Global Issues

Agency and the Power Resources Approach: Asserting the Importance of the Structuring Conditions of the Capitalist Social Relations of Production

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Introduction

The publication of this Special Issue on the power resources approach (PRA) is a highly welcome contribution to the wider literature on the potential agency of labour movements. All too often analyses of the global political economy, even if carried out from a critical political economy perspective, highlight the apparently predominant power of capital and, explicitly or implicitly, indicate that resistance against intensified exploitation is as good as impossible. As the contributions to this Special Issue make clear, as difficult as the current situation may be, there are always different power resources available to labour movements. Capitalist restructuring is always contested and labour movements have the possibility to resist.

In this short contribution, I will first place the increasing importance granted to agency by the PRA approach within the wider literature of similar attempts to emphasise the possibility of agency, including Harry Cleaver's focus on workers' agency and the disruption-oriented approach by David J. Bailey, Mònica Clua-Losada, Nikolai Huke and Olatz Ribera-Almandoz. In a second step, I will then emphasise that even a focus on agency still requires an awareness of the structuring conditions within which agency takes place, if we want to comprehend the possibilities of successful resistance. Drawing on the philosophy of internal relations, the subsequent section outlines how we can conceptualise agency and structure within a historical materialist approach in order to comprehend the historical specificity of capitalism. The concluding section will provide a brief example of the Italian water movement and the referendum against water privatisation in 2011 to illustrate the empirical implications of this conceptual understanding.

Capitalist Restructuring and a Focus on Agency

Beverly Silver, drawing on the work of Erik Olin Wright (2000), identified two main sources of workers' power: (1) associational power, which depends on collective organisations such as trade unions and political parties; and (2) structural power, sub-divided into two subtypes:

> The first subtype of structural power (which we shall call marketplace bargaining power) is the power that results directly from tight labor markets. The second subtype of structural power (which we shall call workplace bargaining power) is the power that results from the strategic location of a particular group of workers within a key industrial sector (Silver, 2003: 13).

Furthermore, there are also new sources of power – logistical and societal – available to workers in the changing global political economy (Webster, 2015). As highlighted in the Introduction to this Special Issue, societal power involves, on the one hand, possible alliances with other social movements in the pursuit of workers' interests. On the other, it relates to trade unions' capacities to frame issues in terms of social justice. It includes "the struggle of 'right' against 'wrong', providing a basis for an appeal both to the public and politicians, as well as to allies in civil society" (Webster, Lambert and Bezuidenhout, 2008: 12). Importantly, the PRA correctly emphasises labour movements' possibilities in resisting capitalist exploitation.

This focus on agency is mirrored in other approaches currently discussed in the social sciences. First, in a leading contribution to understanding neo-liberalisation, David Bailey and colleagues have developed what they describe as a disruption-oriented approach to resistances, which overcomes a negative assessment of the state of the left by pointing out that "social struggle has not ceased to exist but ... has instead shifted in form towards mass mobilisations and collective, autonomous, self-organisation" (Huke, Clua-Losada and Bailey, 2015: 745). There is a danger that an exclusive focus on the workplace and the role of trade unions overlooks ongoing contestation, especially in the sphere of social reproduction against, for example, the privatisation of health services and education. A disruption-oriented approach is able to reveal that neo-liberalisation is anything but stable and assured in and beyond Europe. It "should instead be viewed as a fragile, troubled and hard-fought development" (Bailey, Clua-Losada, Huke and Ribera-Almandoz, 2017: 214).

Second, Harry Cleaver, in a survey of classical Marxist political economy, outlines how many of these authors "by reading Capital as political economy … limited themselves to a critique of capitalist anarchical instability or exploitative nature" (Cleaver 2000: 34). As a result, agency is written out of history. In response Cleaver suggests a political reading of Marx, which puts class agency at the heart of analysis. Rather than identifying laws related to the structure of the capitalist social relations of production, he emphasises that all law-like structures are ultimately the result of class struggle between capital and labour. "The 'laws of motion' of capitalist society are the direct product of the class struggle and denote only what capital has had the strength to impose, given the rising power of the working class" (Cleaver, 2000: 88). Rather than looking at developments through the eyes of capital, Cleaver understands resistance through the eyes of working people:

> Instead of always portraying capitalism as the driving force of history – a story in which we appear only as victims or sometime as merely annoying irritants – let us see capitalism and the efforts of capitalists as unacceptable constraints on our efforts to live free and reshape the world to our liking (Cleaver, 2017: 5).

As important as these contributions are, however, there is too one-sided a focus on the possibilities of agency, often combined with a complete disregard of the structural setting within which agency takes place and the related implications this may have for successful resistance. As a result, people at times conclude that "labour is now determining the shape of globalisation". In other words, there is a danger of exaggerating the possibilities of labour without due appreciation of the structural limits to transformative action. In the next section, I will reflect on how a focus on agency and related power resources can be conceptualised within the wider structuring conditions of the capitalist social relations of production.

The Agency of Resistance and the Structuring Conditions of Capitalism

We cannot conceptualise agency and its strategies of resistance without due regard to the structuring conditions of the social relations of production. As Karl Marx famously said,

> Men [*sic*] make their own history, but they do not make it as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brains of the living (Marx, 1852/1984: 10).

In his critical engagement with the PRA, and here especially the ambiguous role of institutional power resources, Alexander Gallas has already attempted to combine a focus on agency with an emphasis on the structural setting. In his reflections on a strategic-relational model of class power, he argues that power resources depend on the strategic environment and the strategies adopted. "What is needed", he argues, "is a conjunctural analysis of strategies and relations for forces. 'Conjuncture' here refers to a concrete constellation of strategies and relation of forces at a given time in a given space…" (Gallas, 2016: 305). Nevertheless, while he does incorporate a focus on the "relations of forces" between trade unions and employers' associations as well as on the wider institutional setting underpinning labour relations and particular forms of state including political parties and government composition, he still overlooks the more fundamental structuring conditions of the capitalist social relations of production, resulting from the way in which production is set up.

Because of the way capitalist production is organised around wage labour and the private ownership of the means of production, three structuring conditions can be identified. First, it is not only workers who compete with each other for employment, but equally companies are in constant competition with each other over market share. Hence, there is an emphasis on competitiveness and the related pressure for further technological innovation in a relentless struggle for ever higher profit levels. As Marx (1867/1990: 381) noted, "under free competition, the immanent laws of capitalist production confront the individual capitalist as a coercive force external to him". Nevertheless, what is logical for the individual capitalist is problematic for capital as a whole. When every capitalist attempts to produce more goods with fewer workers through the application of new technology, there will be fewer and fewer people who can actually buy those goods. Thus, there is a situation of a surplus of both capital and labour, which can no longer be brought together in a productive way within the capitalist social relations of production – a "state of overaccumulation" (Harvey, 1985: 132). It is this crisis tendency of capitalism which can be identified as the second structuring condition of capitalism. Finally, in order to overcome crisis, there is a structuring condition of constant outward expansion by capitalism, either in order to capture new markets or cheaper labour abroad or to re-commodify areas which had been moved outside the capitalist market, such as health services in many industrialised countries (Bieler and Morton, 2018: 38–41).

Agency needs to be understood and conceptualised within these structuring conditions if we want to understand why it is successful in some instances but not in others. In the next section, I will outline how a focus on the philosophy of internal relations allows us to conceptualise the possibilities of agency within the structuring conditions of the capitalist social relations of production.

Structure, Agency and the Philosophy of Internal Relations

There is the need for a necessarily historical materialist moment, in which it is asked why it is that the state and market, the political and the economic appear as separate in the current historical period of capitalism (Bieler and Morton, 2018: 3–23). Only through a historical materialist focus on the social relations of production is it possible to identify what exactly is specific about the capitalist historical period. This assertion is attached to a *philosophy of internal relations*, which implies that the character of capital is considered as a social relation in such a way that the internal ties between the relations of production, the state and civil society, and conditions of class struggle can be realised. Through this philosophy of internal relations, the dialectical method of historical materialism therefore focuses on internally related causes and conditions, rather than positing logically independent factors existing side-by-side with one another (Ollman, 1976: 48).

On the basis of such a philosophy of internal relations, it can then be comprehended that as a result of production being organised around wage labour and the private ownership of the means of production the extraction of surplus labour is not directly politically enforced, unlike in feudalism, because those who do not own the means of production are "free" to sell their labour power (Wood, 1995: 29, 34). Nobody is forced to work for a particular employer. However, without owning one's own means of production, people are indirectly forced to look for paid employment. They are compelled to sell their labour power in order to reproduce themselves. Thus, to understand the inequalities and exploitation characteristic of capitalism, we need to investigate the "hidden abode of production". "We must explore the netherworld of production, outside and beneath the market, where economic necessity compels workers owning only their labour power to seek employment" (Barker, 2013: 44). Unless this historical specificity of our current period is understood, any conceptualisation of resistance will fall short of grasping the concrete opportunities of, but also obstacles to, transforming capitalism.

The capitalist social relations of production generate the key ontological properties of structure and agency. First, there are the structuring conditions of capitalism, the way production and accumulation of surplus value is set up (see above). At the same time, these social relations of production engender social class forces as the key collective agents. As a result of private property and wage labour, two main classes oppose each other in capitalism – on the one hand capital, the owners of the means of production, and on the other labour, those who are indirectly forced to sell their labour power in order to survive (Bieler and Morton, 2018: 37–8). It is this focus on the social relations of production as the generator of both structure and agency that facilitates a focus on the internal relations, which allows us to assess class agency within the structuring conditions of capitalism.

Agency and Structure in the Italian Referendum against Water Privatisation

In the period 2006 to 2011, a broad coalition of social class forces including trade unions, social movements, environmental organisations and local citizens' initiatives mobilised successfully for a referendum against water privatisation in Italy (Bieler, 2015). The referendum included two questions. The first cancelled out the legal requirement to privatise the management of water, while the second removed the legal right of private investors to make 7 per cent profit on their running of water services. When the referendum took place on 12 and 13 June 2011, not only did 57 per cent of

the Italian population cast their vote, but the majorities on the two questions were also highly impressive – "95.35% yes (4.65% no) on the first question; 95.80% yes (4.20% no) on the second" (Fattori, 2011). And yet, despite this decisive victory, the outcome of the referendum has never been fully implemented. First, although further privatisations were stopped, none of the already privatised water services, with the exception of Naples, was re-municipalised. Moreover, the guaranteed profit margin has not been abolished. The formula, re-named but calculated in exactly the same way, was re-introduced at the slightly lower level of 6.4 per cent shortly after the referendum.

In order to understand this development, it is important to include an analysis of the structuring conditions of the capitalist social relations of production in the overall assessment. The struggle over the water referendum took place against the background of the global financial crisis since 2007–2008 and the closely related Eurozone crisis from 2010 onwards. It was precisely in the second half of 2011, shortly after the referendum, that Italy also increasingly ran into difficulties of re-financing state debt on the financial markets. In turn, the European Union (EU) and European Central Bank (ECB) put heavy pressure on Italy towards privatisation. In August 2011 Jean-Claude Trichet, the then President of the ECB, and Mario Draghi, who succeeded him in November 2011, urged "'the full liberalisation of local public services … through large scale privatisations', ignoring the fact that 95.5 per cent of Italian voters had rejected the privatisation of local water services in a valid national referendum less than eight weeks earlier" (Erne, 2012: 229). The Berlusconi government collapsed in November 2011 and was replaced by a technocratic government led by the former central banker Mario Monti. Evaluating the Monti government's reform proposals, the European Commission demanded further restructuring in a report for the Eurogroup on 29 November 2011. "One of these structural reform measures is that Italy needs 'enhancing competition in key network industries…; other sectors, such as telecommunications, postal services, water and transport, are also significantly shielded from full competition pressures" (EPSU, 2012: n.p.). Eventually, in 2012, the Italian government committed itself to structural reforms. This did not include water services directly, but any further implementation of the referendum was made impossible. The principle of the EU Stability Pact of balanced budgets was transferred to the level of Italian municipalities. With their financial possibilities constrained, those municipalities in which water services had already been privatised found it difficult, if not impossible, to buy back private shares. In short, a focus on the internal relations between class agency and the structuring conditions of the capitalist social relations of production allows us to understand why the initial success of the Italian water movement was ultimately rather limited, when it came to the implementation of the referendum.

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