

Neo-abolitionism: Towards abolishing the institution of renting persons

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What is the name of today's work relation?: I

- The employer-employee relationship is usually described by various euphemisms such as hiring, employing, giving a job to, place-holding etc.. But from the economic viewpoint, it is the **renting of a person** similar to renting a car (called 'hire-cars' in the UK) or an apartment, i.e., buying the flows of services of an entity instead of buying the entity itself.
- This terminology is not controversial. As the first American Economics Nobel winner, Paul Samuelson, put it:

*Since slavery was abolished, human earning power is forbidden by law to be capitalized. A man is not even free to sell himself: he must **rent** himself at a wage. [Samuelson Economics 10th ed. (his emphasis)]*

What is the name of today's work relation?: II

- Other prominent economists agree:

Strictly speaking, the hourly wage is the rental payment that firms pay to hire an hour of labour. There is no asset price for the durable physical asset called a 'worker' because modern societies do not allow slavery, the institution by which firms actually own workers. [Begg, Fischer, & Dornbusch. Economics (5th Ed.), 1997]

What are the facts of the matter?: I

- The facts are that all the people who work in an enterprise, employees and working employers, are jointly de facto responsible for using up the other inputs and producing the products.
- But due to the human rental contract, which operates *as if* that human responsibility can be alienated and transferred, allows the employer to appropriate 100% of the positive and negative product, the assets and liabilities created in production.

What are the facts of the matter?: II

- Since this is the 500th anniversary of the Protestant Reformation, by the doctrine of the inalienability of conscience (“one person cannot believe for another”), just a persons cannot in fact alienate the decision about what to believe to another, so they cannot alienate the decision to do this or that to produce a widget.
- All people can do voluntarily is to, say, follow another’s orders to do this or that, which means they are inextricably co-responsible for the results.

The case of the hired criminal: I

- The factual inalienability of a person's responsible agency is non-controversial and perfectly well recognized by the Law when the person commits a crime—even as a slave or an employee. Fumi Okiji made the same point.

The slave, who is but "a chattel" on all other occasions, with not one solitary attribute of personality accorded to him, becomes "a person" whenever he is to be punished. [Goodell, William. 1853]

- A standard British law-book on the employer-employee relation notes:

The case of the hired criminal: II

All who participate in a crime with a guilty intent are liable to punishment. A master and servant who so participate in a crime are liable criminally, not because they are master and servant, but because they jointly carried out a criminal venture and are both criminous. [Batt, Law of Master and Servant, 1967]

- Now what happens when the employer and employee “jointly carried out a [non-]criminal venture”? Do the employees suddenly turn into machines being “employed” by the all-responsible employer?
- No, the inalienable co-responsibility of the employees is the same as before.

The case of the hired criminal: III

- It is the response of the Law that changes. No crime has been committed so no need to hold a trial to assign the legal responsibility in accordance with the factual responsibility.
- The employer pays off the input liabilities and thus has 100% claim on the produced outputs, and the employees thus have 0% of the negative and positive fruits of their labor.
- Since there is no actual transfer of responsible human agency from the labor-seller to the labor-buyer, the whole contract to buy-and-sell labor, i.e., to rent persons, is a legalized fraud on an institutional scale, and thus should be abolished along with the self-sale contract and coverture marriage contract.

The case of the hired criminal: IV

- Ernst Wigforss, one of the founders of Swedish social democracy, argued for the invalidity of the human rental contract.

There has not been any dearth of attempts to squeeze the labor contract entirely into the shape of an ordinary purchase-and-sale agreement. The worker sells his or her labor power and the employer pays an agreed price. ... But, above all, from a labor perspective the invalidity of the particular contract structure lies in its blindness to the fact that the labor power that the worker sells cannot like other commodities be separated from the living worker. ... Here we perhaps meet the core of the whole modern labor question,... . [Wigforss, Ernst. 1923. Den Industriella Demokratiens Problem 1. Stockholm, p. 28]

The case of the hired criminal: V

- Wigforss is making an inalienable rights argument that the labor "that the worker sells cannot like other commodities be separated from the living worker."
- The modern political theorist, Carole Pateman, makes the same point in her 1988 book *"The Sexual Contract"*:

The answer to the question of how property in the person can be contracted out is that no such procedure is possible.

Labour power, capacities or services, cannot be separated from the person of the worker like pieces of property. [p. 150]

- Responsible human action, i.e., "labor," cannot be separated from the person—unlike the services of any *thing* that is rented out, e.g., a mule, truck, or apartment.

How screwed up is the Left?: I

- Some of John S. Mill still sounds radical today. How come?
- Marx, Lenin, and the Russian Revolution have set back the Left for over a century. More like a century and a half.
- As if the central question was whether people should be publicly or privately rented—with the Great Capitalism-Communism Debate and Cold War being like a ‘Peloponnesian War’ over whether slaves should be publicly owned (Sparta) or privately owned (Athens).
- Although Marx would have personally favored abolishing the (private) wage-labor relation, he had:
 - no theory of inalienable rights to critique wage-labor *per se*;
 - no labor theory of property about workers appropriating the whole product; and

How screwed up is the Left?: II

- no theory about democracy in the workplace (or elsewhere).
- Marx only had a labor theory of value and exploitation—which, even if it were not otherwise flawed, would only imply that workers were not paid the full value of their labor power.

*It will be seen later that the labour expended during the so-called normal day is paid below its value, so that the overtime is simply a capitalist trick to extort more surplus labour. In any case, this would remain true of overtime even if the labour-power expended during the normal working day were **paid for at its full value**. [Marx, Capital, Vol. 1, Chap. 10, sec. 3 (my emphasis)]*

- Marx "brought a knife to a gun fight."

How screwed up is the Left?: III

- He brought a value theory to a property-theoretic fight.
- His “labor theory of value and exploitation” is inherently superficial—and thus the favorite foil in economics.
- But that is not worst of it.
- By misunderstanding the basis for the employer’s appropriation (i.e., the human rental contract), he ended up attacking the idea of private property!
- This allowed the employers (“capitalists”), who are the beneficiaries of the whole fraudulent human rental system,
 - to appropriate the positive and negative fruits of other people’s labor by “renting” them; and
 - to parade as the defenders of private property that is supposed to rest on the principle of people getting the fruits of their labor!

How screwed up is the Left?: IV

- How screwed up is a so-called “critique” that allows those who violate human rights (to the fruits of your labor or to self-government) to parade as the “defenders of human rights”!
- The conclusions of these arguments is that, contrary to Marx, the Left should be arguing for the abolition (not nationalization) of the whole system of renting human beings:
 - In the name of inalienable rights (no renting of human beings);
 - In the name of private property (getting the fruits of one’s labor); and
 - In the name of democracy (in the workplace).

How screwed up is the Left?: V

- The alternative to the human rental system is the genuine system of private property and non-fraudulent market contracts where every one is a member of the democratic enterprise where they work so all people are jointly working for and governing themselves in the workplace—and jointly appropriating the positive and negative fruits of their labor.

- The Tory thinker, Lord Eustace Percy, put the fundamental task as follows:

Here is the most urgent challenge to political invention ever offered to the jurist and the statesman. The human association which in fact produces and distributes wealth, the association of workmen, managers, technicians and directors, is not an association recognised by the law. The association which the law does recognise—the association of shareholders, creditors and directors—is incapable of production and is not expected by the law to perform these functions. We have to give law to the real association, and to withdraw meaningless privilege from the imaginary one.
[1944]

Democratic firms: II

- With the renting of persons abolished, each firm would be “the association of workmen, managers, technicians and directors”. Labor would be hiring capital, instead of the owners of capital renting the people working in “their” firm to appropriate the (positive and negative) fruits of their labor.
- Each firm would be democratic community of work, an industrial republic, with the industrial cooperatives in the Mondragon system in the Spanish Basque country being an existing example.
- The vision of abolishing the wage system in favor of a commonwealth of cooperatives was a goal of the 19th century Labor Movement.

- Then the Left was “side-tracked” for over a century by Marx, Lenin, and the Russian Revolution and the ensuing Great Debate about whether people should be publicly or privately rented.
- Further reading: *Property & Contract in Economics: The case for economic democracy*. Basil-Blackwell, 1992. Downloadable at:

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