with workers as consumers. First, it encourages their role as such. In need of a consumer pool, neoliberal capital promotes the idea that workers can reach their goals, regardless of what they are, through the market. It presents consumption as the means to everything.<sup>42</sup> If workers are in need of financial support, for example, they are encouraged to seek it in the market through consumer credit.<sup>43</sup> This allows neoliberal capital to disintegrate other forms of protection, such as

<sup>&</sup>lt;sup>39</sup> Karl Marx, "Estranged Labor," in *The Marx-Engels Reader*, ed. Robert C. Tucker (New York: W.W. Norton Company, 1972): 61, 63.

<sup>&</sup>lt;sup>40</sup> Brown, *Undoing the Demos*, 31, 33.

<sup>&</sup>lt;sup>41</sup> Ibid., 36.

<sup>&</sup>lt;sup>42</sup> Stephen Gill, "Globalization, Market Civilization and Disciplinary Neoliberalism," *Millennium: Journal of International Studies* 24.3 (1995): 401.

<sup>&</sup>lt;sup>43</sup> Susanne Soederberg, "The US Debtfare State and the Credit Card Industry: Forging Spaces of Dispossession," *Antipode* 45.2 (2013): 499.

welfare, and pushes consumers to the market to get those increasingly privatized goods/services. 44 It helps capital with its overproduction problem, increases its accumulation and separates workers by having them think further in individual terms. By highlighting individual consumption and ignoring all the rest, capital encourages workers to think in terms of "I" rather than we; it makes them look at their differences rather than their common experiences and undermines working class organization.<sup>45</sup> At the same time, as consumers, workers are treated as responsible and rational actors, worthy of both protection and standards.<sup>46</sup> Portraying them as such provides capital with the means to turn the tables on them at its convenience. Any failing in the process/interaction with capital can be attributed to an individual's *irresponsibility* rather than a systemic problem. It is not the bank that generates large amounts of credit at skyrocketing interest rates, but rather the consumer who takes out more credit than he/she can afford. This is perfectly clear in the United States' credit card industry, for example, where the minute debtors cannot pay, they are both disciplined and blamed for their recklessness and the banks leave unscathed.<sup>47</sup> This was also the implicit statement made in the aftermath of the 2007-8 financial crisis, when banks were bailed out and workers across the United States and the world were left homeless, in debt and severely immiserated. Similarly, the European Union preferred to bail out Southern European countries at the expense of their workers rather than risk default exposing the system's contradictions.<sup>48</sup> In doing so, capital absorbs each worker in his/her own individual life and concerns, and

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<sup>&</sup>lt;sup>44</sup> Brown, *Undoing the Demos*, 37, 42.

<sup>&</sup>lt;sup>45</sup> Radice, "Class Theory and Class Politics Today," 285-6.

<sup>&</sup>lt;sup>46</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 500.

<sup>&</sup>lt;sup>47</sup> Ibid., 500.

<sup>&</sup>lt;sup>48</sup> Brown, *Undoing the Demos*, 40.

creates distinctions between workers. It creates the standards by which workers can blame one another for their impoverishment and not question and/or attack the system as a whole.

In the past few decades of neoliberal capital's dominance, its ideas have managed to permeate all aspects of life so as to promote divisions between workers. The neoliberal rationality has promoted the individual as the most important actor with needs that are to be addressed through careful profit maximizing calculations, thereby undermining the public and the collective, and making the possibility of workers' unity unlikely. It has pushed workers towards consumption for their self-actualization and the fulfillment of their needs, particularly those that are no longer being addressed outside the market, i.e. through social security. In Britain, it was precisely this neoliberal rationality and the values it promoted that aided Thatcher in her war against workers and clearly separated them. 49 It helped a British "middle" class that celebrated individualism, private property and one's inner entrepreneur emerge and consume, thereby breaking workers up and aiding capital's accumulation.<sup>50</sup> Emphasizing the individual at the expense of the common is at the core of neoliberal rationality and values. In propagating it, capital makes it that much harder for workers to form bonds and/or come together against capital. It also allows neoliberalism as a system to become entrenched as common sense and the norm. To combat all of this, workers need to move beyond the singular pronoun and towards more collective modes of thinking.

<sup>&</sup>lt;sup>49</sup> Harvey, A Brief History of Neoliberalism, 61.

<sup>&</sup>lt;sup>50</sup> Ibid.. 61.

## Normalization and Internalization of the Status Quo

Another important strategy of capital's is to have workers accept, and as much as possible internalize, capital's processes and relations and their exploitation through them. In addition to devaluation and division, this process of normalizing and internalizing the capital-labor relation is very significant to the class war and largely contributes to capital's attempts to weaken and disempower the working class. If workers come to see capital's accumulation and their exploitation as the normal order of things, it is unlikely that they will come to see themselves as a class, let alone one that is in itself and for itself. In the contemporary moment, capital presents neoliberalism as necessary and natural to normalize its position as the dominant class force, relying on society's increased individualization and science to back up its claims. It also propagates ideas, including conceptions of what warrants merit and reward and stereotypes based on these conceptualizations, that have workers internalize their exploitation. This neoliberal rhetoric is an essential part of the neoliberal political project to maintain, perpetuate and intensify class relations.

## Neoliberalism as Natural and Commonsensical

In seeking to disempower workers, capital tries to assert neoliberalism as the natural and only order of things. It presents capitalism as *the* mode of production, and its hierarchies and divisions as essential to the functioning of any society based on industrialization.<sup>52</sup> Capital also attempts to conceal the fact

<sup>51</sup> Harvey, *A Brief History of Neoliberalism*, 188.

<sup>&</sup>lt;sup>52</sup> Il Manifesto, "Challenging the Role of Technical Experts," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 123-143, (London: Humanities Press, 1976): 128.

that the dominant ideas are its own and that they increasingly work to its advantage in the class war.<sup>53</sup> In order to achieve this normalization of its dominance, neoliberal capital propagates its individual-centered rationality, links itself to personal freedoms and hides behind the veil of scientific neutrality.

Grounding itself in the neoliberal rationality of workers as individual homo oeconomicus, capital seeks to normalize its relations and processes. To avoid the risk of workers identifying as one or seeking their rights as a class, capital appeals to the homo oeconomicus rationality and presents itself and the policies it advocates as being in the service of the freedoms and rights of all individual workers. 54 This allows capital to conceal the bigger picture of exploitation and instead create a society of isolated, divided and self-interested workers. It also encourages workers to think of themselves and the system they live in in the same way. In the United States, for example, where individual freedom has always been a glorified value, neoliberalism was able to extend it to include other individual values.<sup>55</sup> Furthermore, capital claims that by ensuring individual rights, neoliberal free markets lead to more efficiency, better democratic institutions and practices and general social improvement.<sup>56</sup> This presents (neoliberal) capitalism as a universal good, in favor of everyone.<sup>57</sup> It makes it easier and more commonsensical for workers to think in those terms. because they cannot be blamed for going after their individual rights and interests; it makes it harder for them to think as one class. What capital neglects to mention, however, is that the individual freedoms it advocates and sponsors

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<sup>&</sup>lt;sup>53</sup> Harvey, A Brief History of Neoliberalism, 115.

<sup>&</sup>lt;sup>54</sup> Brown, *Undoing the Demos*, 39; Harvey, *A Brief History of Neoliberalism*, 7.

<sup>&</sup>lt;sup>55</sup> Harvey, A Brief History of Neoliberalism, 44.

<sup>&</sup>lt;sup>56</sup> Gill, "Globalization, Market Civilization, and Disciplinary Neoliberalism," 406.

<sup>&</sup>lt;sup>57</sup> Paul Cammack, "Making Poverty Work," Socialist Register (2002): 194.

are not all freedoms, but rather the ones that suit its political interests. It guarantees, for example, workers' freedom to dispose of and sell their laborpower commodity.<sup>58</sup> In the neoliberal moment, workers are also increasingly free to move elsewhere in quest of better working conditions. These freedoms are ones that only serve to make workers more dependent on and exploited by capital and the market.<sup>59</sup> The cover of freedom also allows capital to intensify its exploitation of workers, as with the case of flexible work relations. Even though alleged flexibility in labor processes is actually a cover for intensifying and extending the exploitation of workers (see Chapter 2), capital frames it in terms of personal freedom to make workers more in favor of it.<sup>60</sup> By focusing on these individual needs and "freedoms" and presenting them as being in favor of workers, capital moves away from collective demands and working class organization; it is thus able to more easily take steps like ending the welfare state and move towards a system where there are rational individuals who are rewarded and punished for their choices and actions.<sup>61</sup> By encouraging workers to look at their situation and the system they live in with a neoliberal lens of individual rights and personal freedoms, capital discourages workers from thinking in terms of exploitation or collective class action. This neoliberal rationality surrounds workers in every aspect of their lives, 62 and so it becomes the norm. Other ways of looking at the world become increasingly rare and, so,

<sup>&</sup>lt;sup>58</sup> Karl Marx, *Capital Volume I: The Process of Production of Capital* (London: Penguin Books, 1976): 280; McMahon, *Crisis and Class War in Egypt*, 72-3.

<sup>&</sup>lt;sup>59</sup> Cammack, "Making Poverty Work," 198.

<sup>60</sup> Harvey, A Brief History of Neoliberalism, 53.

<sup>61</sup> Soederberg, "The US Debtfare State and the Credit Card Industry," 500.

<sup>62</sup> Brown, *Undoing the Demos*, 40.

neoliberal rationality's ubiquity and normalcy make the system become almost commonsensical.

Capital in the neoliberal moment seeks to further normalize its dominance by portraying its values, ideas and policies as the ones: neutral, scientific and without alternative. Capitalist processes and relations are presented as the result of sophisticated and careful scientific study and capitalism as the one system through which societies can have burgeoning and healthy economies. 63 The invocation of science allows capital to pass its processes and relations off as exceedingly complex and beyond the reach of the worker. It significantly reduces challenges and resistance to the capitalist order, because what does the average person (read: worker) know about finance or regulating an economy, after all? By appealing to science, international financial institutions can present themselves as neutral "experts" and prescribe neoliberal policies that directly work to capital's benefit, while dismissing welfare and labor rights for which workers fought long and hard.<sup>64</sup> Decisions to reduce benefits, outsource or downsize, float the currency and others are then framed as business decisions, not political ones.65 Those who do not agree with them simply do not have the capacity to understand the rationale behind them. This is all, of course, not true. If one goes beyond appearances and analyzes capital in terms of relations and processes, science and technology are seen for the political tools that they are.66 For example, technological changes and neoliberal reforms to

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<sup>63</sup> André Gorz, "Reform and Revolution," Socialist Register (1968): 132.

<sup>&</sup>lt;sup>64</sup> Hanieh, Lineages of Revolt, 118; Harvey, A Brief History of Neoliberalism, 113.

<sup>&</sup>lt;sup>65</sup> Brown, *Undoing the Demos*, 211.

<sup>&</sup>lt;sup>66</sup> André Gorz, "Technology, Technicians and Class Struggle," in *The Division of Labour: The Labour Process and Class-Struggle in Modern Capitalism*, ed. André Gorz, 159-189, (London: Humanities Press, 1976): 165.

North African agricultural were inherently political insofar as they advanced the accumulation of a small number of capitalists at the expense of local farmers.<sup>67</sup> This is what workers need to do to overcome their disempowerment: go beyond appearances and produce alternatives.

In addition to allowing capital to pass these "reforms" in the first place, the appeal to science also shields capital from blame and conceals its class interests. Capital maintains that, scientifically speaking, economies cannot function properly without competition and profit. 68 While this naturally translates to working class exploitation and discipline on the other end of the relation, the claim to neutrality/objectivity absolves capital of the responsibility for any of these policies' future negative impacts.<sup>69</sup> Instead, the consequences of neoliberal policies, such as poverty, are depoliticized and discredited.<sup>70</sup> They are presented as necessary "sacrifices" for the public good and the sake of overcoming economic problems like bankruptcy, currency collapse and debt default.<sup>71</sup> In Southern Europe, for example, severe austerity measures prescribed by international financial institutions, and the impoverishment they resulted in, were propagated as being necessary for the futures of these countries.<sup>72</sup> This was similarly the case when Egypt floated its currency in November 2016, almost doubling inflation overnight. The decision was relayed to Egyptian society as the necessary, and only, remedy for Egypt's increasingly weak

<sup>67</sup> Hanieh, *Lineages of Revolt*, 96-7.

<sup>&</sup>lt;sup>68</sup> Gorz, "Reform and Revolution," 131-2.

<sup>69</sup> Hanieh, Lineages of Revolt, 118.

<sup>&</sup>lt;sup>70</sup> Susanne Soederberg, *Global Governance in Question: Empire, Class and the New Common Sense in Managing North-South Relations*, (London: Pluto Books, 2006): 114.

<sup>&</sup>lt;sup>71</sup> Brown, *Undoing the Demos*, 212.

<sup>&</sup>lt;sup>72</sup> Ibid., 212.

economy and as the first step towards positive "reform" that would curb black market activity and attract foreign investment, tourism and other forms of revenue. 73 The impoverishment the currency floatation resulted in was maintained as being only temporary, a necessary price to pay for what it sure to become a strong and competitive economy.<sup>74</sup> Following the neoliberal rationale that there are no alternatives to neoliberalism, 75 no other options were offered to the workers in any of these societies. The "reforms" were inevitable, deemed scientifically necessary and commonsensical. The irony lies in the fact that, when it comes to situations like these, neoliberal capital encourages workers to think in terms of the public and forego their individual needs and experiences for the time being. It is not surprising, however, given that capital will abandon its own principles and rationality whenever it helps it in consolidating its class dominance.<sup>76</sup>

Fund, February 16 2017. Available online at:

http://www.imf.org/external/country/egy/egyptfaq.htm#four

<sup>&</sup>lt;sup>73</sup> Ahmed Feteha, Alaa Shahine, Tarek El-Tablawy and Tamim Elyan, "Egypt Free Floats Pound, Raises Lending Rates to Spur Economy," Bloomberg, November 3 2016. Available online at: https://www.bloomberg.com/news/articles/2016-11-03/egypt-free-floats-pound-raises-lending-rates-to-spur-economy

<sup>74</sup> Natasha Doff, "What Not to Do When Floating a Currency: Lessons for Egypt," Bloomberg Markets, November 4 2016. Available online at: https://www.bloomberg.com/news/articles/2016-11-04/what-not-to-dowhen-floating-a-currency-lessons-egypt-can-learn; Andrew Torchia and Ahmed Aboulenein, "Egypt to Face Pain Before Gain After Massive Currency Devaluation," Reuters, November 7 2016. Available online at: http://www.reuters.com/article/us-egypt-currency-economyidUSKBN1321RG?il=0; "Key Questions on Egypt," The International Monetary

<sup>&</sup>lt;sup>75</sup> Brown, *Undoing the Demos*, 221; Andrew Herod and Rob Lambert, "Neoliberalism, Precarious Work and Remaking the Geography of Global Capitalism," in Neoliberal Capitalism and Precarious Work: Ethnographies of Accommodation and Resistance, eds. Rob Lambert and Andrew Herod, (Cheltenham, UK: Edward Elgar Publishing, 2016): 24. <sup>76</sup> Harvey, A Brief History of Neoliberalism, 19.

In addition to having workers accept neoliberal values as the only logical ones, the claim to scientificity also normalizes workers' exclusion from different fields. By increasingly infusing different (profitable) fields with rationality and science, capital is able to decide who gains access to them, while making the process seem objective. In the United States, for example, medical school has complicated the process of entry, restricting access to those who have completed an undergraduate degree and another four years of medical training and essentially closing itself off to the majority of the working class;<sup>77</sup> the same process has been mirrored in the fields of management and law. 78 Academia has also bifurcated itself into very clear-cut "scientific" disciplines and created a professional hierarchy based on degrees.<sup>79</sup> While these decisions are supposedly passed in the interest of science and rationality, they are actually a means of keeping lower-waged and less educated workers at the same level and reproducing the relations of production.80 They entrench and normalize wage distinctions as relevant, further legitimizing the existence of a "middle" class as opposed to those better-waged workers being part of one working class alongside all other workers. In this case, the claim of upholding scientific values conceals and gives credibility to capital's mechanisms of divide and rule and normalizes the fact that some fields are increasingly inaccessible to the majority of the working class.

In an attempt to disempower workers and discourage them from challenging its dominance, capital tries to normalize the contemporary order. It

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<sup>&</sup>lt;sup>77</sup> Barbara Ehrenreich, *Fear of Falling: The Inner Life of the Middle Class*, (New York: HarperPerennial, 1990): 79.

<sup>&</sup>lt;sup>78</sup> Ibid., 79.

<sup>&</sup>lt;sup>79</sup> Ibid., 79.

<sup>80</sup> Ibid., 80.

emphasizes neoliberal rationality and individual values and freedoms to have workers internalize this mode of thinking and not organize around collective demands. Capital also frames its policies as neutral and scientific. This allows it to shroud its material interests as objective and normalize them as the only way of doing things. In doing so, capital's strategy is to keep workers, as much as possible, from realizing the exploitation in which they are all locked and from uniting against capital. It encourages workers to think in terms of themselves only and see their positions and internal divisions as normal, accepting whatever sacrifices they have to endure as the only and necessary option, regardless of how harmful it might be to them. In that sense, capital's claims to being concerned with individual freedoms and to neutrality serve a very important function in the class war insofar as they allow neoliberal structures to go relatively unnoticed and/or unchallenged.<sup>81</sup>

## The Myth of Merit and its Stereotypes

Normalizing the dominance of capital dialectically entails the normalization of workers' exploitation as well. This is necessary for workers to internalize and accept their inferiority in the class structure and not challenge it. It makes it harder for them to picture anything beyond the system and deal with it, helping capital accumulate in the process. To have workers reach this level of internalization, capital relies on several mental conceptions. Maintaining that contemporary capitalist society is meritocratic, capital propagates a variety of stereotypes based on this claim that emphasize the need to earn one's place in society through hard work and entrench and normalize social inequalities;

<sup>81</sup> Hanieh, Lineages of Revolt, 96.

capital also reinforces these ideas through popular culture. It is noteworthy that many of these ideas are already cast in terms of one of capital's most powerful fetishisms: money, which already exists to hide capital's underlying social relations and processes.<sup>82</sup>

Capital's promotion of the myth of a meritocratic society makes different groups of workers distinguish themselves from one another and blame each other for their poorer conditions. Capital propagates the idea that society is structured in terms of merit and that one's position is earned through one's level of work. This is also related to the neoliberal rationality insofar as all individuals enjoy the same freedoms and should capitalize on them for maximum selfpromotion. In a world of such alleged equal opportunity, workers are presented as possessing the ability to be whatever they want to be. The catch? They have to work for it. They have to devote longer and more intense labor time, and invest in their own skills.<sup>83</sup> Based on these ideas, thus, members of the "middle" classes are celebrated for their work ethic and ability to control their impulses and direct their actions towards improving their lot in life.84 Not born with silver spoons in their mouths, middle class members are seen as having been able to discipline themselves into making sound decisions and reaching their goals.85 This conceptualization dumps the blame of poverty and poor living conditions onto workers as capital tries to prevent socioeconomic frustrations from leading

<sup>82</sup> Harvey, A Companion to Marx's Capital, Volume Two, 84.

<sup>83</sup> Radice, "Class Theory and Class Politics Today," 286.

<sup>84</sup> Ehrenreich, Fear of Falling, 27.

<sup>85</sup> Ibid., 51 231.

into identification based on class.<sup>86</sup> Capital wants workers motivated to work harder for it, so it portrays work as being rewarding in and of itself and leading to self-actualization.<sup>87</sup> The privileges and higher positions of the middle class, to which all workers should (and often do) aspire are shown to be the natural results of such hard work.

In contrast to these hardworking and deserving individuals are workers who do not have privileges and live in poor conditions and on low wages. From the point of view of the meritocracy, lower-waged and lower-skilled workers, or "the poor," thus come to be viewed as ignorant, promiscuous and lazy.<sup>88</sup> Their ethics, morals and judgments are constantly called into question, as their impoverishment and poor conditions are attributed to their lack of work and discipline and irresponsibility.<sup>89</sup> If poorer workers only improved themselves and developed better skills, a better work ethic and a competitive spirit, they would be able to improve their social situation.<sup>90</sup> Otherwise, they have no one else to blame but themselves; capital's exploitation does not factor into the equation as society is increasingly encouraged to think in terms of merit. In fact, workers are meant to internalize this exploitation and their extended and intensified work as a means of bettering themselves. This mentality also makes it unfavorable for workers to seek welfare and social services when they are supposed to be self-reliant and hardworking.<sup>91</sup> If workers seek these services, it

<sup>&</sup>lt;sup>86</sup> Fred Goldstein, *Low-Wage Capitalism: Colossus with Feet of Clay–What the New Globalized, High-Tech Imperialism Means for the Class Struggle in the U.S.,* (New York: World View Forum, 2008): 261.

<sup>&</sup>lt;sup>87</sup> Ehrenreich, Fear of Falling, 132.

<sup>88</sup> Ibid., 7.

<sup>89</sup> Ibid., 27.

<sup>&</sup>lt;sup>90</sup> Harvey, A Brief History of Neoliberalism, 157.

<sup>&</sup>lt;sup>91</sup> Saull, "Capitalism and the Politics of the Far Right," 146.

is seen as more proof of their laziness. This contributes to neoliberal capital's accumulation as it makes it easier for it to reduce the costs of social reproduction by offloading them on to workers. In 2012, capitalist and US presidential candidate Mitt Romney's statements exemplified this mentality when he stated voters who wanted welfare and had demands from the government were inferior to those who "take responsibility and care for their lives." Under the guise of a meritocracy, thus, it becomes "more acceptable to applaud an individual for working himself to death than to argue that an individual working himself to death is evidence of a flawed economic system." By promoting this myth of a merit-based society where hard work is allegedly the only currency, capital does its best to conceal the fact that its accumulation dialectically plays a direct role in workers' impoverishment. Instead, it encourages workers to blame themselves for being poor and immiserated. In doing so, capital has workers internalize social relations and processes as objective, based on merit and normal.

These distinctions between an idle working class and a disciplined middle class also reinforce other ideas that divide workers' ranks, particularly the superiority of some workers and the inferiority of others. Members of the middle class capitalize on being hardworking and professional and use these traits to

<sup>&</sup>lt;sup>92</sup> Qtd. in Peter Beinart, "Should the Poor Be Allowed to Vote?" *The Atlantic,* October 22 2014. Available online at:

https://www.theatlantic.com/politics/archive/2014/10/the-new-poll-tax/381791/

<sup>&</sup>lt;sup>93</sup> Jia Tolentino, "The Gig Economy Celebrates Working Yourself to Death," *The New Yorker*, March 22 2017. Available online at:

http://www.newyorker.com/culture/jia-tolentino/the-gig-economy-celebrates-working-yourself-to-death

differentiate themselves as part of the "elite" rather than the working class.94 They are "mystified" into believing themselves to be better than the rest of workers, in both social position and personal attributes. 95 In contrast, the working class's low position in society is used to shun it politically as well and make it seem inferior. Workers, particularly those with lower levels of education, are accused of being authoritarian and intolerant, traits that make them unfit for democracy. 96 This allows capital to discredit and justify marginalizing groups it knows might very likely seek to challenge it or radically change a system that is not in their favor, much like in the case of Egypt in 2011. In the midst of popular protests demanding political and socioeconomic change, then Vice President and former Intelligence Chief Omar Soliman declared that Egyptians were not yet ready for democracy, 97 because the protestors' demands undermined and called for the end of neoliberalism which the state form was realizing and supporting. This is not only Soliman's attitude, however; it reflects how poorer workers are generally seen in Egyptian society as uneducated, uncultured and thereby unfit for democratic participation, which must be both "earned and learned." Other political figures at the time also called for banning the illiterate from voting, claiming their ignorance makes them easily bought off.99 These workers and

<sup>94</sup> Ehrenreich, Fear of Falling, 10, 59.

<sup>95</sup> Gorz, "Technology, Technicians and Class Struggle," 176, 180.

<sup>&</sup>lt;sup>96</sup> Ehrenreich, *Fear of Falling*, 110.

<sup>&</sup>lt;sup>97</sup> onlinedocument, "omar soliman with abc news.flv," *Youtube,* February 8 2011. Available online at: <a href="https://www.youtube.com/watch?v=XpOsU9YIRz0">https://www.youtube.com/watch?v=XpOsU9YIRz0</a>

<sup>&</sup>lt;sup>98</sup> Sherene Seikaly and Pascale Ghazaleh, "Abduh al-Fallah: Elite Myths and Popular Uprisings," *Jadaliyya*, March 15 2011. Available online at: <a href="http://www.jadaliyya.com/pages/index/910/abduh-al-fallah\_elite-myths-and-popular-uprisings-">http://www.jadaliyya.com/pages/index/910/abduh-al-fallah\_elite-myths-and-popular-uprisings-</a>

<sup>&</sup>lt;sup>99</sup> "Hal Tu'ayid Ḥirman al-'umiyīn min Ḥaq al-'intikhāb?" [Do you support banning the illiterate from voting?" *BBC Arabic,* December 19 2012. Available online at:

their "undemocratic" traits and attitudes are presented as posing a danger to individual rights and freedoms. <sup>100</sup> The suggested policy was not about controlling electoral violations, though, but rather about controlling workers' voice in the first place. Illiteracy and education levels are, by definition, related to wage levels and one's position in the class hierarchy—beneath that logic is blatant class politics. This is not new to capital. It is a classic example of curtailing workers' political participation to avoid having them challenge capital. Polanyi explains it perfectly:

Only when the working class had accepted the principles of a capitalist economy and the trade unions had made the smooth running of industry their chief concern did the middle classes concede the vote to the better situated workers.<sup>101</sup>

Capital uses the myth of a meritocracy and the wage fetish to propagate and perpetuate stereotypes about workers that separate and exclude them from one another. The better-skilled/waged are always conscious of the privileges they have "earned" and jealously guard them, while lower-waged workers become aware of their alleged deficiencies and seek the upward mobility and life betterment hard work promises them. This, in turn, further foments intraworking class divisions.

These stereotypes and the idea of contemporary society as a meritocracy are also repeatedly disseminated through popular culture so that, over time, they become internalized and normal. In American movies and television shows, there is very little reference to the working class. Instead, the middle class seems

http://www.bbc.com/arabic/interactivity/2012/12/121219\_comments\_vote\_rights\_illiteracy.shtml

101 Karl Polanyi, *The Great Transformation: The Political and Economic Origins of* 

Our Time, (Boston: Beacon Press, 2001): 180.

<sup>&</sup>lt;sup>100</sup> Harvey, A Brief History of Neoliberalism, 66.

to stand in for workers and represent them in their struggles in the workplace. 102 This depiction allows capital to acknowledge workers' problems and frustrations without referring to class relations. By addressing these problems through the so-called middle class, capital also reinforces notions of compliance and hard work that serve its own purposes. 103 It internalizes poverty and workplace struggles as part of everyday life that everybody goes through and presents the solutions to them as being within the system, steering workers away from thinking in class terms. One such example is The Pursuit of Happyness. Supposedly based on a true story, this movie tells the story of a man, Chris Gardner, who loses his job, his family and his home and finds himself on the streets, but succeeds in becoming a multi-millionaire with nothing and no one to help him, except his hard work and persistence. This entailed going door-to-door trying to sell medical devices that no one wanted to buy and accepting an unpaid internship for six months at a brokerage firm with no other source of income, all while often having to literally sleep on the street.<sup>104</sup> Throughout this journey, Gardner is frustrated, but does not complain; he realizes what he needs to do. The movie's message is clear. It is yet another one of "the chipper narratives surrounding labor and success in America" that is profoundly different from actual workers' experiences. 105 However, the ideas of a strong work ethic and limited conceptualizations of resistance that this movie and many like it

<sup>&</sup>lt;sup>102</sup> John McCullough, "The Middle Class in Hollywood: Anxieties of the American Dream," *Socialist Register* (2015): 246.

<sup>&</sup>lt;sup>103</sup> Ibid., 246-7.

<sup>&</sup>lt;sup>104</sup> *The Pursuit of Happyness*. Directed by Gabriele Muccino. Los Angeles: Columbia Pictures. 2006.

<sup>&</sup>lt;sup>105</sup> Tolentino, "The Gig Economy Celebrates Working Yourself to Death."

disseminate combine together to become cultural commonsense that is internalized by workers.

These forms of popular culture also emphasize individual freedoms and values. <sup>106</sup> They present characters as thinking in individual terms to achieve their goals, encouraging workers to do the same. Characters' attitudes further encourage conspicuous consumption trends and distinctions based on how individuals live and what types of commodities they utilize (i.e. their consumerist patterns) rather than on class positions or relations. <sup>107</sup> This builds on existing ideas and stereotypes within society to encourage workers to think in individual terms, rather than as a group, and seek to maximize their individual gains and freedoms even if at the expense of others. If a laborer works hard, follows the rules and thinks in terms of maximizing his/her skills, he/she will easily ascend the social ladder. This is presented as the ultimate gain. Thus constantly surrounding workers, these ideas become very easily seen as normal. Less common ideas, such as organization based on class, become the radical ones and workers are less likely to think in their terms.

Having workers internalize its social relations and processes is one of capital's most powerful and significant weapons in the class struggle. Capital emphasizes the value of merit in society, applauding workers in higher ranks for their hard work and discipline, and propagating stereotypes that show poor workers as lazy and repugnant. It then builds on these distinctions to politically discredit workers, divide them and weaken their social power to challenge it. Capital further entrenches these ideas through popular culture, constantly

<sup>&</sup>lt;sup>106</sup> Harvey, A Brief History of Neoliberalism, 44.

<sup>&</sup>lt;sup>107</sup> McCullough, "The Middle Class in Hollywood," 239, 240.

showing workers the model they need to follow to improve their lives; this boils down to the idea that working for capital is workers' only means of self-actualization or material betterment. When these bourgeois ideals go unchallenged, workers are significantly disempowered because they consent to their own exploitation and come to see it as the natural order of things. Capital hides from them the real class relation that actually results in the conditions from which they are trying to escape and lays the blame on them instead. These stereotypes are themselves a terrain of class struggle, though, and, to be able to disempower capital, workers will have to address and redefine dominant ideas. Popular culture, for example, is a powerful tool and a good place to start. While dominated by capital, it is not tightly shut to workers' resistance.

#### Conclusion

In the class war, capital weaponizes the ideal as well as the material. In the realm of the ideal, it seeks to both divide workers' ranks and propagate its status quo and dominance as natural and favorable even to workers. Capital highlights nonclass distinctions between workers as a means of separating them and decreasing the likelihood that they will realize their common experience as one working class exploited by it. These distinctions include those of race, ideology and nationality, to name a few. Capital also emphasizes and disseminates a neoliberal rationality that has workers think in individual terms and seek their own self-aggrandizement rather than the interests of their class as a whole. This individuation not only divides workers by pitting them against one another, but also serves to normalize capital's relations and processes by presenting them as being guarantors of freedoms and democracy. Another means by which capital

disempowers workers is through the presentation of its mode of social organization as the only possible one. It deploys science to back up its claim and reinforce and normalize its dominance, while maintaining a façade of objectivity. Capital also seeks to have workers internalize their own inferiority. It deploys the idea of a meritocratic society to show how workers are poor because they do not work hard enough, not because they are exploited, and to propagate stereotypes based on this idea that further divide and discredit workers. It then reemphasizes them through popular culture so that their prevalence makes them eventually become social commonsense. Capital's normalization of its relations through mental conceptions plays much to its favor; by making itself seem so commonsensical, it is able to continue to reproduce its processes and relations and pursue its accumulation. 108

It is important to note, though, that capital is more successful in establishing itself and its ideas as commonsensical when the working class does not resist this. To overcome this, workers need material power, yes, but they also have to start thinking on their own terms and telling their own story. They need to counter capital's ideas with ideas of their own that serve to undermine it; this includes capitalizing on things like collective solidarities, unity and/or welfare and social services that capital has sought to remove from popular consciousness. 109 Another thing would be to reshape conceptions and redefine what is meant by rights, freedoms and similar values. 110 Workers should also bring to attention the increasing contradictions between what neoliberalism says it is and what it *really* is, between its alleged successes for workers and the

<sup>&</sup>lt;sup>108</sup> Harvey, A Brief History of Neoliberalism, 156.

<sup>&</sup>lt;sup>109</sup> Ibid., 116.

<sup>&</sup>lt;sup>110</sup> Ibid., 179.

massive dispossession it has caused and perpetuated.<sup>111</sup> If workers do not demystify capitali's claims to neoliberalism being natural and neutral, their class power will continue to be weak in relation to it. Mental conceptions and ideas are an important arena of the class struggle and workers would do well to reclaim it.

<sup>&</sup>lt;sup>111</sup> Ibid., 203.

# Chapter 5

# Back to the Dialectic: Contradictions and Opportunities

The balance of forces in the class struggle is constantly changing, with each side attempting to gain power in relation to the other. This thesis is motivated by the question of how capital disempowers workers in the contemporary neoliberal moment. It utilizes Marx's dialectics, labor theory of value and historical materialism to specifically analyze capital's deployment of production processes, social relations and mental conceptions. The analysis has shown that, as different as capital's tactics may seem in different contexts, the processes and relations it uses are universally the same. They all primarily devalue and divide workers, while having them internalize capital's exploitative nature. The analysis has also emphasized that the path for workers is not closed. Workers have both the ability and the opportunity to struggle against capital and gain power over it; what they need is to realize the commonalities of their experiences and of capital's strategies. Workers' unity provides them with a huge advantage over capital, something that capital itself knows very well (hence, its strategies to divide them).

Regardless of how severely disempowered the working class might be, resistance is not impossible. Capital is inherently contradictory and prone to crises; these contradictions provide workers with opportunities to challenge capital's authority and change the balance of power in the class struggle. In order to be able to identify these contradictions and seize the opportunities they offer, workers need to be aware of the tactics capital deploys against them as well as the fetishisms in which it cloaks them. This entails thinking in dialectical terms

and looking beyond appearances to expose how capital utilizes different processes and relations together to weaken and disempower the working class.

This chapter takes a step back in its abstraction methods, adopting a more general and more extensive perspective, to provide a bigger, more inclusive, picture of the contemporary moment. It builds on the previous chapters and (re)situates the three moments they analyze in the dialectic to provide a more holistic understanding of capital's disempowering of workers. It examines how production processes, social relations and mental conceptions are interrelated with one another as well as with the other four moments—reproduction of daily life, relation to nature, technology and organization, and legal and governmental arrangements—even if they were not explicitly analyzed on their own. This dialectical understanding then helps point out the contradictions inherent in capital's strategies and highlights some of the possible ways forward for workers.

### The Bigger Picture: Inevitable Interrelations

Processes and relations are not isolated; they are inextricably innerrelated by virtue of the dialectic. This innerrelation plays a huge part in the class struggle. It means that there is no single or straightforward way by which capital gains power over workers. Rather, capital relies on all the tools at its disposal to reproduce itself and attempt to disempower workers by devaluing, dividing and having them internalize its discourse and system (even though disempowering them too much dialectically endangers accumulation). In turn, when resisting capital, workers also have to utilize all moments of the capitalist totality.

#### **Production Processes**

The analysis of how capital deploys production processes in Chapter 2 included some of the significant and novel means by which capital targets the working class in the contemporary moment. While they emerge and appear predominantly in production, however, these strategies are not confined to the workplace *per se*. They overlap with many other relations and processes in capitalist society.

The discussion of how workers are devalued, through new mechanisms of intensifying labor, extending the working day and increasing productivity, and divided, through a new international division of labor, link to many other moments. To begin with, these production processes and the changes they introduce to work organization and arrangements cannot be discussed without looking at how they affect and change work/social relations in turn. As capital provides workers with the flexibility of working remotely or employs them on part-time and short-term contracts, workers interact much less with one another. On one hand, workers do not see each other as often as they do under the standard working day system, making the development of their solidarity and organization that much more difficult. They are also increasingly forced to work during their free time to be able to sustain themselves, instead of using it to organize. On the other hand, the temporary nature of some of workers' jobs hinders the establishment of stronger bonds between workers and obscures the commonalities between these different types of workers. Here, the role of mental conceptions and fetishisms becomes very clear, as workers are encouraged to see themselves as different on the basis of the nature of their jobs, instead of as

similar in terms of their exploitation and the appropriation of their surplus labor time.

This intensification and extension of work and the increased exploitation of labor in the neoliberal moment would not have been possible had it not been for the development and utilization of technological innovations, such as email, for example. These same technologies are used to help capital transcend not only workplace boundaries, but also state and geographical borders and make use of international labor, often without capital having to relocate itself. There is also a legal and governmental element to these work relations: capital uses them to allow for and regulate this intensification and extension of labor, and to open both economies and borders to foreign capital and labor. Furthermore, as capital increases its exploitation of workers and devalues their labor-power commodity, it robs them of both the ability and the time to reproduce themselves. They have less money and time to spend on their needs and means of subsistence, as well as on their leisure and re-creation.

As the epicenter of workers' exploitation, the sphere of production is essential for workers' struggle. Workers have to gain power within the workplace in order to gain power in the class struggle. This entails understanding their exploitation for what it is and challenging capital's strategies and work arrangements, regardless of how "flexible" they might seem. During previous moments of capital, workers asserted their power in the workplace through labor unions, strikes and other forms of collective action. It is clear that these are no longer enough in the contemporary moment; as capital revolutionizes its strategies, so too must workers. One obvious means of using capital's own tactics against it is taking advantage of "flexible" working

arrangements to do less not more. Instead of using the time saved on the commute to work, for example, workers would do better to turn the tables on capital and use the time to relax, spend time with their families and socialize. This is just one example; there are many ways for workers to deprive capital of exploitation and surplus labor-time and gain power over it.

#### Social Relations

Capital attempts to manipulate and regulate relations in all aspects of life. By encouraging some relations and obstructing others, capital gains relative power over workers in the class balance. This strategizing of social relations is clear in how capital attempts to increase workers' assumption of debt, foster intraworking class competition and use urbanization to physically separate different groups of workers.

The most obvious social relations that capital attempts to control are those in the workplace. By changing production processes and work organization, capital also changes how workers interact with and relate to one another in the sphere of production. Moreover, capital's move towards increased financialization (itself made easier by new information and communication technologies) normalizes (and often necessitates) the assumption of debt, intensifying creditor/debtor relations that significantly weaken their power visà-vis capital. Capital further normalizes debt by trying to make its ideas on financialization dominant. Social relations are also affected by other mental conceptions. The idea of the existence of a "middle class," for example, creates a hierarchy between workers based on wages and skill and has tremendous impact on how workers perceive one another. It establishes immaterial

distinctions based on things like status, for example. In promoting this idea of a "middle class", capital makes it much more difficult for workers to realize their common experiences and come together as one.

The analysis of social relations further links to the issue of workers' daily reproduction as urban cities become increasingly hard to maneuver; transportation to and from places of employment is expensive and natural areas, which were previously public, gradually become inaccessible to workers through monetization. This negative relation between workers and nature makes opportunities for recreation more confined and limits public spaces where workers can meet beyond the workplace. To be able to manipulate urban relations to this degree, capital largely relies on the state and its different authorities, which lay out urban plans and sanction them, as well as legalize the sale of public property and its registration as the private property of few people.

Capital's influence over different social relations is not an indication of the inevitability of its dominance, however, but a reflection of it. The same avenues are open to workers for resistance, but they need to consciously strategize to be able to effectively challenge capital. To begin with, for example, workers have to strengthen their relations with one another and transcend their apparent differences. Instead of competing over seemingly contradictory interests in the workplace, workers of all levels have to stand together against their common exploiter. With stronger intra-working class relations, workers can also avoid debt, to a degree. Rather than run to the bank to fund their daily needs, workers can turn to their families, friends and fellow workers. Perhaps one way to weaken capital's power over them is for workers to pool their resources and create workers' emergency funds. The point is that workers have to come

together to overcome the ways by which capital uses relations to disempower them.

## Mental Conceptions

Ideas are essential to the class struggle and capital makes sure to utilize them to its benefit. It uses them to build consent for and legitimize its processes as well as to create superficial differences between workers and capitalize on them. More generally, capital uses mental conceptions to conceal the true exploitative nature of its processes and relations, and present them as anything other than a class struggle between capital and labor.

Capital's propagation of the individual as rational, calculating and self-interested lies at the heart of many other aspects of the dialectic. In production, this idea helps normalize neoliberalism's policies, including privatization (through the emphasis on an individual's right to private property, for example), the liberalization of trade, and, by extension, the reduction of social spending by virtue of open markets allegedly being spaces of equal freedoms and opportunities for all individuals. Neoliberal ideas also help promote competitive relations between workers. They encourage workers to think as profit-seeking individuals, to seek help, including financial, through the market (i.e. incur debt) and to seek privileges and wage benefits at the expense of their fellow workers. These ideas then serve to legitimize existing social inequalities and frame them in terms of merit, hard work and competition, rather than exploitation.

Legal decisions and governmental policies further entrench neoliberal ideas and make them part of public discourse and imagination. The neoliberal rationality is coded into treaties and laws that have to do with an individual's

civil and political rights and freedoms, while obscuring other significant needs that are antagonistic to capital's interests like socioeconomic ones. This allows governments to more easily decrease welfare, social spending and service provisions, and frames workers seeking them as lazy or vultures. Governments' official discourses also often capitalize on intra-working class differences, like race, class and culture, that both undermine these groups' unique experiences of exploitation and marginalization, and encourage workers to focus on their differences rather than on how to organize and stand in solidarity. These ideas of individualization and difference then find themselves affecting workers' daily lives. As official discourse and policy move away from collective demands and experiences and more towards individual responsibility and freedom, workers have to rely more on themselves for their daily reproduction and for the provision of necessities that had previously been covered by a combination of social services and non-wage forms of compensation. In addition to severely devaluing them, this, in turn, also significantly affects the time and effort they have to resist, as all their energy goes either to laboring for others or to struggling to reproduce themselves and their families for another dav.

It is important to note that different groups have attempted to displace and discredit neoliberal ideas and rationales; however, these attempts are yet to find their way into the mainstream. Some of these efforts to challenge neoliberal hegemony, like Black Lives Matter, challenge the exploitation and oppression of a particular group of workers (i.e. on fetishistic terms). Others, most significantly the Occupy Movement, have been cast in terms of capitalist exploitation. In order to be effective, however, these efforts have to work harder on popularizing this thought among more workers as well as providing viable alternatives. Popular

culture, for example, is a successful means of spreading these ideas. Like black artist Beyoncé used her work to speak against the oppression and discrimination of blacks, workers can use forms of art to explain and speak against capital's exploitation; graffiti, music and movies are present in workers' daily lives and can be used to permeate their consciousness. The more resistance to capital becomes everyday practice, the more workers are able to think of a world beyond capital, where selling their labor-power commodity and being exploited is neither necessary nor normal.

# Development of Technology

The development and advancement of technology was predominantly analyzed in the context of increasing productivity and intensifying capital's exploitation of workers within the workplace. That is not the extent of its relevance to the dialectic, though; technology also interrelates with other moments to affect the class struggle.

The recent revolution in communications and information technology led to a massive change in global interactions and relations. With these technologies and their applications' ability to compress time and space, capital is able to more easily reach into new markets and exploit foreign labor in different ways; capital uses these technologies to become more transnational, while deploying all its strategies to keep workers as localized and divided as possible. This, in turn, increases capital's reserve labor army and devalues workers' labor-power commodity, diminishing the value of workers' daily lives and daily reproduction. Capital also utilizes these technologies to deepen its surveillance system, allowing it to more effectively discipline and control labor, and giving it more

insight into workers as consumers (by, for example, keeping track of their preferences for more accurate marketing). Capital's use of technology further encourages thinking in neoliberal terms as contemporary technologies focus on the individual, through an emphasis on one's self value on social media, as well as through employment opportunities in the gig economy, for example.

Capital's exploitation of technology for its own purposes does not negate that the same opportunity exists for workers, however. Workers have appropriated technological innovations to serve their own ends in the class struggle. They have utilized social media platforms to plan collective action on both national and international levels, organizing protests, strikes and boycotts, and the use of the Internet and social media for non-work-related activities, like YouTube videos, for example, during working hours robs capital of some labortime. These simple tactics open the way for others on a larger scale if workers coordinate their efforts and consciously use these technologies against capital.

### Legal and Governmental Arrangements

Far from neutral and/or objective, legal and governmental arrangements reflect the balance of power in the class struggle; whichever side has more power and

<sup>&</sup>lt;sup>1</sup> For example, see Mark Andrejevic, "Surveillance in the Digital Enclosure," *The Communication Review* 10 (2007): 295-317; Mark Andrejevic, *iSpy: Surveillance and Power in the Interactive Era*, (Kansas: University Press of Kansas, 2007); Elise Danielle Thorburn, "Social Media, Subjectivity, and Surveillance: Moving on From Occupy, the Rise of Live Streaming Video," *Communication and Critical/Cultural Studies* 11.1 (2014): 52-63; Samuel Earle, "Capitalism vs. Privacy," *Jacobin*, April 3 2017. Available online at: <a href="https://www.jacobinmag.com/2017/04/google-facebook-informational-capitalism/">https://www.jacobinmag.com/2017/04/google-facebook-informational-capitalism/</a>

<sup>&</sup>lt;sup>2</sup> Wendy Brown, *Undoing the Demos: Neoliberalism's Stealth Revolution*, (New York: Zone Books, 2015): 34.

control over the state form is able to legally realize its own political agenda. This prerogative is then reflected in all other aspects of society.

Capital's contemporary empowerment in relation to workers is evident in the ways it structures legal and governmental arrangements. The predominance of the discourse on the necessity of trade and market liberalization and the importance of human rights and personal freedoms in policy and legal circles is evidence of how capital has utilized them to its benefit. This is further reflected in the material enactment of these ideas everywhere, as state-forms move to cut back on welfare and benefits, increase taxes and legalize conditions for exploiting labor, while loosening conditions for capital. Other policies also include rising rates of privatization and the appropriation and commodification of everything, including land and natural resources. Capital's dominance is also clear in the actions of international financial institutions. These institutions offer credit to societies, whose conditions include a variety of "reforms" in the form of most of the abovementioned policies, and then trap these societies in creditor/debtor relations that are always to the favor of the former.

By virtue of capital's empowerment in the class relation, most legal and governmental arrangements tend to favor it and benefit its interests. However, the legal sphere *can* and has been used strategically to serve the interests of workers—the example of the court ruling in favor of Uber's employees is a case in point. Rather than take capital's dominance for granted, workers can legally fight for better working conditions, more free time, less exploitation and more extensive services. They can legally contest some of capital's strategies, including privatization and the reductions to welfare spending. At the governmental level, public sector workers can exercise tremendous pressure, because it is their labor

that maintains the state and its institutions. Threatening to stop or providing their services for free is a powerful pressure strategy. Though insufficient on their own, legal and governmental arrangements are integral to workers' resistance.

## Reproduction of Daily Life

The reproduction of daily life entails all processes and relations that contribute to workers' survival and the reproduction of their labor-power commodity so they can sell it again. Many of capital's strategies target this aspect, seeking to directly disempower workers by decreasing their value.

Capital's technological innovations in production dramatically heighten workers' exploitation, decreasing both their value as well as the time they have for non-work activities. This curtails workers' interactions and relations with other workers outside the workplace, depriving them leisure/socialization and organization; the little free time workers have serves to barely reproduce the energy and effort they need to go back to work the following day. Capital also uses legal and governmental arrangements to explicitly target workers' ability to reproduce themselves. This is clear in policies like the reduction of subsidies and welfare, the legalization of precarious and uncertain work, the closing off of recreational places, like parks and beaches, to the public and the disciplining of striking/protesting workers, among others. The other side to these policies is then the extension and normalization of consumer credit, which workers find themselves turning to to be able to afford to reproduce themselves while drowning themselves in even more debt. This is all, of course, in addition to the ideal discourse that promotes work as the means of self-actualization and fulfillment, whereas anything else is seen as lazy idleness and a lack of purpose. Burdening workers with the responsibility to reproduce themselves (and other workers) devalues them and distracts them from the bigger struggle at hand. It makes them increasingly think as individuals and in terms of the money fetishism.

An immediate tactic for workers to reproduce themselves without being devalued is for them to unite and pool resources for their collective reproduction. This includes workers at all levels of the labor hierarchy and in all fields. For example, if the privileges, both material and otherwise, of higherwaged and better-skilled workers were distributed among all workers, they would all be better off. This can include simple initiatives, like the abovementioned worker emergency fund or workers arranging work among themselves so that each worker has more free time. Whatever collective measures workers take for their collective welfare and reproduction are also ways to weaken capital's attempts both to devalue and divide workers.

#### Relation to Nature

The last element of the dialectic was not invoked much in this analysis, but is becoming more and more pertinent in the contemporary moment. Capital's accumulation strategies have become ever more exploitative of both labor and nature. As a primary mechanism for primitive accumulation, nature has endured a lot of capitalist activity, for which everyone is going to suffer (albeit not equally).

Capital's abuse and erosion of natural resources negatively impacts workers. It depletes the resources workers have for their daily reproduction,

robs them of recreational places, in order to commodify them for profit, and appropriates workers' land (often the immediate source of their means of subsistence), effectively dispossessing and dislocating them.<sup>3</sup> It also manipulates available resources to create scarcity or cause commodity price inflation, which then serves to devalue workers.<sup>4</sup> This is, of course, not to mention the enormous effects capitalist productive processes have on the environment, the cost of which everyone is incurring, not just capital. What is worse is that capital's aggressive relations with nature are both legal and officially defended/justified. The battle over nature is a violent one that needs to be taken seriously.

Humans' relations with nature must not be of appropriation and exploitation for profit and surplus accumulation; as long as capital maintains control over nature and its resources, it controls workers' livelihoods and means of subsistence and, by extension, has more power over them. To fight this, there are several tactics workers can utilize. This can involve pressuring the government to prohibit capitalist activity that threatens nature and mandate restrictions to protect the environment. It also includes not abiding by the regulations capital puts in place. Much like the Civil Rights Movement defied racial segregation, workers can challenge class segregation by not acknowledging the gates capital puts up around public places, like parks and beaches. This will not be an easy task; as mentioned above, the fight over nature is a predictably violent one. However, it is a necessary fight for workers' well-being and empowerment.

<sup>&</sup>lt;sup>3</sup> For a discussion of this process in relation to North African agriculture, see Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East*, (Chicago: Haymarket Books, 2013).

<sup>&</sup>lt;sup>4</sup> Sean McMahon, *Crisis and Class War in Egypt: Social Reproductions, Factional Realignments and the Global Political Economy*, (London: Zed Books, 2017): 36-7.

## The Silver Lining: Contradictions and Opportunities

While capital's use of interrelated processes and relations in the class struggle might make workers' resistance to it seem that much more complicated, it is not. It is neither impossible nor new that workers fight against capital and pose a challenge to it. The key to making workers' resistance effective, however, is to realize what this analysis has shown: capital does not fight on only one level and neither should workers. Like capital, workers need to be creative in how they struggle and wage their war "not only in the economic, but in the ideological, social and political realms." They should be aware that "[t]he trick [to forming an anti-capitalist movement] is to keep the political movement moving from one moment [of the dialectic] to another in mutually reinforcing ways."

## **Contradictions**

The dialectical analysis of capital's tactics to disempower workers highlights two key contradictions of capital that are useful in strategizing a workers' resistance movement. The first contradiction is one that is potentially the most devastating for capital: capital's tendency to overaccumulate. This happens when "[s]ooner or later production outstrips consumption" and capital finds it increasingly difficult to sell its commodities and realize its surplus value in the money form. This does not mean that there is no *need* for capital's produced commodities, but

<sup>&</sup>lt;sup>5</sup> Qtd. in Leo Panitch, "Reflections on Strategies for Labour," *Socialist Register* (2001): 371.

<sup>&</sup>lt;sup>6</sup> David Harvey, "The Enigma of Capital and the Crisis this Time." Paper presented at The American Sociological Association Meetings, Atlanta, April 16, 2010. Available at: <a href="http://davidharvey.org/2010/08/the-enigma-of-capital-and-the-crisis-this-time/">http://davidharvey.org/2010/08/the-enigma-of-capital-and-the-crisis-this-time/</a>

<sup>&</sup>lt;sup>7</sup> Fred Goldstein, Low-Wage Capitalism: Colossus with Feet of Clay–What the New Globalized, High-Tech Imperialism Means for the Class Struggle in the U.S., (New York: World View Forum, 2008): xi.

rather that capital operates on the basis of selling to accumulate more profit and surplus; a lack of consumption indicates that workers have been so severely depleted and devalued that they can no longer be effective consumers.<sup>8</sup>

Capital's severe devaluation of workers lies at the heart of the second of capital's contradictions. Workers are essential to the processes of both production and consumption and to capital's extraction and realization of surplus value. As per Marx's labor theory of value, workers' living labor, or variable capital, is the only means of creating new value. If capital devalues them so much to the point that they cannot reproduce themselves or their laborpower commodity, it halts its own accumulation and, hence, reproduction. This is also the case if capital continues to replace workers with technology/machinery; as the ratio of variable capital decreases in the workplace, so does the amount of surplus-value being created for capital and its accumulation potential. The extreme scenario is that there will no longer be any new value and the circuit of capital will come to a halt. At the other end of the relation, capital also needs workers as consumers. By constantly devaluing their labor-power commodity, capital decreases their ability to reproduce themselves and to afford basic means of subsistence, let alone other commodities. It sets itself up for a crisis of overaccumulation where it cannot realize its surplus.

Either one of these contradictions is capable of unsettling capital and triggering its inherent tendency for crisis. The most recent expression of this has been the 2007-8 crisis that erupted in the United States and then was spatially

<sup>8</sup> Ibid.. xii.

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displaced. While capital attempts to displace its crises, however, in both time and space, it never resolves them. 10 In doing so, capital "pav[es] the way for more extensive and more destructive crises, and...diminish[es] the means whereby crises are prevented."11 It also provides the opportunities for the working class to capitalize on its contradictions and make the next expression of crisis a "working class produced" one that capital cannot contain. 12

## *Opportunities*

Capital's contradictions and underlying propensity for crisis open up many chances for working class resistance and empowerment. Even though capital might have the upper hand at the moment, Harvey notes that "compound growth for ever is not possible [and that] capital accumulation can no longer be the central force impelling social evolution."13 For workers to become that force, they need to empower themselves in relation to capital. There are various mechanisms of doing so, but, as alluded throughout my analysis, they all require that workers, first and foremost, come to see themselves as one class with a common purpose and enemy.

In order to come together workers have to relate to their common experience of having their labor-power commodity exploited for less than its value to facilitate capital's accumulation and expansion. This does not mean that

<sup>9</sup> Harvey, "The Enigma of Capital and the Crisis This Time"; Goldstein, Low-Wage Capitalism, xix.

<sup>&</sup>lt;sup>10</sup> Harvey, "The Enigma of Capital and the Crisis This Time,"

<sup>&</sup>lt;sup>11</sup> Qtd. in Peter Bell and Harry Cleaver, "Marx's Theory of Crisis As A Theory of Class Struggle," The Commoner 5 (2002): 12.

<sup>&</sup>lt;sup>12</sup> Ibid.. 1.

<sup>&</sup>lt;sup>13</sup> Harvey, "The Enigma of Capital and the Crisis This Time," (Emphasis in original).

workers are one homogeneous group. On the contrary, working class "[s]olidarity as process has always been about, not ignoring or eliminating, but transcending working-class diversity—and this has meant gaining strength via forging unity of purpose out of *strategies of inclusiveness* rather than repressing diversity." 14 Rather, it means that, instead of the neoliberal individual rationality, workers should adopt a more social and collective view of society. 15 Workers have to overcome divisions that capital foments on the basis of race, gender, nationality and/or culture, as well as on the basis of wage, "through the political interaction of different struggles, not the subsuming of one into the other."16 These distinctions will always exist, but rather than allow capital to manipulate and weaponize them, workers should include these distinctions, and the various experiences of exploitation they lead to, within their struggle, by having white workers, for example, resist not only their own exploitation, but also the intensified exploitation of more oppressed groups, such as black and migrant workers, or locals of GCC states act in solidarity with exploited migrant laborers.<sup>17</sup>By acknowledging and addressing specific experiences of exploitation, workers turn one of capital's divide and rule tactics into a powerful tool of solidarity; it combats the view of the worker as quintessentially "male, straight and white" and allows for the encompassing of much more diverse and stronger working class action.<sup>18</sup>

<sup>&</sup>lt;sup>14</sup> Panitch, "Reflections on Strategy for Labour," 370. (Emphasis in original)

<sup>&</sup>lt;sup>15</sup> Leo Panitch and Sam Gindin, "Transcending Pessimism: Rekindling Socialist Imagination," *Socialist Register* (2000): 5.

<sup>&</sup>lt;sup>16</sup> Harry Cleaver, *Reading* Capital *Politically* (USA: The Harvester Press, 1979): 160.

<sup>&</sup>lt;sup>17</sup> Cleaver, *Reading Capital Politically*, 160; Goldstein, *Low-Wage Capitalism*, 223; Hanieh, *Lineages of Revolt*, 144.

<sup>&</sup>lt;sup>18</sup> Panitch, "Reflections on Strategy for Labour," 369.

Once the working class is able to transcend its internal differences and organize as a class *in* itself, it can begin devising strategies *for* itself. In doing the latter, workers have to be more innovative, however. Workers' resistance needs to be at the same levels and in all arenas where capital launches its attacks; it needs to go "beyond traditional social democratic and corporatist solutions" and respond to capital's attempt to maintain control over all aspects of life.<sup>19</sup> One way to do so is by using mental conceptions in the same way that capital does. In Gorz's words, "the working class must not be impregnated with bourgeois culture; the culture must be impregnated with the experience, the values, the tasks and the problems which the working class lives daily, in its labor, in its life outside labor and in its struggles."20 As pointed out above, this should also include the particularities of different working class experiences and struggles. At the ideal level, workers should resist bourgeois notions that capitalism is the only possibility and any attempt to bypass it would be catastrophic.<sup>21</sup> In addition to the ideal aspect, there are tangible strategies that workers can use to overcome their disempowerment and challenge capital. Primarily, workers need to capitalize on the fact that capital needs them as owners of the labor-power commodity/creators of value and, to an extent, as consumers. This leads to strategies such as labor-strikes, absenteeism and boycotts, for example, but workers can also use this fact to innovate new strategies that are catered to the particular processes and relations of capital in the neoliberal moment.

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<sup>&</sup>lt;sup>19</sup> David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005): 13.

<sup>&</sup>lt;sup>20</sup> André Gorz, "Reform and Revolution," Socialist Register (1968): 133.

<sup>&</sup>lt;sup>21</sup> Panitch and Gindin, "Transcending Pessimism," 4.

Working class resistance must be able to imagine a world beyond the confines of capital and work towards achieving it. It has to be realistic about what it seeks by challenging capital's dominance and what it entails in the future. This necessitates revolutionizing processes and relations so that, instead of advancing capitalist accumulation, they work towards the social and collective good. Panitch and Gindin have proposed several changes that workers will have to push for, including the abolition of the division of labor, the transformation of consumption patterns and trends, the socialization of markets and the democratization of all aspects of society, among others. <sup>22</sup> However we get there, though, the most significant point Panitch and Gindin make, in my view, is that we need to be prepared and ready to live differently, so that our new processes and relations are more sustainable for both society as a whole and for nature.<sup>23</sup> Again, this goes back to thinking and acting as one, in terms of the social and nature, not the individual. Only together will workers be able to fight for better conditions for all and strategize for a world beyond capital, exploitation and wage-labor.

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<sup>&</sup>lt;sup>22</sup> Panitch and Gindin, "Transcending Pessimism," 23-4.

<sup>&</sup>lt;sup>23</sup> Ibid., 23.

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