

## Conflict between liberal economic ideology and citizenship at work

### Abstract

Citizenship in work is a continuous process of sustaining and fighting for just social rights. The argument here is that currently a major impediment to this democratic process in work is the practical and ideological imposition of economic liberal policy; conceived for and by dominant class interests. This article discusses the idea of citizenship, its antithesis economic liberalism and its synthesis Keynesianism and the welfare state. Then it asks what these and other ideas bring to the debate about citizenship and work in a global society?

### Keywords

citizenship, social right, democratic process, work, economic liberalism, alternatives

### Introduction

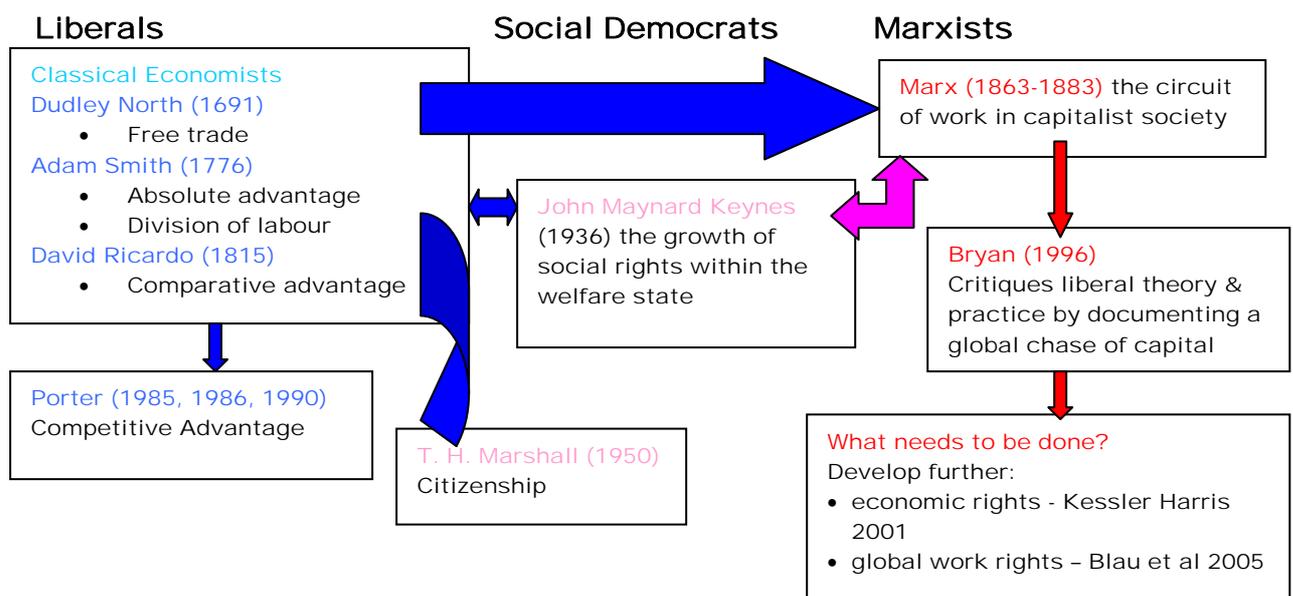
The desirability of a democratic notion of citizenship at work, as a guiding principle for public policy or private action, is dependent on its ability to gain legitimacy in public discourse and amongst policy makers. There are two major sources of resistance to this notion of citizenship in work. The first from the left is that within a capitalist system, driven by private profit for the few, democratic citizenship at work is endemically impossible. The second coming from the right, is powerfully funded, highly resourced and numerous held; and is also adamant that whilst democratic citizenship in the workplace means profit loss that it is equally untenable. As the right hold economic power they have the means to make their anti-democratic and anti-worker rationale - economic liberalism - the dominant ideology. This is dominance in the sense Marx used when he argued “the class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it” (Marx, 1932, p. 47). The first type of resistance is ultimately the more interesting (and largely outside the scope of this work) but the second is where we are now – that is accepting the challenge of how to make our working lives bearable whilst the political economies in which we live are dominated by economic liberal ideologies of work? And an answer to this

problem is to focus on the fight for established and new rights within the contestable arena of citizenship in work.

The argument here is that democratic citizenship in work is limited by economic liberal policy and its implementation by and for the dominant class. What is economic liberalism? Economic liberalism is typically a commitment to policies that lower inflation and maintain fiscal balance (achievable by reducing public expenditures and raising interest rates), to have *flexible* labour (achieved through the removal of labour market regulations and by cutting social welfare), free trade markets, financial deregulation and privatisation. This paper works with the idea that we need to know where economic liberal ideas come from; who devised them and in whose interests they work so that we can knowledgeably enter into an arena of openly hostile debate.

This debate parallels the lifetime of capitalism from the sixteenth century onwards. At its center is this problem – *how can citizenship be used to legitimate* (liberal theorists) *and ameliorate* (social democrats and some Marxists theorists) *the extremely unpleasant world of work within a capitalist system*. The debates (as indicated below) will unfold in the definitions of citizenship (i.e. Marshall 1950), work (i.e. Marx, 1956), the welfare state (e.g. Keynes 1936), the liberal challenges to social rights (e.g. North 1691, Smith 1776, Ricardo 1817, Porter 1985,1990), the critique of that challenge (i.e. Bryan 1995, 1996a, 1996b), and what still needs to be done to concepts of citizenship to enhance their meaning for workers (e.g. Kessler Harris 2001, Blau et al 2005).

Figure 1: shows competing ideas for work policy creation



The social liberals (Hobbes 1588-1679, Locke 1632-1704, David Hume 1711-1776, John Stuart Mill 1806-1873...) are noted here as contributing to the arguments of reciprocal contractual citizenship but have been deliberately left out to tighten the focus on the ideas concerning citizenship and work.

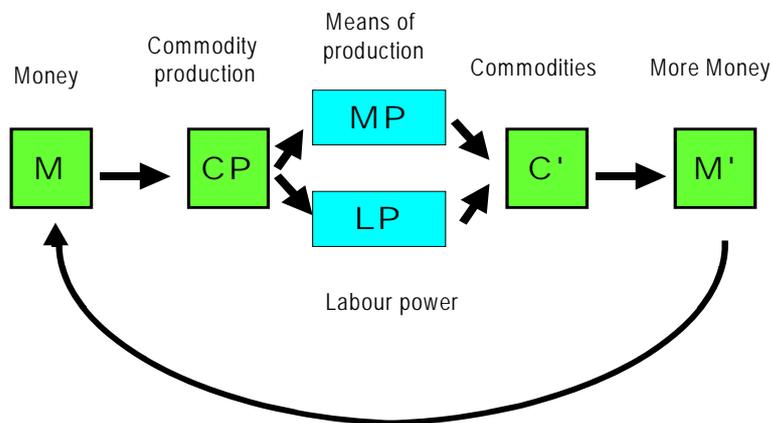
1. **Citizenship at work**

Let us begin by separating these two issues of citizenship and work.

a. What is work?

Work within capitalist society is a social exchange whereby a worker sells his or her labour power for a wage to an employer. In turn the employer is free to sell the good or service produced by the worker. The commodities produced from worker's labour can be bought and sold much the same as their labour power can - to the highest market bidder. Although technologies (the latest robotics for example) assist labour in the completion of their tasks it is only labour power that creates value (computers still need human brains to programme them). The circuit of production in which these interactions take place is described by Marx (1956) as a sequence  $M \rightarrow C [mp+lp] \rightarrow C' \rightarrow M'$  (see figure 1). The circuit of capitalist production looks like this:

Figure 2: Marx's circuit of capitalist production



Source: Marx, K. Capital vol. 2, chapter two, 1956

That is paid work occurs when an employer has money [M] with which he or she buys raw materials (e.g. cloth) or commodities [C] to which they apply the means of production (e.g. the factory) and labour power (e.g. factory worker's time, energy

and skill) [mp+lp]. From this is produced a new commodity [C'] (e.g. the coat) which is sold for more money than its cost to make therefore there is a money profit [M']. To make sure that profit is gained workers are paid as little as possible to make the coat, with factory costs being kept to a minimum with old markets having to be secured and new markets continuously found. This leads to undercutting workers wages, making conditions of work poorer, cutting costs to a minimum and continuously searching for new local, national and ultimately global markets.

In this model of work exploitation of workers is endemic to a capitalist system because employers will only pay workers the least amount possible for them to reproduce themselves and their families irrespective of their profits. Employers necessarily degrade labour “[t]he manner in which labor is deployed around the machinery...must be dictated not by the human needs of the producers but by the special needs of those who own the machinery” (Braverman, 1974) in a highly competitive system. Machinery, particularly assembly line machinery, operates to alienate workers from the creativity of work. Historically alienated workers are also easier to control and manipulate until they join together and demand the rights associated with citizenship.

b. What is Citizenship?

Citizenship is a status given to a person who is born or naturalised in to being a member of a country. Commonly involved with the status of citizenship are reciprocal rights, duties, privileges, obligations and the need for “jobs, services and supports” (Maxwell, 2001:1). Working class struggles associated with gaining rights; social, political, economic, civil, sexual rights for women (Stark, 2005) and ethno-racial minorities (Bloemraad, 2004, Smith, 2003, Carens, 1987) are generally considered progressive, certainly they are viewed as such by liberals like T. H. Marshall. Marshall’s work (1950: 8-15) (below) traces the progressive emergence of civil, political and social rights, as justifiable and fair claims, to what he considered full citizenship:

1. *Civil rights* emerged in the seventeenth century. These were necessary for individual freedom and encompassed the right to justice, freedom of speech thought and faith, the right to own property, the liberty of the person and the right to conclude valid contracts. Crutthers and Ariovich suggest that property rights

are the basis of the classical liberals axis of law, economy, the state and culture (Crutthers & Ariovich 2004: 23). Legal rights through the civil courts of justice made civil rights a reality.

2. *Political rights* associated with gaining the right to vote in a free election for a representative parliamentary body were gained first in the modern western world in the eighteenth century (in 1789 in US and France) then this movement gradually filtered to the rest of Europe to include non-propertied men. The franchise won for male workers the right to organise in political parties, the right to be free of military control albeit from a foreign power or religious groups, to petition, to assemble, and to hold public office. By the twentieth century these political rights extended to women and later to indigenous peoples. Political rights need to be, but are not always, extended to ethnic and religious minorities (e.g. refugees in detention centres in Australia) to organise and function in their own communities with their cultural value system. Legal systems are held to sustain these political rights.

Marshall (1950) believed that when the working class achieved civil and political rights then it's members looked onward for new processes to achieve social equality too and they were able to do this by demanding their social rights.

3. *Social rights* are associated with membership of viable local communities and functional associations essential to work. "Social equality involved free collective bargaining over wages and working conditions, insurance against unemployment and in health, and the guarantee of minimum standards of housing, employment, and health care" (Rex, 2004, p.163). The successful fight for these rights came after the very bleak period of the great 1930s depression when the demands of political agitators and/or the oppressed for a new, fairer economic system with more equitable distribution of resources was conceded to by the ruling class. Not because of their innate fairness but because of the evidence everywhere of the bankruptcy of the system with so many people with so little purchasing power living in the profoundest poverty. A break through came when John Maynard Keynes devised a fairer system set out in his book *The General Theory of Employment, Interest and Money*, 1936. This work explained why economic liberal policies were bad economics and suggested a number of alternatives.
2. Keynes and social rights realized through the welfare state

John Maynard Keynes (1883-1946) argued that liberal economics exacerbated crisis within the capitalist business cycle and he challenged their prevailing orthodoxy that capital formation governs the rate of savings (e.g. Von Hayek 1933). Instead he suggests that investment or capital formation governs income and not the other way around. The full utilisation of the capital goods industry and full employment stimulate the output of consumer goods. The greater the propensity of society to consume the greater the stimulation to increase primary investment. Crisis occurs because of “doubts arising about the reliability of the prospective yield” or because “current costs of production are thought to be higher than they will be later on” (Keynes 1936: 321-322). In other words change occurs due to psychological factors associated with expectation. The down turn of the economy brings about a decline in investment, which has a multiplying effect, spreading as a malaise, through the private sector and depressing employment. Consumption decreases and income falls. As capital stock and surplus stock are consumed then the efficiency of capital begins to rise again and stimulate further investment. This is the business cycle. The obvious policy prescription to counter this is to pump demand (particularly in the down phase of the recession) and wait for this to filter down to supply. This means fiscal and monetary manipulation of the market to keep up spending and achieve full employment.

This advocacy of radical intervention into the market to prime demand led to the creation of the welfare state and the social wage for workers. The idea of the welfare state was not original to Keynes’ but built on Count Otto von Bismark’s (1815-98) welfare state model. (The German model was a social insurance model promoting limited workers welfare with the added benefit for the state of keeping the German economy operating at maximum efficiency whilst staving-off radical socialist alternatives). Does this welfare state provide social rights for workers?

Yes, because a welfare state provides citizens with access to social services (e.g. health, education and welfare) provided by the state, not given by grace and favour as in the feudal system or not at all as in the earliest phase of capitalism but as a right to working people. Funding from taxation gives the state the means to accept universal responsibility for the care of all of its citizens not just the residual *safety net* for those who can prove need. Welfare, funded by the state, can then be provided by a combination of independent, voluntary and government services.

Marshall (1950:259) argues that worker's demand for civil, political and social rights will transform their class identity into a brave new citizenship identity but economic liberals argue the costs of this transfer are too high.

### 3 Liberal Ideologies that further challenge citizens rights

The earliest economic liberal challenges to citizenship rights in work came from the classical economists Dudley North, Adam Smith, and David Ricardo. They were the earliest mouthpieces of capital – it's enthusiasts but not its blind ideologues, unlike their twenty first century economic liberal followers who blame the working classes for a wide variety of things but centrally the slow down of global economic growth (Brenner, 1998).

Classical economic liberalism emerged as a seventeenth century (and onward) response by economic liberals to what they saw as the meddlesome interference into bourgeois affairs by the British aristocrats. This was the anti-thesis, in a dialectical response, to Mercantilism that was the legitimating theory of the British aristocrats (see Rubin, 1929).

#### I. Mercantilism - the Origins

Mercantilism, derives from the Latin words *mercari* meaning to “run a trade” from *merx* meaning “commodity” (Wikipedia 2004: 1). Mercantilism developed with the growth in the fifteenth centuries of three-masted, heavily armed sailing ships, capable of carrying substantial crews and cargoes over long ocean distances. These new European ships pushed forward both international commerce and naval warfare spreading out across the globe in search of profits and plunder. Mercantilism or the mercantile system built on the belief that a nation's prosperity relies on its acquisition and supply of gold and silver. This theory of bullionism is that precious metals equal wealth. The government's role is to actively discourage imports and encourage exports through the stringent use of tariffs. Mercantilism justified the plunder, often through pirating, of other countries not only for their gold and silver but also slaves for labour. A key feature of this merchant stage of capitalism is that it provided not only the markets but also the wealth that fed the industrial revolution that began in the mid-1700s (Magdoff. 2003:1).

Mercantilists (e.g. Thomas Mun (1571-1641) who wrote *England's Treasure by Forraign Trade*, 1630) were often active in trade and acted on boards. Mercantilist

writers wrote to legitimate their own and their sovereign's wealth, and to identify their upper class and the state's interests as one. Full-fledged mercantilism used protectionism in the form of excise and customs duties to inhibit foreign trade and encourage domestic growth. But mercantilist plundering increasingly became recognized as an inefficient way of supplying the needs of the emerging capitalist class. Capitalism was born in a [small] world economy where old and new colonies were increasingly recognized as a more reliable way of extracting for the *mother country* raw materials, labour and expanding markets. At the same time wool manufactories replaced cottage industries in England and the European demand for wool increased the growth of foreign trade to satisfy that need. New markets grew with English and foreign demand. Wool production signaled the beginning of capitalism, the beginning of a money economy and the very beginnings of capital's global integration.

## II. Free Trade and the Small State - Dudley North

Anti-mercantilist writing began with Dudley North (1691) in his book *Discourses Upon Trade*. Against the central tenets of Mercantilism North argued that free trade and non-government intervention "since it is impossible to force men to deal in any prescrib'd manner" were prerequisites of good business (North, 1691 in Rubin, 1929). North formulates the first ideas of free trade and the small state; ideas incorrectly credited to the originality of Adam Smith. What North and Smith share in equal parts was a crusading zeal against mercantilism, that is, for production not plunder or even just one-way trade; and for the unfettered market and the development of emerging industrial capitalism.

Magdoff (2003:1), following Marx and building on figure I, argues that although industrial capitalism developed at different times in different countries and its features are not identical it does share underlying laws of motion that demand a degree of balance between investment, consumption, and finance. Smith (1776) sought to explain, exploit and manipulate these regularities found in capitalism.

## III. Absolute Advantage - Adam Smith

Adam Smith (1723-1790) in his five-part work *An Inquiry into the Nature of the Wealth of Nations* (1776) makes at least two original contributions to a theory of how the wealth of nations is developed on the basis of free trade. First is the theory of

*absolute advantage* meaning the ability to produce a good or service more cheaply than it is produced elsewhere by using fewer labour hours, specialist skills and more advanced tools. This theory developed from his second major contribution to the literature his theory of the *division of labour*, that is, assigning specific, partial tasks, to producers to complete one task. So that rather than each individual producer producing an entire good or service workers specialized in doing a part of the operation.

This was the beginning of the assembly line production; a method of speeding production and enhancing profit that became a strategic method for capitalist production. These ideas led many years later to Taylorism with its logically related time and motion studies to speed work and enhance profit (from Frederick Taylor 1856-1915 who wrote *The Principles of Scientific Management* 1911) and to Fordism. Fordism is identifiable by Aglietta (1979) as capitalism's early intensive accumulation regime that "revolutionized social productive powers without simultaneously transforming social consumption norms and the real living conditions of the industrial working class" typically found in the United States of America.

Smith's famous pin factory example (in the first book of his five books in the series) sells the advantages of this method: workers on assembly lines developing greater dexterity, with no time lost between operations and in-depth association with one task enabling them to develop advanced tools for that task. This division of labour was not only recommended to take place at the factory level but also between enterprises within the same branches of production. For example, different factories specializing in different parts of wool production; some were merchants obtaining the wool, others dyed the wool and others were carriers etc.

Smith argued that these two levels of the division of labour (that is, within a company and between companies) were the same because they produced an *Absolute Advantage* (Czinkota et al 1996: 29) by raising the productivity of labour. This was Smith's mistake (Rubin, 1929: 180) because the social relations behind these divisions were very different: within the company the labour was organized and regulated by the capitalist but in the division of labour between the factories, the social relations were disorganized, spontaneous and regulated through the market. Smith also extrapolated wrongly from the division of labour within the factory to social organization in the wider society. Wrong, because it was premised on the

economic forces (i.e. self-interested man) being the eternal drive of all economies everywhere, whereas what Smith was observing was the greedy socialized behaviour of early industrial *commodity producing* man in a very raw capitalist regime. Rubin, (1929) argues that not only was Smith’s assumption a-historical but the division of labour is not exclusive to commercial behaviour for it is cooperative pattern takes any number of other human relations.

These two *divisions of labour* ideas (in the company and between companies, as above) were related to the wealth of nations in the following way. The nation would make products that it excels in producing cheaply. In England, its advanced technology (i.e. this was the spinning Jenny) gave them an advantage in the production of wool. Commodities are made more cheaply with the benefits of the division of labour. From this combination an *Absolute Advantage* is achieved leading to the development of the wealth of the nation but implemented through the labour of citizens (rather than the plunder or trade factors that were the basis of mercantilism).

Smith recognized working class man, not just as a commodity for producing value but also as a theoretical construct. Class had been previously identified by the physiocrat Quesnay in his work *Analyse du Tableau Economique* (1766). Quesnay identified three classes – landowners, producers and people in commerce. But Smith following Quesnay, was the first to identify the wage laborers or workers as a category:

Figure 3: Class first defined

Classes	Quesnay	Smith
1	Landowners	Landowners
2	The productive class (farmers)	Wage labourers
3	The Sterile Class (commerce-related)	Entrepreneurial capitalists

The sterile classes were the entrepreneurial capitalists and the third class the landowners. For Smith there were two ways that wealth could be made 1) through a rise in individual worker productivity and 2) when the number of productive workers increased as a ratio to population. This was the beginning of the *Labour Theory of Value*.

iv. Comparative Advantage - David Ricardo

Smith was the economist of early industrial capitalism whereas his follower David Ricardo (1772-1823) was the economist of the industrial revolution and the

machine. Ricardo's commitment to Smith is clear in his work *On the Principles of Political Economy and Taxation* (1817). In this work Ricardo seeks to show capitalism as the best means to liberate people from the economic oligarchy of the privileged land-owning class (a belief shared by Smith). In his opinion, the surest way to achieve the greatest amount of individual human happiness is to liberate the productive forces from the landowners (the aristocracy and the monarch).

Ricardo's key contribution to debate on work and globalisation is the idea of *comparative advantage* that is, that the gains from specialist work flow into specialised trade allowing an economy to achieve superiority in a product (Samuelson, 1969). This builds on Smith's idea of *absolute advantage* though Ricardo's arguing for a country's specialisation in key products that they can produce most advantageously. If a country is relatively better at producing wool (although it is presently exporting both wool and wine) then even if they are not the best producer of that commodity then they will gain from specialising in just that product, for they can then have a profitable exchange with their neighbours, who in return have different, but complementary specialties. For example, England can exchange its cheaply produced wool with France's cheaply produced wheat. Even though one may have an absolute advantage in neither they can exploit their relative advantage. Ricardo believed that every country has a relative or *comparative advantage* in something. Specialization allows each country to make (and subsequently consume) goods beyond the limit of their own production.

Bryan (1995) however finds three major problems with this *comparative advantage* strategy. The first is that it naively assumes a level playing field amongst the players whereas corporate players in real life have very different strengths and weaknesses. The second is that it never delivers the desired results for the countries with some of the best natural resources globally, such as Australia and the US, both of which have Current Account balance deficits in US dollars (respectively United States \$US-540.9bn and Australia \$US-30bn (Australian Financial Review, 2004, June 4, p.57). The third problem with the strategy relates to the expectation that the deregulated exchange rates (the floating exchange) can be used to rectify the Current Account balance. This has not happened in Australia. Neither deregulation or regulation has been able to positively affect the Current Account deficit. Comparative advantage has not worked overall for capital and therefore capital has had to look for

alternative strategies. Economic liberals have looked into their historical glory box and adapted the economics to be found there to evolve another strategy, this becomes *competitive advantage*.

#### v) Competitive Advantage – Michael Porter

Littler (1998) defines *competitive advantage* as securing a differentiation of your organization and its products “in some way in order to gain preference by all or part of the market. This may result in a higher market share and or [higher] margins than competitors. In general, *competitive advantage* will be obtained through offering higher customer value” (Littler, 1998). The literature tends to break into the advocacy of two sources of *competitive advantage* - assets (accumulated endowments of the company) and capabilities (deeply embedded into organizational routines) (see Diereckx and Cool, 1989). Zysman and Tyson (1983) coined the name *competitive advantage* in the context of American industry policy but today it is usually associated with the work of Michael Porter (1985, 1986 and 1990).

In Porter’s work the *Competitive Advantage of Nations* (1990) he closely follows Schumpeter (1934) who also suggested that innovation drives and sustains competition. In Porter’s diamond typology of natural advantage he argues four major components make up a company’s natural advantage. These factors are:

1. *Factor conditions*, that is, the ability of the nation to continually upgrade, create, and deploy its factors of production (particularly labour) successfully. This is more important than any reliance on a natural endowment;
2. *Demand conditions* relate to the amount of competition and health the company first displays in the domestic market. Firms that survive the home market are likely to have developed a honed competitive edge. It is the character of the market (demanding customers) not its size that is most important in promoting the competitiveness of the firm;
3. *Related and supporting industries* relationships must be close, cooperative and with constant information interaction with suppliers. This is essential for an end product that is attractive and appropriate to the needs of the customer;
4. *Firm strategy structure and rivalry* are the conditions in the firm in its home nation necessary to make or break the international competitiveness of the company.

Critically assessing this model, Bryan (1995) suggests that *Competitive Advantage* has two outstanding characteristics. First, it aims at internationally standardizing low cost labour and second, it stresses the importance of selective state intervention (in the form of subsidies) to individual corporations (not sectors or nations) which then allows these businesses to compete globally.

The justification for the strategy of *competitive advantage* is its potential to 'fix' the high Current Account deficit of western nations. In the American context, industry would become more internationally competitive by minimizing and standardizing costs. However, Bryan's (1995) work on the balance of payments shows that net income outflow, not the balance of trade, is the predominant source of the Current Account deficit. Competitive advantage signals that the gains must be at the level of production, for companies to become most competitive. When they have the best productivity, with the most flexible labour force, plus the greatest product innovation, the best technology and the best services then they are most competitive. But increased productivity is not sufficient in itself. Rather, the productivity increase must be greater than another countries. The nation state has a role in reducing the deficit by nurturing a total cultural and social climate of productivity, technological development and service.

In sum the primary difference between the theories is that *absolute advantage* is based on building wealth for a nation state on the efficacy of labour, not trade as with the Mercantilists. Labour becomes specialist in the production of one product through the division of labour. Companies likewise become organized around the division of labour producing better products cooperatively than they could as individuals or individual enterprises. *Comparative advantage* is the further exploitation of labour and its mechanisation, but it entails product differentiation between countries. Companies work out what productive advantage they have and then they organize their trade around this advantage. *Competitive advantage* means the standardization of the lowest costs of the factors of production (particularly labour) so that companies can establish a competitive advantage in a global market place.

### 3. What do these theories mean for citizenship and work?

Marshall's (1950) clarion call for citizenship through the acquisition of civil, political and social rights is setting up a passive set of top down relations (Chia and Patmore, 2004); wherein governments give rights to citizens who only have minimal

expectations that these rights mean active civic and political involvement. Cox suggests that this model “regardless of its virtues, is rightly criticised for its paternalism, its evolutionary assumptions and ethnocentrism” (Cox, 2005). The problems associated with these work and citizenship associated rights range from - civic, and political rights do not go far enough (social democrats and Marxists) and social rights go too far (Economic Liberals). Thus:

1 *Civil rights* it is argued by the left include property rights (Crutthers and Ariovich 2004). These property rights are used by Economic Liberals to exacerbate patterns of work inequality because the market is “fundamentally anti-democratic, conferring votes on dollars rather than people” (Burgmann, 2004). Where workers are defined as commodities on the job market, or valued only as consumers; all work relations are subordinate to corporate profit. According to Merrifield (2000: 25) even when work develops and uses innovative new technologies with potential to revolutionize the labour process by de-stressing the working day; by shortening it, creating abundance for everyone, liberating people from drudgery and providing limitless free time for intellectual and artistic nourishment and by creating environmentally clean and green environments it does not. Why? Henwood suggests the reason is because there is a “dramatic misspecification of the enemy: instead of capital and its lust for profit, innovation and cosmopolitanism themselves are demonized” (Henwood, 1997: 18).

Tabb (2003:21) argues that economic liberal rhetoric is part of an “Accumulate! Accumulate! Accumulate!” strategy that specifies a growth model complete with its own extra-economic preconditions for workers. These preconditions (shown by Woolf, 2000, Gates 2002: 30-33) include the concentration of wealth out of the hands of workers and into the hands of the few that include the Forbes 400 richest Americans. These men (sic) average daily \$1,920,000 per person or \$240,000 per hour or 46,602 times the U.S. minimum wage [see [www.forbes.com](http://www.forbes.com)]. However, this is not just an American phenomenon rather it is a global trend – in 1960 the income gap between the fifth of the world's people living in the richest countries and the fifth in the poorest countries was 30 to 1. This has increased in 1990, to 60 to 1; increasing again in 1998 to 74 to 1 (Gates 2002: 30-33). The United Nations global report on what they rate as a human development index shows the scale of the disparities existing between rich and poor nations. In table one a small part of this scale is shown

illustrating what are the social indices at the global top (i.e. to be found in Norway), the top of the middle (i.e. to be found in Bulgaria) and the top of the bottom (i.e. to be found in Pakistan) and at the very bottom (i.e. to be found in Sierra Leone):

Table 1: 2004 UN Human Development Index of Norway, Bulgaria, Pakistan and Sierra Leone

HDI rank	Country	Life expectancy at birth 2002	Adult literacy rate	Combined enrolment primary, secondary & tertiary	gross in	GDP per capita (US\$)	Life Expectancy	Education index	GDP per capita minus HDI rank
1	Norway	78.9	100	98		36,600	.90	.99	1
56	Bulgaria	70.9	98.6	76		7,130	77	.91	10
142	Pakistan	60.8	41.5	37		1,940	60	.40	-7
177	Sierra Leone	34.3	36	45		520	16	.39	-1

Note : HDI = Human development rank

Source: United Nations - Human Development Report <http://www.undp.org.in/hdr2004/>

- i. Thinking that *Legal rights* will be able to enforce civil liberties through the court system leaves Arthurs (2002) skeptical. Instead he argues that law courts ability to ensure civil rights for labor is in crisis because it has become “unstuck from its ideological beginnings” whereby the “ideal of industrial citizenship has all but given up the ghost” under the assault of globalization because a lack of international clarity creates opportunities disadvantageous to workers (Arthurs 2002:1). Adding to this distrust of legal rights as being able to deliver social justice Javilier suggests that Labour law instead creates an elitist paradigm of an “*industrial setting* (a plant which mass produces a finite number of standard product lines), *regular employment* (long term or life employment, along with seniority and collective bargaining schemes tied to the firm) and the *male employee* (generally white, young and healthy)” (Javilier 1997:102).
2. ***Political Rights*** do not do away with sexist or racist attitudes that prevent women, racial minorities or religious groups receiving political power, according to Gardiner (2004). She argues that it is not so much the market as male-dominated structures of power and privilege that subvert active citizenship for women. Like Pateman (1970, 1979, 1988) before her she clarifies the masculine bias in traditional notions of political citizenship and points out that these abstract rights of citizens count for little if the capacity to exercise those rights is absent or significantly constrained by the persistence of sexist attitudes and structural barriers to shared political power.

3 *Social rights* realize some de-commodification of work, health and education in the welfare state that are most helpful to workers. These are the special focus of attack from Liberals in Economic Liberal governments. This revolves around at least four key ideas. The first is that welfare states or “heavy government” make citizens selfish (Ridley 1997: 262) and lazy (de Tocqueville 1835:58-59). However, economic liberals fail to show evidence that correlates the association between laziness and welfare (Davidson, 1995: 14) or poor national economic performance and welfare expenditure in developed countries (Atkinson, 1995 see the opposite evidence in Table 2 below). Liberals like Milton Friedman argue that the welfare state prevents positive (as in charitable) social development (Freidman and Freidman 1980:124). Goodin et al, (2000) argues that this is wrong for on all major economic and social indicators the USA (a low interventionist welfare state) performs worse than the Netherlands (a high interventionist welfare). See supporting evidence below (Table 2: United Nation report: 2004). A third criticism of the welfare state is that it necessitates high taxes that inhibit investment, which in turn impedes economic growth (Ridley 1997: 262). Wrong again. Take Norway a high tax paying economy (Norwegians pay taxes from a tax level of 51 per cent in 1990 growing to 55 per cent in 2005) and compare this with social indicators from the US a comparatively low tax paying economy:

Table2: Comparison of Norway, Netherlands and US social indicators

HDI rank	country	Life expectancy at birth 2002	Combined gross enrolment in primary, secondary& tertiary	GDP per capita (US\$)	Life Expectancy	Education index	GDP Index	HDI index value	GDP per capita minus HDI rank
1	Norway	78.9	98	36,600	.90	.99	.99	.956	1
5	Netherlands	78.3	99	29,000	89	99	.95	.942	6
8	USA	77.0	92	35,750	.87	.97	.98	.939	-4

Note : HDI = Human development rank

Source: United Nations - Human Development Report <http://www.undp.org.in/hdr2004/>

Table two shows that Norway’s citizens in a high tax economy gets better results from their high social wage than the lower taxed US. Norway also has good economic growth this was in 2000 - 2.7 per cent.

The last, most common criticism is that welfare services are too expensive, antiquated and inefficient (Freidman & Freidman 1980: 131, 138). This thinking validated massive Liberal programmes, policies and practices that privatised public

assets, services and businesses. “[D]ramatic changes like mass privatization ...were clearly intended to alter the social distribution of wealth” (Crutthers & Lariovich, 2004:29). Van Fossen (2002) argues that if tax havens for multinational companies were adequately policed then their revenue too could be paid into state coffers to defray the costs of national welfare infra structures from which they so richly benefit. What can be done?

The first thing that can be done is to expand the exclusive and outmoded ideas of citizenship to be found in Marshall. Kessler-Harris (2001, 1982) suggests that for Marshall's typology of citizenship to really work it must include waged work, rather than membership in the society, as the basis for social citizenship.

4. *Economic rights* declares Kessler-Harris (2001, 1982) are "the independent status that provides the possibility of full participation in the polity" (Kessler-Harris (2001). Rights for waged workers cannot stop with those most identifiably male but must also include those that benefit women and children such as paid maternity leave.

Kessler-Harris's work shows the legislators, policy makers, and justices were consciously or unconsciously motivated by a "gendered imagination" or a deeply embedded sense of what is normal and natural that perpetuates a gendered fantasy of an equitable social order. Part of these economic rights are worker's rights.

5. *Worker's rights* are found in a protected framework within the United Nations International Labour Organisation or ILO and these cover, “the freedom of association and the right to collective bargaining; the elimination of forced and compulsory labour; the abolition of child labour, and; the elimination of discrimination in the workplace” (<http://www.ilo.org/>). The ILO has its own enforceable conventions drawn on “as standards in negotiations involving governments, employees, unions and workers” (Blau & Moncado 2005:53). A trans global organisation like the ILO to help structure workers rights is essential because the new migration movements of workers are transnational movements of workers with new citizenship needs (Carens, 1987; Baubock, 1994; Stasiulis, 1997). According to Carens, citizenship in western liberal democracies is "the modern equivalent of feudal privilege...an inherited status that greatly enhances one's life chances" in the first world (1987:252). The globalization of work and necessary migration has new consequences of trans-nationalism (see Batch, Glick Schiller & Szanton Blanc, 1994; Portes, Guarnizo and Landolt, 1999) and post-

national membership of a global citizenry (Soysal, 1994; Jacobson, 1996) with new needs and requirements. Global citizenry could also make workers movements more aware of exploitation outside their own nation state and sensitive to campaigns that down grade other countries workers wages and conditions eg buy Canadian or Australian campaigns. Davidson (2004) suggests the new concept of citizenship should be one to empower individuals under conditions that have been transformed by global flows of capital and information. Where old rules of labour found in national citizenship are now incapable of answering the needs of those who are necessary migrants or refugees from wars. Where the acquisition of such rights through *naturalization* are too slow in a context of rapidly shifting migration to protect citizens working beyond their own country and where national citizenship now fails to address the needs of the millions in transit between countries. So Davidson advocates a 'global citizenship' but leaves the job of articulating its new political form or how it would be realized to us (Cox 2004).

The second thing to be done is to recognize and get others to see and act upon the bad economics associated with economic liberal theories of work. As Li (2004: 22) points out upward of fifteen years of economic liberalism as a globalisation strategy has universalized economic stagnation but failed miserably “to provide an institutional framework for sustained global capital accumulation” and its fifteen-year plus regime has left the west capitalist countries “exposed to increasingly frequent and violent financial crises”. They have succeeded relegating their opponent Keynesian regimes into the political dustbin. But where do they go now? Li argues (2004) that new social reforms to counter the social damage of economic liberal policies are an unlikely scenario. They will need to be financed by additional taxes on capitalist profits and that these profit cuts will bring about a backlash from capital and greater demands again on labour to finance it. Therefore Li argues without global economic growth no social democratic capitalism is possible (Li 2004:2) without a determined and coherent response from a collectively organized working class movement to take itself forward rather than let itself be dragged backward to working conditions of the early twentieth century.

The notion of citizenship at work, if developed into a coherent framework, may form the basis for an alternative policy vision that can challenge the legitimacy of liberal ideology and form a focus for a popular challenge to liberal ascendancy.

## Conclusion

The individualistic economic rights enshrined in the market place and the supporting ideology of economic liberalism perennially challenge rights of citizenship at work. The work of the early classical economists (e.g. North, 1691, Smith, 1776, and Ricardo, 1817) although considerably more humane and sensitive to the working class than current economic liberals, are consistent in their overarching focus on the need to increase productivity by getting labour to work harder and more effectively for less return to them. As the form of this ideological strategy has changed from absolute advantage to comparative advantage to competitive advantage the substance remains unchanged and continues to reflect the different cyclic needs of capital and the power of the dominant section of capital at any one time but their aim as strategy is always to get workers to work harder for less. This strategy continues unchanged.

Economic liberal ideology adapts to changing cyclical needs of capital but it also reflects dominant fractional interests within the employing class itself for it is heterogeneous and has competing interests. The strength of any one fraction of capital at any one time will reflect what is happening in the wider capitalist environment. Economic liberalism may now be associated with universal economic stagnation and failure and it holds the dominant consensus that the division of the profit pie, with the workers getting a bigger slice, requires workers to work harder. But this is not true employers will never give up any of their advantages whatever the global economy is doing.

Workers must expand the demands of citizenship to include greater economic rights (a bigger slice of the pie but also) a recognition of global citizenship created by factors such as necessary migration for work. The demand for global citizenship will only be recognized by collectively organized worker movements forcing employers and nation states to see this as a necessity for the right of workers. Therefore it must be our agenda to take every opportunity to push ideas about the desirability of a democratic notion of citizenship at work, as a guiding principle for public policy or private action, so that it increasingly gains legitimacy in public discourse and amongst policy makers.

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#### Summary

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