

Global Issues

Capital, the Right, and a New Age for Labour Scholarship

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It is fitting that the tenth anniversary of the *Global Labour Journal* (GLJ) coincides with the fiftieth anniversary of Milton Friedman's seminal essay entitled "[The Social Responsibility of Business is to Increase its Profits](#)". The latter appears to be a retirement party, which leaves room for the former to be a coming of age celebration.

Friedman's 1970 essay birthed a manifesto of corporate governance that freed business from the burdens of social good. At the time, these ideas were radical. They were not absorbed overnight or without contestation. But the business community embraced them from the start and, by the early 2000s, these ideas had become hegemonic across most countries, political parties, scholarly disciplines, and even classes and social movements. By 2010 (when the GLJ was launched), Friedman and his free market ideologies were commonly credited for single-handedly shaping the world's contemporary markets and economic regulations (or lack thereof).

Yet today, at the fiftieth anniversary of Friedman's essay, it seems the overpowering legitimacy of his ideas are beginning to wane. The *New York Times*, which published Friedman's original essay, is now offering a series of critiques on free market approaches. Last year, the Business Roundtable, an organisation of CEOs from America's largest corporations, issued a new statement to "[Redefine the Purpose of a Corporation](#)", moving away from the Friedman doctrine, and promising to "share a fundamental commitment" not just to profit-seeking investors but "to all of our stakeholders", which "starts with compensating [employees] fairly", "foster[ing] diversity and inclusion", "supporting the communities in which we work", "dealing ethically with our suppliers" and "protect[ing] the environment". Reflecting on the new statement, [Jamie Dimon](#), Chairman and CEO of JPMorgan Chase & Co. and Chairman of the Business Roundtable, admitted: "The American dream is alive, but fraying." It would be easy to scoff at the disingenuity that might very well underlie such statements by business. But more interesting would be to unpack their hidden truths. At the very least, they signal the early retirement of the ideology of "Friedmania".

Antonio Gramsci (1971) famously articulated the significant and autonomous role that ideology plays in securing non-coercive compliance to the dominant order. But he also taught us that, at certain conjunctures, ideology becomes the terrain of struggle on which alternative visions and projects assert themselves. The 2008 financial crisis offered one such conjuncture, giving rise to myriad new social movements that questioned Friedman's ideology on a mass level and across the globe. But the 2020 COVID-19 pandemic has offered a second and (literally) more fatal one. In less than eight months, over one million people have died worldwide (and still counting), at least thirty million have been infected, and hundreds of millions have been left in financial distress. Our broken global economic system based on debt, precarity, and excruciating levels of inequality and poverty (even in the most basic needs of food, water, shelter and education) has been undeniably exposed.

And with the veil of "success" ripped off the hegemonic Emperors of Free Markets, Neo-

liberalism and Globalisation, the stage has opened for a new ideology to reign. As with all ideological paradigms, any alternative to Friedmania will take decades to spread, let alone become hegemonic. But that means that this next decade of labour scholarship can be filled with debate and even possibility around questions of how proposed alternative paradigms will affect labour, and how labour (and labour scholars) can shape new alternative paradigms.

The *Global Labour Journal* can play an important role in this effort. But to do so, the GLJ and its community of labour scholars must venture into a much deeper examination of proposed alternatives. In particular, this involves moving our study beyond the narrow confines of labour and left-affiliated political parties and institutions, to more deeply examining capital and right-wing political movements of the ethno-nationalist variety. Sadly, but not surprisingly, business and the Right are currently offering the most articulated and popular alternative paradigms to date. Labour scholars can no longer afford to ignore these efforts.

First, as labour scholars, we must study capital much more. In 2013, Thomas Piketty's *Capital in the Twenty-first Century* made waves with its now famous finding that within most countries, the distribution of income from capital (rents, dividends, interest, royalties, profits, capital gains, etc.) is still far more unequal than the distribution of income from labour (such as wages). Moreover, the inequality in capital income has risen exponentially since the 1980s. That these findings were so popularly shared across the middle and even upper classes is a testament to the current mood and the fall of Friedman's ideologies. The Business Roundtable's new statement, however, suggests that capital is responding to Piketty's findings by offering an alternative paradigm that would (not surprisingly) sustain, even further, such inequalities in capital ownership and thus capital income.

In examining their new statement, we as labour scholars should ask: *who* exactly are their "stakeholders" and how are their "employees" defined? At the low end of the workforce, outsourcing has absolved corporations from any responsibility for protecting their cleaners, food service workers, construction workers, event planners and sometimes even essential staff. These workers are often not formally recognised even by their outsourcing company, let alone by the company to whom they offer a service. They will, therefore, not be recognised by capital's new-found commitments. As importantly, at the high end of the workforce, "employees" in US corporations simultaneously became capital owners under Ronald Reagan, when the US Securities and Exchange Commission gave public companies (for the first time since the New Deal) the right to buy shares of their own stock on the open market, which in turn allows them to increase their stock price. As a result of this move, executive pay in US corporations shifted from consisting mainly of salary and bonuses (that is, labour income) to mainly stock and stock options (that is, income from capital). Today 84 per cent of stock shares owned by Americans are owned by the richest 10 per cent of Americans. In short, the Friedman era enabled the largest corporations of the United States to legitimately increase inequalities in capital ownership and capital income, while seemingly maintaining the (extant but less large) inequalities in wages and other labour income. Even today, when Friedman's dogma is losing legitimacy, US corporations are proposing to further entrench these inequalities in capital ownership and capital income. But they have brilliantly turned Friedman's rhetoric on its head by offering to "compensate employees more". As labour scholars, we must study these changes in business actions, expose how they redefine the concept of "workers" and offer alternative redefinitions.

Second, as labour scholars, we must study right-wing, ethno-nationalist political parties much more. This would require us to truly listen to workers on and of the Right. Right-wing parties'

recent worldwide surge in mass popularity, even among workers, is well-documented. In addition to highlighting issues of ethnicity, race and nationality, right-wing parties in many countries are building effective relationships with the very workers who earlier comprised an important base for left-wing parties. These trends underscore what Karl Polanyi (1944) famously articulated decades ago: counter-movements against commodification are as likely to come from the Right as they are from the Left. But they also remind us of what Gramsci taught us about civil society and intellectuals. Civil society institutions not only organise consent to the capitalist system (a consent that is, of course, backed by the coercive force of the state). Civil society institutions also offer a potential arena of emancipation.

Today, it is impossible to deny that it is the Right that has built the most impressive battery of new civil society institutions to spread and entrench ideologies that offer an alternative to Friedmania (or at least purport to). These institutions include social and religious organisations, traditional and virtual media spaces, new think tanks, schools, national and local courts, and even trade unions. India's largest trade union, for example, is affiliated to the Hindu-nationalist, right-wing party currently in power at the national level. In parts of Europe, the Right's civil society institutions offer an alternative ideology that promises increased welfare to workers, but only to a limited population defined by race and nationality. In the United States and India, the Right's civil society institutions offer an alternative through a return to patrimonial-type protections for business, but "business" has been adeptly redefined to include small businesses owned by members of the working class. In all cases, the Right's alternative ideologies are successfully mobilising workers by promising to emancipate them from cultural (rather than material) devaluation – be it along lines of race, ethnicity, religion, gender *or class*.

According to Gramsci (1971), civil society organisations are led by "organic intellectuals" – that is, those who share a class experience with those they represent – who articulate their class's experiences in political terms. They are an important and powerful group and are responsible for converting the "traditional intellectuals", which, in turn, helps cement the hegemony of an ideology. Gramsci and others have clearly articulated who the bourgeoisie's organic intellectuals are. Less clear has always been where the proletariat's organic intellectuals will come from.

As labour scholars, we must not fall into the popular trap of assuming the Right has no intellectuals. Rather, we must take a deep dive into the Right's civil society institutions – tracing their histories, analysing their ideologies and identifying their leaders. Gramsci (1971) raises for us an important question: could the leaders of the Right's civil society institutions represent a new form of organic intellectual for the proletariat – one that represents and articulates not only ethno-nationalist and religious or communal identities, but also workers' experiences in political terms? Indeed, the leaders of the Right's civil society institutions appear to be following Gramsci's playbook for organic intellectuals as they struggle to win over, or dismantle through force, traditional intellectuals and their civil society institutions – hence the multitude of attacks on media, academia, science, and even existing bureaucracies in the case of India and the United States. As labour scholars, we must recognise, study and expose who is articulating the Right's ideologies, where they come from, what they are saying, and how they are so successfully galvanising worker support.

These two efforts offer the GLJ a new and difficult role in its next life stage. Since the 1980s, when Friedman's ideologies were first starting to be implemented in regulatory frameworks, labour scholars have been exposing how the absolutism of capital's untethered pursuit of profit pushed

even more of the worlds' workers into plummeting employment conditions, dwindling wages and the near death of the legitimacy of the concept of "job security". In 2010 the GLJ, under the brilliant energy of Eddie Webster and Robert O'Brien, offered the world an accessible medium through which labour scholars could articulate theoretical and empirical critiques of the then-reigning hegemony of market-fundamentalism. Unlike Friedman, the GLJ never aimed to offer labour a manifesto. But it did aim to define and build a "New International Labour Studies" field among scholars. This field offered rich data to prove the new (and old) challenges that Friedmania dumped on the world's workers in multiple industries and country contexts. As well, starting from the GLJ's famous inaugural issue, this field contemplated the potential for new forms of global unionism that could counter capital's increasing levels of exploitation and commodification. Finally, in recent years, this field has tried to expose the intricate and too-often hidden connections between class-based oppressions and other oppressions (based on race, gender and caste), as well as other topic areas (such as land, environment and migration). Across all these areas and efforts, this field has, to date, been unified by a joint disdain for free-market capitalism, neo-liberalism and globalisation.

But today, on its tenth anniversary, the GLJ can celebrate the fact that its disdain for these forces is no longer a minority viewpoint. Across countries, industries and (for the first time in many decades) even classes, people are searching for a new ideological structure to organise our economies and societies. The time is now ripe, however, for the GLJ to take on the heavy task of deeply studying the alternative ideologies being offered by capital and by right-wing political parties. Only then can we, as labour scholars, offer a more robust pro-labour alternative for the world to consider.

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