

3

The Production of
Consent

Five

The Labor Process as a Game

Following Marx, twentieth-century Marxism has too often and too easily reduced wage laborers to objects of manipulation; to commodities bought and sold in the market; to abstractions incapable of resistance; to victims of the inexorable forces of capitalist accumulation; to carriers, agents, or supports of social relations.¹ It has been left to industrial sociology to restore the subjective moment of labor, to challenge the idea of the subjectless subject, to stress the ubiquitous resistance of everyday life. But in upholding the subjective moment, industrial sociology looks down upon the objective moments as immutable. It presents wage labor and the deprivation of industrial work as the unavoidable and eternal concomitants of material existence in what it regards as a regime of scarcity.

Not surprisingly, industrial sociology finds its confirmation in attitude surveys conducted among workers, which show that they too are resigned to the inherent deprivation of working and adopt what Michael Mann refers to as "pragmatic role acceptance."² At the same time, workers go to great lengths to compensate for, or to

minimize, the deprivations they experience as inexorable and inevitable:

[A worker] clings to the possibility of a last remnant of joy in his work . . . All activity, however much brutalized by mechanization, offers a certain scope for initiative which can satisfy after a fashion the instinct for play and the creative impulse . . . Even when the details of performance have been prescribed with the utmost minuteness, and in accordance with the latest dictates of the Taylor system, there will be left for the worker certain loopholes, certain chances of escape from the routine, so that when actually at work he will find it possible now and again to enjoy the luxury of self determination.³

More than any other sociologist, William Baldamus has examined the nature of the compensations available to industrial workers:

Hard work is not necessarily reflected in feelings of discomfort only. It can also produce certain satisfactions. As a matter of fact, all work deprivations may be connected with what I shall call "relative satisfactions." They are feelings of temporary relief from the discomfort of certain work realities, feelings which arise when these factors have become part of the worker's customary interpretation of his situation. They are, to this extent, only apparent satisfactions, which are actually derived from deprivation.⁴

Work realities (physical conditions, repetitiveness, and routines) give rise to deprivations (impairment, tedium, and weariness), and deprivations engender relative satisfactions (inurement, traction or tractableness, and contentment).⁵

As many writers have observed, these relative satisfactions are often constituted in the form of games, which reduce the strain of an "endless series of meaningless motions."⁶ In their assessment of such supposedly autonomous responses of workers to the demands of capitalist work, sociologists express a deep ambivalence. On the one hand, they recognize that these relative satisfactions contribute to the psychological and social health of the laborer, but on the other hand they see these satisfactions as undermining management objectives. William Foot Whyte formulates the dilemma: "Can the satisfaction involved in playing the piecework game be preserved in our factories at the same time that the attendant conflicts are reduced?"⁷ Games

create opposition of interests where before there was only harmony. In their classic study, F. J. Roethlisberger and William Dickson argued that "employees had their own rules and their own 'logic' which, more frequently than not, were opposed to those which were imposed on them."⁸ "This standard [of output] was not imposed upon them, but apparently had been formulated by the workmen themselves."⁹ In his interpretation of the Bank Wiring Room Experiment, George Homans claims that group norms, such as restriction of output, were "spontaneously produced" so as to preserve the integrity of the group.¹⁰ The view that the workers at the Hawthorne Plant evolved their own autonomous principles of work reaches its apotheosis in the writings of Elton Mayo, who speaks of the formation of a "social code at a lower level in opposition to the economic logic [of management]."¹¹ Michel Crozier argues, similarly, that in a wide variety of industrial settings uncertainties in the labor process are exploited by subordinates, leading to power struggles and non-cooperative games aimed against management.¹²

All these treatments share the view that workers autonomously erect their own cultural and production systems in opposition to management. Ironically, the very sociologists for whom a class analysis would be anathema are also the ones who offer the greatest support for such an approach. Unfortunately, their empirical evidence is as weak as their theoretical framework is inadequate. There is ample evidence in *Management and the Worker* that the group chief, section chief, assistant foreman, and foreman either connived or actively assisted in playing a game that was supposed to undermine management interests.¹³ Jason Ditton shows how the creation of uncertainty through the relaxation of rules enhances the power of management at the same time that it provides the basis for the construction of games.¹⁴ Stanley Mathewson offers numerous examples of management organizing the forms of output restriction that Elton Mayo attributes to the workers' instinctual and nonlogical opposition to management.¹⁵ On the other hand, when games (such as doubling-up on assembly lines) really do threaten managerial objectives, that is, jeopardize profit margins, management does indeed come in with a stick.¹⁶ Crozier himself points out that, "were it to take place without any check, the power struggle would bring paralyzing conflicts and unbearable situations."¹⁷ In short, where

games do take place, they are usually neither independent of nor in opposition to management.

These conclusions are confirmed by my observations of shop management's role in the making-out game at Allied and by Roy's observations at Geer. I have already referred to the different ways in which foremen actively assisted operators in making out—showing them angles, getting annoyed with the methods department's tight rates, using the idiom of making out in defending performances to their own bosses, and so on. When operators handed in more than the acceptable limit (140 percent), not only fellow workers but shop management might protest. Thus, the superintendent frequently returned time cards to operators when they showed more than 140 percent, requesting them to reduce the number of pieces and bank the remainder. Time clerks would also check to see that the 140 percent ceiling had not been violated. All levels of shop management had an interest in steady output and quota restriction; they loved the industrial engineer no more than the operator did.¹⁸ Assigning a new rate to a job could mean turnover of personnel, since workers tend to transfer to jobs where the rates are easier to make. As a result, there would be training costs, lower levels of output, more scrap, and so forth. Alternatively, operators would engage in "goldbricking" because the new rate was "impossible," and this too implied lowered levels of output. I will discuss these and other deleterious consequences of tightening rates in chapter 10. Suffice it to say, shop management not only encouraged operators to produce their quota but was also found actively acquiescing in output restriction by operators; that is, management actively engaged in the game of making out. Indeed, foremen and scheduling men are players in the game.

By way of summary, then, the games workers play are not, as a rule, autonomously created in opposition to management, as claimed by Elton Mayo, who views the matter from one perspective, and by Cornelius Castoriadis, who views it from another. Rather, they emerge historically out of struggle and bargaining, but they are played within limits defined by minimum wages and acceptable profit margins. Management, at least at the lower levels, actively participates not only in the organization of the game but in the enforcement of its rules. The stimulus to engage in such work games derives as much from the inexorable coercion of coming to work,

and subordination to the dictates of the labor process once there, as from the emergence of "radical needs," "a new vision of work," or a "nonlogical code." The game is entered into for its *relative* satisfactions, or what Herbert Marcuse calls *repressive* satisfactions. The game represents a need that is strictly the product of a society "whose dominant interests demand repression."¹⁹ The satisfaction of that need reproduces not only "voluntary servitude" (consent) but also greater material wealth. We must now turn to the concrete examination of how participation in a work game contributes to the reproduction of capitalist relations and the expansion of surplus value.

Obscuring and Securing Surplus Labor

Making out, as described in chapter 4, inserts the worker into the labor process as an individual rather than as a member of a class distinguished by a particular relationship to the means of production. Workers control their own machines instead of being controlled by them, and this enhances their autonomy. They put their machines into motion singlehandedly, and this creates the appearance that they can, as individuals, transform nature into useful commodities. The system of reward is based on individual rather than collective effort. Second, the combination of autonomy with respect to machines and dependence with respect to auxiliary personnel has the consequence of redistributing conflict from a hierarchical direction into a lateral direction, in which individual laborers face one another in conflict or competition. The constitution of the worker as one among many competing and conflicting others masks their common membership in a class of agents of production who sell their labor power for a wage, as distinct from another class of agents who appropriate their unpaid labor.

The significance of creating a game out of the labor process, however, extends beyond the particularities of making out. The very activity of playing a game generates consent with respect to its rules. The point is more than the obvious, but important, assertion that one cannot both play the game and at the same time question the rules. The issue is: which is logically and empirically prior, playing the game or the legitimacy of the rules? Here I am not arguing that

playing the game rests on a broad consensus; on the contrary, consent rests upon—is constructed through—playing the game. The game does not reflect an underlying harmony of interests; on the contrary, it is responsible for and generates that harmony. The source of the game itself lies not in a preordained value consensus but in historically specific struggles to adapt to the deprivation inherent in work and in struggles with management to define the rules.

The rules, which in the case of making out present themselves in the form of a set of social relations in production, are evaluated in terms of the defined outcomes of the game—making out or not making out—and not in terms of some broader set of outcomes that are also the consequence of the game, such as the generation of profit, the reproduction of capitalist relations of production, and so forth. Therefore, to the extent that it is institutionalized—as it is in making out—the game becomes an end in itself, overshadowing, masking, and even inverting the conditions out of which it emerges. As long as workers are engaged in a game involving their relations to a machine, their subordination to the process of production becomes an object of acquiescence. Equally, incorporation into a game involving other agents of production (workers, foremen, etc.) generates an acquiescence in the *social* relations of control inscribed in the labor process, that is, the relations in production. Two consequences of game-playing have so far been delineated: first, game-playing obscures the relations of production in response to which the game is originally constructed; second, game-playing generates consent to the social relations in production that define the rules of the game.

Individual (as opposed to collective) violation of rules leads to ritual punishment, which has the effect of reinforcing these obscuring and consent-producing consequences. That is, a violation of rules has the consequence of strengthening their hold over productive activities and relations. Thus, attempts by management to squeeze a little extra out of workers frequently enhanced consensual relations on the shop floor. Operators at Allied continually complained about “being screwed” by the company, and initially I associated this with some vague notion of exploitation. Soon I discovered that such anguish referred to the company’s failure to provide the necessary conditions to play the game of making out; for example, drills might have burned up, the blueprint might have

disappeared, the machinery might not have been functioning properly, etc. In other words, management was being accused of “cheating,” of not playing according to the rules of the game; and these accusations served to reassert the legitimacy of the rules and the values of making out. In this way the consensual framework was continually being reestablished and reinforced.

It is not enough to obscure property relations and to generate consent to production relations; workers have to create a surplus over and above their wage. How are workers persuaded to cooperate in the pursuit of profit? Obviously, one way—but, generally, not a very efficient one—is by the continuous application of coercion, that is, by firing those who do not achieve a given quota. Coercion, of course, always lies at the back of *any* employment relationship, but the erection of a game provides the conditions in which the organization of active cooperation and consent prevails.

The purpose of the piece-rate system, as Taylor and his associates presented it, was to coordinate the interests of management and worker through their common interest in the financial gain that could be secured from labor’s extra effort. It was the monetary incentive that brought forth the additional exertion. Studies in the human-relations tradition drew attention to output restriction as indicative of the failure of the economic incentive. As Roy pointed out, and as must be apparent from what I have said so far, restriction of output was in fact in conformity with maximization of economic gain. At the same time, both Roy and I observed events that suggested that monetary incentive was not an adequate explanation of the cooperation produced by making out.

It would be easy, *if the “verbal” behavior of operatives were accepted as indicative of action tendency* [italics added], to explain the partial success of the piecework system in terms of “economic incentive”; and it would be easy to account for its *partial failure* as due to maladministration of that incentive. . . . On the other hand, the writer’s attention was drawn to a few “negative cases” that seemed to deny the all-powerful influence of the “economic incentive” and to point to a need for still closer examination of response to piecework. For instance, on some occasions operators either failed to put forth effort toward the attainment of “quota” earnings, when “quota” achievement was recognized as possible, or they stopped

production at levels short of the "quota" line. Also, operators on occasion showed an indifference toward maximization of "take home" earnings (a) by disinclination to work overtime, (b) by "quitting early" after working partial shifts when jobs did not suit them, or (c) by "laying off" to avoid "day work." In addition, on occasion the "verbal" behavior of operators indicated that they did not "care about money."²⁰

During my time at Allied I observed similar patterns of behavior that contradicted the theory of economic motivation as the basis of making out, but these patterns of behavior were couched in the *idiom* of economic gain. Furthermore, if economic motivation were at the basis of shop-floor activities, then the preference-ranking of jobs would be in accordance with economic reward. This was not the case. Many of the service jobs on day rates were widely regarded as preferable to piece-rate jobs, even though the latter brought home more money. Rather, the labor process is organized into a game, and the goals that the game defines constitute the values current on the shop floor. As always, Roy puts it graphically:

Could "making out" be considered an "end in itself"? It might be suggested that the attainment of "quota" marked the successful completion of an "act" or "task" in which the outcome was largely controllable by the operator; although "chance" factors were also important determinants. "Making out" called for the exercise of skill and stamina; it offered opportunities for "self expression." The element of uncertainty of outcome provided by ever-present possibilities of "bad breaks" made "quota" attainment an "exciting game" played against the clock on the wall, a "game" in which the elements of control provided by the application of knowledge, skill, ingenuity, speed and stamina heightened interest and lent to the exhilaration of "winning" feelings of "accomplishment." Although operators constantly shared their piecework experience as a chief item of conversation, and always in terms of "making money," they were, in reality, communicating "game scores" or "race results," not financial success or disappointments. It is doubtful if any operator ever thought that he had been "making money." It is likely that had anyone been able to communicate accurately such a conviction, he would have been laughed out of the shop.²¹

In other words, making out cannot be understood simply in terms of the externally derived goal of achieving greater earnings. Rather, its dominance in the shop-floor culture emerges out of and is embodied in a specific set of relations in production that in turn reflect management's interest in generating profit. The rewards of making out are defined in terms of factors immediately related to the labor process—reduction of fatigue, passing time, relieving boredom, and so on—and factors that emerge from the labor process—the social and psychological rewards of making out on a tough job as well as the social stigma and psychological frustration attached to failing on a gravy job.

It is not so much the monetary incentive that concretely coordinates the interests of management and worker but rather the play of the game itself, which generates a common interest in the outcome and in the game's continuity. Any game that provides distinctive rewards to the players establishes a common interest among the players—whether these are representatives of capital or labor—in providing for the conditions of its reproduction. Insofar as games encompass the entire labor process, the value system to which they give rise will prevail on the shop floor. Activities are evaluated and interests established as a consequence of the game. In other words, interests are not given primordially, nor are they necessarily brought to the shop floor from socialization experiences outside work. Rather, they are organized by the specific form of relations in production; in our example, interests are defined by relations to the game of making out. The day-to-day experience emerges out of the organization of work and defines the interests of the various agents of production once their basic survival—which, as far as workers are concerned, is an acceptable wage—is assured.²² When the labor process is organized into some form of game involving the active participation of both management and worker, the interests of both are concretely coordinated. In other work situations the labor process organizes different constellations of interests, of a kind that may render the interests of workers and management irrevocably antagonistic.

To repeat, ordinarily the conception of work in terms of games has sprung from assumptions of irreducible harmony. Games are the spontaneous, autonomous, malevolent creation of workers; they

generate power struggles and conflict with management. In denying the primordality of interests and stressing their emergence out of the organization of work, I have come to different conclusions. Games do, indeed, arise from worker initiatives, from the search for means of enduring subordination to the labor process, but they are regulated, coercively where necessary, by management. Once a game is established, however, it can assume a dynamics of its own, and there is no guarantee that it will continue to reproduce the conditions of its existence. On the contrary, it is possible that playing the game will tend to undermine the rules that define it. Thus, in Marx's conception of piecework, workers are not sufficiently strong and well organized to enforce restriction of output.²³ Instead, they are compelled to compete with one another in producing at an ever faster rate, and this stimulates management to cut piecework prices. The piecework "game" becomes a self-defeating spiral of labor intensification unless it is stabilized by operators' transforming the rules and restricting competition, as in making out. Until then, workers find themselves in a "prisoner's dilemma": what is in the interests of the individual worker—the maximization of output—operates to undermine the workers' collective interest—higher piecework prices. Peter Blau describes the same conflict between individual and collective rationality in output games in a state employment agency. There competition among workers increases individual output but at the expense of collective efficiency. That is, the game itself produces conditions that make the game more difficult to play. Blau adds, "This poses the interesting question, which cannot be answered here: What conditions determine whether this process ultimately levels off or reaches a climax in a revolutionary transformation of the competitive structure into a cooperative one?"²⁴ Or, more generally, one can ask: What are the conditions for the reproduction of games? Under what conditions will the game's own dynamics undermine the harmony it also produces and so lead to a crisis? More specifically, what are the conditions under which making out can be continually played on the shop floor? Does this game have consequences other than the production of consent and profit—consequences that continually threaten its reproduction? Does making out sow the seeds of its own destruction?

Uncertainty and Crises

Numerous writers of both Marxist and non-Marxist persuasion insist that the promotion of organizational effectiveness and efficiency is contingent on the minimization of uncertainty.²⁵ Here I shall suggest that securing worker cooperation rests on a minimal uncertainty, the possibility that workers will assert some control over the labor process, if only of a limited kind:

But operator interest in "quota" piecework jobs seemed to have its "diminishing returns." McCann, for instance, spoke of boredom on one "grave" piecework job, [saying] that he had had so much that he could "run them in his sleep." His experience suggests that "making out" on piecework was a stimulating "game" only as long as the job represented a "challenge" to the operator, only as long as elements of "uncertainty" were present in the activity's outcome. . . . If "making out" lost its value as a "game" when operator control over the job became so complete that "winning" degenerated into mere routine, it also lost such value if the element of uncertainty became too predominant over the element of control; that is, if "bad breaks" became too frustrating to the application of skill, the job became "nerve-wracking."²⁶

A game loses its ability to absorb players under any of the following three conditions: first, when uncertainty is too great and outcomes are entirely beyond the control of players; second, when uncertainty is too slight and outcomes may become completely controlled by players; third, when players are indifferent to the possible outcomes.

Let us take an example of each. One of my jobs, which I particularly disliked, involved drilling 3/16-inch holes twelve inches deep into steel "slides." Bill's jumping jack, as it was called, was permanently set up for the job. It drilled two slides at a time, using thirteen-inch drills. After cutting a short depth, the drill would jump up to bring out chips, plunge back in again to drill another short depth, and so on until the hole was complete. Once started, the jumping jack continued automatically until the hole was finished. Because the drills were long and sometimes dull, they frequently broke, and, if they were not caught in time, the pressure could send pieces of steel flying in all directions. The job was not

only dangerous but frustrating, because the rate did not allow for the breaking of drills. Furthermore, the conditions in which breaks might occur were largely unpredictable: the depth in the steel at which the drill might break, the speed at which it would break, and the number of times it could be used before breaking. The job gave me the jitters, and I never even tried to make out after I had broken one or two drills, preferring to stay alive and psychologically healthy. However, Bill, my day man, with ten years' experience on the miscellaneous job and not one to balk at a challenge to his ingenuity and skill, did, always, try to make out and, in fact, generally did so, at around the 125 percent mark. But he didn't like the job either. Thus, what was too much uncertainty for one was a challenge to another. But the moral remains: when there is too much uncertainty, players cease to play the game.

At the opposite extreme were the jobs on the automatic saw, which guaranteed 125 percent. Such a job was boring, since it required little attention, particularly when the stock was bar steel, eight inches in diameter, for then the saw cut only about four pieces an hour. Faced with this, I would go and find some other job to do while the saw was running and in that way build up my kitty.

Finally, what can we say about the evaluation of outcomes? I have already referred to the disdain with which both Roy and I regarded making out when we first entered the shop and how, eventually, we both succumbed to its dictates. Indeed, we both got hooked on the game and became avid players. I must confess that, at least in my own case, part of my initial contempt was a defense, to cover my inability to make out or to foresee any prospects of ever doing so. But then, what sort of game would it be, involving how much uncertainty, if any Tom, Dick, or Harry could walk in off the street and immediately begin making out without any previous experience? In other words, the fact that it took both Roy and me—and virtually anyone else who comes in green to machine shops—several months to achieve incentive pay serves to establish the worth and esteem associated with making out. Newcomers are given jobs with the tightest rates, a practice that in the short run generates withdrawal and bitterness but in the long run reinforces commitment to the values of making out. As both Roy and I soon came to appreciate, if we were to be anyone in the shop we had better begin making out. Until we did, we would continue, as objects of scorn and

derision, to be ostracized.²⁷ The longer we delayed, the poorer our reputation would be and the more socially unacceptable we would become. Pressure to make out came not only from management (in my own case there was very little of this) but from fellow operators and auxiliary workers. Moreover, playing the game brought other than social rewards—namely, physiological ones. When one is trying to make out, time passes more quickly—in fact, too quickly—and one is less aware of being tired. The difference between making out and not making out was thus not measured in the few pennies of bonus we earned but in our prestige, sense of accomplishment, and pride. Playing the game eliminated much of the drudgery and boredom associated with industrial work.

It cannot be claimed in this analysis of piecework response, that "economic" motivation played no part in "quota" attainment in the situation investigated. But it is suggested that piecework may provide a complex of incentives. The "piecework incentive" may include, but is not synonymous with, "economic incentive." Therefore, if piecework "works" under certain conditions, i.e., stimulates machine operators to put forth productive effort in a given situation, it does not necessarily follow that this stimulation may be attributable to economic incentive. Nor would the "failure" of piecework provide evidence of any inherent inadequacy of economic incentive. It could be that such worker expressions as "I don't care about the money" indicate not the inadequacy of economic incentive per se, but an absence in the situation of possibilities of economic reward of sufficient magnitude to stimulate "caring."²⁸

Participation in the game is predicated on two limits of uncertainty in outcomes: on the one side, workers have to be guaranteed a minimum acceptable wage and, on the other side, management has to be assured of a minimum level of profit. While playing the game of making out never directly threatens the minimum wage, it can under certain circumstances endanger profits. I shall term this first kind of crisis a *system crisis*. A crisis of a second kind stems from workers' withdrawal from the game either because of too much or too little uncertainty in the attainment of making out (*legitimation crisis*) or because making out no longer has any value to the players (*motivational crisis*).²⁹

The system crisis goes to the heart of the question: How is it that a

capitalist can make a prior commitment to a wage and yet at the same time be assured of an acceptable level of profit? In the Geer days, the extraction of surplus value represented Geer's survival as a company, and in their anxiety for profit, that is, to avoid a crisis of the first kind, the Geer management frequently precipitated a crisis of the second kind. Raising rates, changing rules, cutting costs of retooling, and so forth, all contributed to a legitimization crisis, expressed finally in a walkout. By contrast, Allied could survive a system crisis without precipitating a legitimization crisis. Thus, when the engine division made a loss (as it did in 1974), for reasons unrelated to participation in making out (as I shall show in chapter 8), management made no significant attempt to undermine the basis of making out by changing rules or rates. The loss was absorbed by the corporation or was passed on to the customer, and a new general manager was installed at the engine division.

The paradox of the system crisis is that it cannot be known before the event. Individual output levels in the small-parts department for the first eleven months of 1975 suggest that consistent performance below 75 percent of the standard rate set by the industrial engineers is unacceptable. But there is no way of knowing what actually should be the minimum level to assure profit, since this depends on the outputs of all the operators in the machine shop, and these outputs are continually changing.

A crisis of the second type can be gauged by comparing levels of output for different jobs. Whenever uncertainty falls outside acceptable limits, either below or above, outputs will cluster around the 140 percent or the 80 percent mark, or both.³⁰ The existence of outputs in between indicates that some operators, at least, are playing the game, the level of uncertainty is acceptable, and operators are not indifferent to the outcomes of their activities. As operators gain in experience and seniority, they can move onto machines that offer a steady output of 140 percent—for example, the automatic chuck and bar lathes or the automatic screw machines. On these machines setups require considerable skill and practice, but, once they are mastered, uncertainty is eliminated and making out is no longer a significant game *for these operators*; however, as long as there is no motivational crisis in the shop, they will continue to turn in at 140 percent. That is, as long as others are struggling to achieve 125 percent, they remain at the top of the prestige ladder.

Many of these more senior employees basked in the glory of their power and status. Other things being equal, such employees should have been more class conscious than those who played the game of making out more actively. And, indeed, a number did express considerable hostility to the company, while others became active in the union. However, in comparisons between these workers and others in the plant, there is the complicating factor of seniority, which on the one hand generates greater commitment to the company (based on the rewards of seniority, such as pension and job security) and on the other hand enhances the opportunity for involvement in the union. As an expression of the former tendency, one or two operators risked their reputation by handing in suggestions to the company as to how rates could be increased on their own machines! Al McCann notwithstanding, a legitimization crisis is more likely to emerge out of tight rates rather than loose rates. Since Roy left Geer, rates have generally been easier to make, and transfers are facilitated by the bidding process. The result is that, after a few months, operators can hold jobs that offer all the challenges and rewards of making out. In such circumstances, legitimization crises are unlikely to occur.

We must finally pose the question of the relationship between system crises and legitimization or motivational crises. Certainly a crisis of the second type will precipitate a crisis of the first type. But a crisis of the first type can result from factors other than the breakdown of making out, for example, unusually high training costs or excessive overtime and so forth (see chapter 8). On the other hand, can a system crisis be the consequence of playing the game of making out according to its rules? If so, under what conditions will making out precipitate such a crisis? Clearly, the answer must lie in the possible types of distribution of percentage outputs of operators. One fact that might push the distribution to the low side is an increase in mobility between jobs. Under what conditions will a crisis of the second type be precipitated by a system crisis? That is, under what conditions will management attempt to undermine the conditions of making out when faced with declining profits? In other words, will management precipitate struggle when there is a profit crisis? I shall return to some of these questions in chapter 10.

The conditions for participating in making out and its effectiveness in obscuring and securing surplus labor provide a basis for

distinguishing between at least two types of games. First, there are games that are confined to workers' relationship to technology, such as those described by William Baldamus, Donald Roy, and Harvey Swados.³¹ If they can be sustained, such games may generate consent to the structures of deprivation inherent in work. But as Donald Roy points out, his "clicking" game did not absorb him for very long, since he could easily master every nuance and eliminate the essence of any game—uncertainty. Games limited to single workers and their relationship to the labor process offer only diminishing distraction from deprivation and, above all, do not generate consent to the relations in production. To achieve this consent, a second type of game must be established, one that involves other agents of production. Such group games are potentially more permanent, since they engage the attention of workers more deeply and enlarge the scope of uncertainty. They require skills, not merely in mechanical technique but in the more uncertain context of human relations.

In obscuring and securing unpaid labor, games are more effective the more broadly they encompass everyday life on the shop floor. Making out is perhaps a polar type in this regard. By contrast, subordination to an assembly line imposes limits on the scope of the possible games, although the scope is by no means as restricted as one might imagine. Presumably, the more tightly organized the labor process, the more likely it is that antagonistic class relations will emerge. To understand how such class struggles are contained, two other areas where surplus labor is obscured and secured—the internal labor market and the internal state—will have to be examined.

Conclusion

In this chapter I have tried to show how the constitution of the labor process as a game contributes to the obscuring and securing of surplus labor. However, the concept of "game" is more than a tool of explanation. It is also, and necessarily, a tool of critique.³² First, it represents the link between individual rationality and the rationality of the capitalist system. Just as players in a game adopt strategies that affect outcomes, but not always in the ways intended, so in our daily life we make choices in order to affect outcomes. The possible

variation of outcomes is limited but is not entirely beyond our control. That is, we do make history, but not as we please. We make history "behind our backs" through the unintended as well as the intended consequences of our acts. The game metaphor suggests a "history" with "laws" of its own, beyond our control and yet the product of our actions. This is as true of making out, playing chess, buying a new car, electing a president, or fighting a war as it is, unfortunately, of making a revolution.

Second, just as playing a game generates consent to its rules, so participating in the choices capitalism forces us to make also generates consent to its rules, its norms. It is by constituting our lives as a series of games, a set of limited choices, that capitalist relations not only become objects of consent but are taken as given and immutable. We do not collectively decide what the rules of making out will be; rather, we are compelled to play the game, and we then proceed to defend the rules. Third, just as the game defines a set of goals, so capitalism generates a set of interests. Although these interests are not unique and may change over time, they are nonetheless the product of capitalism, just as making out and the interests it defines are the product and, indeed, as I have suggested, a changing product of a particular way of organizing the labor process. The interests are taken as given, and, like the rules, they are not formed through democratic consensus.³³ Fourth, just as the possibility of winning or maximizing one's utility makes a game seductive, so the possibility of realizing one's interests, of satisfying one's needs, defined by capitalism in general or by making out in particular, is the very means for generating consent to rules and relations, presenting them as natural and inevitable. Alternatives are eliminated or cast as utopian. By the same token, dissatisfaction is the failure to satisfy the needs produced by capitalism in general, or by making out in particular, rather than the failure to satisfy some transcendent set of "radical needs" or even the need to decide collectively what those needs should be. In short, dissatisfaction, of which there is much, is directed not against capitalism but toward its reproduction.

As an instrument of critique, the game metaphor implies some notion of an emancipated society in which people make history themselves for themselves, self-consciously and deliberately. There

are no unintended consequences, and the distinctions between norms and laws is obliterated. That is, there is a coincidence of individual and collective rationality. There is rational and undistorted discourse over means and ends, if indeed the distinction itself is still valid. Needs are not pregiven but are subject to collective determination. But even in such a society there would be conflict and contradiction, clashes between the realization of different needs; but these differences would be resolved through open and public political discourse.³⁴

In focusing on the discrepancy between means and ends and between norms and laws, on the derivative nature of needs and the production of consent through the possibility of their satisfaction, we unavoidably construct an unrealistically static image of society—an image that the game metaphor forces us to go beyond. As we have seen, participation in a game can undermine the conditions of its reproduction. I have already suggested what these conditions are and have pointed to the corresponding crises that can develop. In this way we can draw from the game metaphor a dynamic that enables us to understand the significance of certain changes under capitalism. Thus, the differences between the organization of work at Geer and Allied suggest ever greater “quantitative” choice within ever narrower limits. In identifying the separation of conception and execution, the expropriation of skill, or the narrowing of the scope of discretion as the broad tendency in the development of the capitalist labor process, Harry Braverman missed the equally important parallel tendency toward the expansion of choices within those ever narrower limits. It is the latter tendency that constitutes a basis of consent and allows the degradation of work to pursue its course without continuing crisis. Thus, we have seen that more reliable machines, easier rates, the possibility of chiseling, and so forth, all increase the options open to the operator in making out. The tendency is also expressed more generally in schemes of job enrichment and job rotation. As we shall see in the next two chapters, this expansion of choice within narrower limits is particularly well illustrated by the rise of the internal labor market and the consolidation of an internal state.

Six

The Rise of an Internal Labor Market

Recent work by economists, prompted by dissatisfaction with the assumptions of neoclassical models and directed to the understanding of economic institutions, has stressed the importance of “internal labor markets.”¹ An internal labor market is defined as

an administrative unit, such as a manufacturing plant, within which the pricing and allocation of labor is governed by a set of administrative rules and procedures. The internal labor market, governed by administrative rules, is to be distinguished from the external labor market of conventional economic theory, where pricing, allocating, and training decisions are controlled directly by economic variables.²

Or, as Edwards writes, “The analysis of internal labor markets attempts to break open the ‘black box’ of the neo-classical firm by viewing social relations at the work place in part as a system of labor exchange within the firm, regulating promotion, job placement, the setting of wage rates, and so forth.”³ As economists, these writers have generally tried to examine whether it is more efficient to establish an internal labor market or to rely on an external labor

market.⁴ But the question of efficiency cannot be considered apart from the way the internal labor market helps to promote an ideological basis for masking and securing the extraction of surplus value. It is this latter aspect that concerns me here.

Karl Polanyi attributes the inevitability of the decline of the untempered reign of the labor market to the "clash of organizing principles of economic liberalism and social protection."⁵ The appearance of the internal labor market is a necessary corollary of this decline. To sociologists, who have never taken too seriously the neoclassical assumptions about economic organizations, the internal labor market is just a new label for phenomena intensively studied in a long tradition, stretching back to Weber and Michels. Nonetheless, for present purposes the concept of the internal labor market is important in sensitizing one to the linkage between internal and external changes in the emergence of the modern firm. More specifically, functions hitherto performed by the external labor market have been progressively absorbed into the firm—a quite literal internalization. But what is of importance, here, is *not* the contrast between internal and external labor markets but their commonality. Competition is by no means eliminated by the internalization of the labor market, as Doeringer and Piore imply, but rather takes on a new form, regulated by different sets of constraints and rules.⁶ In this chapter I shall explore the mechanism and consequences of reproducing "possessive individualism" at the point of production.

The function of any labor market—external or internal—is the allocation of individuals to places. Any particular labor market defines (a) a population of places (occupations), (b) a population of individuals (workers), and (c) a set of transformation rules that map the one onto the other. The transformation rules involve a matching of formally free preferences of workers for jobs and of jobs for workers. The final upshot of the allocation process is the result of the relative scarcity of jobs and workers. The difference between internal and external labor markets is based on the degree of delimitation of the population of workers, on the one hand, and of the corresponding population of jobs, on the other. In addition, the transformation rules may differ as between markets. In the pure type of external labor market, to which Britain in the first half of

the nineteenth century may be the closest approximation, the entire labor force, considered as an undifferentiated population, would constitute candidates for places in the entire economy—places that also are considered as an undifferentiated population. When supply and demand do not define the distribution of individuals into places, one may postulate transformation rules based on some random process. At some places in *Capital*, Marx saw capitalism developing in this direction. The pure type of internal labor market is probably most closely approximated in today's large Japanese firm.⁷ There the relevant populations of individuals and places are the employees and occupations in a given firm. The distribution rules within the firm are based on some combination of seniority and ability, frequently leaning more in the direction of the former. Replenishing the supply of individuals involves tapping a wider labor market, but the entry points are only at the lowest levels of any particular hierarchy. In a perfectly sealed internal labor market, new employees would be drawn only from the families of incumbents. In the context of a wider external labor market, the problems for the internal labor market are to ensure that individuals do not seek places outside the firm, on the one hand, and that, in filling places within the firm, priority is given to employees. This pattern of mobility may be accomplished either by coercion or through a combination of institutional arrangements and incentive schemes. In the following account I will suggest that the thirty years since Roy worked at Geer have seen increasingly diminished mobility of individuals out of the firm, increased mobility within the firm, and reduced recruitment of workers from outside the firm and entering at only the lower levels.⁸

Changes in the Internal Labor Market

The emergence of an internal labor market requires, on the one hand, that workers, once recruited, generally choose to remain with the company rather than seek employment elsewhere, and, on the other hand, that the company tries to fill job openings by selecting from among its own workers before it recruits workers from an external labor market. In other words, incentives must be provided

for workers to stay with the company and for the company to recruit workers from its own labor pool. With these points in mind, I will discuss six conditions or aspects of the internal labor market, namely, a differentiated job structure, an institutionalized means of disseminating information about and submitting applications for vacancies, nonarbitrary criteria for selecting employees for vacancies, a system of training on the job, ways of generating a commitment to the firm that makes jobs in other firms unattractive, and, finally, maintaining the allegiance of employees after they have been laid off.

In 1945, transferring between jobs was not regarded with much enthusiasm by workers at Geer. On the contrary, job transfer was most often used as a disciplinary measure when operators failed to meet expected performance standards. The lack of interest in transfers lay in the undifferentiated nature of the job structure. Thus, in 1945, there were, according to the contract, only three grades differentiated from one another by their minimum guaranteed wage, or the day rate, as it was called. However, the price of pieces was assessed in the same way for all jobs, that is, it was based on what an operator might reasonably be expected to accomplish and took no account of requisite skill or experience. In other words, the reward for effort on a lathe or automatic screw machine was assessed on the same basis as the reward for effort on a simple speed drill. Apart from a slightly higher minimum wage, the only other attraction of alternative jobs would be the maximum wage that would be permissible before management would increase rates. Thus, on the turret lathes the accepted ceiling on what could be turned in was around \$1.35 an hour, whereas Roy on his radial drill was limited to \$1.25.⁹ But actually making that \$1.35 on the turret lathe was apparently a quite different matter.

I met Desplains, one of the lathe men, in the I.C. [Illinois Central commuter train] station. I asked him if he was making out consistently. He answered in the negative.

"Too much tool trouble. I'm allowed to make \$1.30 an hour but I can't make it."

I talked for a while with the turret lathe man who was operating Dooley's drill. He is allowed to turn in \$1.40, but never turns in more than \$1.37 or \$1.38.

"We're allowed to turn in \$1.40, but we don't make that much

all the time. Maybe we get a good streak for a couple of days, or maybe all week. Then we don't make out the next week."¹⁰

There was little advantage in moving to another job. On the contrary, it was probably a better idea to gain more experience on one machine, so as to improve one's chances of making out.

In 1947, following such large corporations as United States Steel, Geer introduced a job-classification scheme upon which the present structure is based. In 1975 there were twelve labor grades with different base earnings, ranging from \$4.62 an hour to \$6.30 an hour for day workers (auxiliary workers) and from \$4.40 an hour to \$5.52 an hour for incentive workers. Jobs were allocated to a labor grade on the basis of a job-description and job-evaluation scheme. Piece rates were no longer computed in prices but in pieces per hour. Incentive earnings were calculated as a percentage of base earnings corresponding to the percentage of output that exceeded a standard measured rate (so many pieces per hour, determined by the industrial-engineering department), pegged at 100 percent. Thus, a 140 percent output meant that a worker had produced 40 percent more than the standard rate and would receive a bonus of 40 percent of the base earnings. Although jobs might be timed at the same rate per hour, the earnings on each extra piece would vary with the labor grade. Equally significant was the tendency for the rates of jobs in the higher labor grades to be easier to make than those in the lower grades. As a result, jobs that in 1945 were subject to considerable turnover were more attractive in 1975. Roy provides the following insight into the situation that prevailed in 1945.

Hanks said that the boys on the turret lathes are not making out. "They're just getting the day rate over there. You notice they're quitting all the time, don't you?"

Hanks scoffed, . . . saying that Ed was getting no \$1.40 an hour on the automatic screw machines, that there had been a great turnover on the screw machines because there was no money in them. He said that he knows Ray, the day man on the machines, and Ray told him that he got very poor jobs, that he made only 85 cents an hour.¹¹

This situation must have been expensive in terms of training costs. By giving easier rates to the more skilled jobs in the higher labor

grades, despite the increased opportunities for mobility, Allied management has been able to reduce turnover on such machines as the lathes and automatic screw machines. At the same time, newcomers are subjected to the "impossible" rates on the speed drills and are thereby socialized to shop discipline and the ordeals of not making out.

Apart from establishing a differentiated job structure, which places jobs in hierarchies of attractiveness, an internal labor market requires a system by which employees may choose and compete for job openings. In 1945 employees might request transfers by approaching the superintendent. Roy mentions two instances, the case of Jonesy in the tool crib, who could no longer tolerate the frustrations and pressure there, and the turret-lathe operators who couldn't make out.¹² For the most part, the superintendent would direct or offer employees alternative jobs on his own initiative.¹³ The 1945 contract, which only briefly alludes to transfers, does suggest that they were made at the discretion of management:

Employees *accepting promotions* within the unit and failing to qualify in ninety (90) days may return to their former or equivalent positions.

Employees who *decline promotions* may do so without discrimination or loss of seniority. [Art. IV, sec. 21; italics added]

When there is a job opening, employees shall be considered on the basis of their seniority in the department and their qualifications. [Art. IV, sec. 6]

There was no system for informing employees when job openings appeared, for applying for such openings, or for ensuring that employees were given preference over outside applicants. Furthermore, the emphasis on departmental seniority tended to lock employees within a single department.

By 1975 the contract contained a full-fledged bidding system, which involved the posting of job openings, a system for applying for the jobs, and a system for selecting among applicants. It worked as follows:

Job openings shall be filled in accordance with seniority when ability of the employees involved to do the work available is relatively equal. Job openings shall be made known to the employees of the department before they are filled by posting the same on a standard form furnished by the Company on the bulletin board

from 10 A.M. on the day of posting to 10 A.M. on the following working day, and if the opening is not filled, the job shall be posted plant-wide from 1:00 P.M. on the day of posting to 1:00 P.M. on the following working day for all employees. The Company recognizes its responsibility to train accepted personnel on job openings. [Art. IV, sec. 5]

Employees submit their bids to their foremen on special forms. If there are no acceptable bids from within the department, the job goes plantwide. Only when there are still no bids is the job filled from outside. Accordingly, only the lowest-paying and most unattractive jobs, such as the speed drills, go to newcomers. The bidding system is open to a certain amount of managerial abuse and manipulation. Thus, job openings were suspiciously canceled when certain operators handed in their bids. There were complaints that criteria for assessing the final candidate were not based on the stated combination of seniority and ability. For example, a number of blacks complained that racial prejudice affected management decisions, but such accusations are notoriously difficult to substantiate. Other employees were frustrated when they were repeatedly told they were not qualified for the jobs they had bid on. In general, however, the system did function effectively, because employees could always find another job if their present one was not to their liking, provided they had passed through the probationary period of fifty days.

An internal labor market can function only if there is provision for training on the job. In 1945 there was no reference in the contract to training being a management responsibility, but there were occasions when operators were requested to break in other employees:

The four-spindle man (his name is Hanks) told me of an attempt made by Squeaky, the day foreman, to get the day man on the four-spindle to train another man to operate his machine. The day man consulted the shop steward, who advised him that he should get set-up man's pay for breaking in a new man. So he demanded set-up man's pay from Squeaky. Squeaky refused, saying, "You know we can't do that! Why, the man you break in will be a help to you, and you can turn out more pieces!"

"He'll be more of a hindrance!" replied the day man, and refused to break the man in.¹⁴

Unfortunately, Roy began his field notes only after his first month in the Jack Shop, and he makes no reference to being broken in himself. Nor does he mention the training system anywhere in his dissertation.

In 1975 some of the ambiguity remained. The contract did stipulate that the company "recognizes its responsibility to train accepted personnel on job openings," but it failed to mention how this responsibility was to be carried out. The most frequent arrangement was for operators to break in new employees and to receive setup-man pay (the highest pay scale) for the period if they did not make out after adding the new employee's pieces to their own. In other arrangements, those breaking in were to receive a fixed number of hours, say four, at setup-man pay. But training is still the subject of bargaining and negotiation between operator and foreman. Part of the reason for this lies in the ambiguity of the trainer's obligations to the trainee. As the shop euphemism puts it, one doesn't have to "show everything" to the new employee. Hostility between trainer and trainee may be particularly severe when the newcomer poses some threat to the incumbent. For example, it is possible for the newcomer to have greater seniority than the incumbent; if this is the case, he can displace the incumbent in times of layoff. One story was told to me of an old operator who, after taking up the job of crib attendant, decided to bid back on the machines. Every time he tried, the incumbent operator refused to show him anything, and eventually the old man left the company in frustration. Antagonism of trainer for trainee may also appear when the trainee threatens to eliminate the incumbent's overtime. George, a lathe operator, had been working a twelve-hour day for some time and wanted to keep it that way. He was an old hand, and his fellow operators considered him to be the best lathe operator in the shop. Every time he was asked to break someone in on his machine, he made sure that they would sooner or later be disqualified. There was nothing management could do except continue the overtime—they needed George too badly. Similarly, the older operators on the automatics had a reputation for marked reluctance to show youngsters the intricate setups. In my own case, Bill initially remained aloof and showed me a bare minimum. When he realized that I was going to stick with the miscellaneous job on second shift and I got to know him better, he showed me lots of angles on the operations we

had to do. In general, despite occasional friction and hostility, the system of breaking-in tended to operate adequately, and few operators were disqualified.

So far, we have discussed the introduction of a differentiated job structure and the institutional arrangements for filling vacancies. However, creating hierarchies of jobs in terms of attractiveness and facilitating movement between these jobs do not in themselves guarantee that employees will not look outside the firm for jobs. How has the company attempted to reduce the separation rate? We have already seen that seniority places employees in a stronger position in bidding for jobs; the longer an employee remains with the company, the better are his or her chances of obtaining an attractive job within the plant and the less are the chances of finding an equivalent job in another firm. Since 1945 there have been other changes that reward seniority and so make employment in other firms unattractive. In 1959 a pension scheme was introduced, directly linked to length of service. In 1975 the various options, including early-retirement schemes, applied only to employees with ten or more years of credited service. Under the normal scheme the retirement age is sixty-five, and an employee receives \$11.00 per month for each year of credited service. With thirty years of service, for example, an employee receives \$330 from the company each month. In 1956 a supplementary unemployment-benefit scheme was introduced; in 1975 this applied to all workers having one or more years of continuous service. The amount paid each week during a layoff, combined with unemployment compensation, comes to about three-fourths of normal earnings; the duration of payments varies with length of service, but it is limited to twelve months. After twelve months the company distributes a separation payment, which varies according to years of service. Vacations also are determined by length of service. In 1945 the paid vacation was one week for those with more than one year of seniority and two weeks for those with five years or more. In 1975 paid vacations varied in length from one week for those with one to three years of continuous service to six weeks for those with twenty-five years or more. In summary, the longer that employees remain with Allied, the greater is their commitment to the company. The rewards for seniority discourage employees from seeking employment in other firms.

What happens when the strength of the company grows and

diminishes in response to the fluctuating demand for its products—in Allied's case, for engines? In 1945, layoffs were made according to seniority where ability was equal, but those with five or more years of service and who were in jeopardy of a layoff could exercise their plant-wide seniority and "bump" any employee in any other department who had less than five years' service, provided they had the ability to do the work involved. In 1975, employees could exercise their plant-wide seniority in bumping other employees after only one year of service with the company. This, of course, involves considerably more mobility when a layoff occurs, but at the same time it offers employees much more job security based on seniority.¹⁵ In addition, the supplementary unemployment benefit is a means of retaining the attachment of the same labor pool even after a layoff has taken place. By contrast, employees laid off in 1945, when there were no compensation payments, found it difficult to wait for a recall. They were more likely to seek employment elsewhere. In other words, recent developments in the internal labor market have organized the continued availability of a labor pool even during depressed periods by allowing layoffs to proceed on the basis of plantwide, rather than departmental, seniority for all employees with more than one year's seniority.¹⁶

Consequences of the Internal Labor Market

The internal labor market promotes mobility within the firm and reduces mobility between firms. The choice open to employees within the firm, albeit a choice within definite limits, fosters the same competitive individualism that has been normally associated with the external labor market. But it also has a significant impact on the patterns of conflict on the shop floor. The opportunity to move between jobs has the effect of diminishing conflict between workers and the lower levels of management—the foreman and the industrial engineer. As long as operators are locked into a single job, they have to fight with the time-study man for better rates. This is one reason why the time-study man loomed so large over shop-floor life in 1945. When employees can transfer with relative ease, and at will, to other jobs with easier rates, they no longer have the

same vested interest in fighting the methods department on any particular operation. Moreover, they even have a diminished interest in *protecting* existing rates. Rate-busting by senior employees who then transfer off their jobs is not the uncommon occurrence it was in Roy's day. Equally, when operators resent the treatment they receive from their foremen, they can quite easily move to another section or department, though foremen have been known to try to obstruct such transfers. Concerned to limit mobility in and out of their sections and, above all, to avoid the costs and frustrations of training new operators, foremen are less eager to throw their weight around than they were in 1945. As suggested in chapter 4, the foreman's role has gradually shifted from one of control to one of service. As one older foreman complained, "We have all the responsibility but no authority."

Just as mobility mitigates conflict in a hierarchical direction, it tends to generate conflict in a lateral direction, both among operators and between operators and auxiliary workers. In chapter 4 I discussed the conflict between auxiliary workers and operators and how this was exacerbated by mobility. Over time, networks of social ties are established that bind workers into a system of mutual obligations and trust. Thus, had I gotten to know Morris, the trucker, he would probably have been less enthusiastic in frustrating my attempts to make out. The same applies to the competition between operators that developed, untempered by social ties, when incumbency was short. Rivalry for better jobs led to obstructionist tactics directed at other operators. For example, Larry, one of the grinders on day shift, had been with the company for more than twenty-five years. He generally managed to obtain for himself the tasks with the looser rates. From long experience he knew which jobs were coming up next on his machine, and by virtue of his seniority he exercised considerable influence over the scheduling man. Steve and Ken, the young second- and third-shift operators, usually found themselves saddled with the difficult operations. They decided to collaborate and between them arranged tasks so that, when Larry came in on day shift, Ken would have just set up on a task with a very poor rate. Larry had no alternative but to continue with it. Operators on lathes often changed their setups before the end of the shift so that the following operator could not exploit their ingenuity.

In extreme situations, when operators were out to destroy each other, they might hide tools or fixtures. This is, however, but one side of the picture, for there were notable instances of collaboration between operators on different shifts, and operators did sometimes cover up for another's mistakes, share a kitty, or reveal angles on making out. Cooperation was of course more frequently established between operators on the same shift than with those on consecutive shifts. Immediate competition was less, and the time to establish social bonds was greater. Though the evidence is meager, Roy's comments suggest that collaboration may have been greater in 1945. Among workers on the second shift, there was definitely more cooperation then, but Roy says little about relations between operators on different shifts. In his own case, the relationship was generally cool, but he cites the example of Jack Starkey and Al McCann as sharing a kitty. Between radial-drill operators today, such sharing would be extremely unlikely to occur, but Jack and Al had been "going together" for many years. It may be surmised that, the greater the mobility between jobs, the less opportunity there is to develop the necessary relationship of trust that would counteract tension and competition between workers.

Training on the job is another feature of the internal labor market that breaks down collectivities based on skill groups and promotes individual autonomy. Skills are acquired as if they are specific to jobs in the particular machine shop. There are no training barriers to movement between skill levels or labor grades. At the same time, as already suggested, the training relationship is one based on bargaining and individual autonomy. The internal labor market not only redistributes conflict in a lateral direction and fosters individualism and autonomy through limited mobility; it also provides a material basis for presentation of the company's interests as the interests of all. The rewards of seniority—better jobs, improved fringe benefits, job security, social status, and so forth—engender a commitment to the enterprise and its survival.

Conclusion

The internal labor market contributes to both the obscuring and securing of surplus value in a number of ways. First, it internalizes

the features most characteristic of the external labor market—namely, the competitive individualism of "free and equal" laborers. Second, the mobility it engenders at the point of production dissolves some of the tensions between worker and management and generates new tensions among workers. In both these ways the interests of the worker are constituted as those of one individual agent against other individuals rather than those of one class opposed to another class. On the other hand, in fostering a commitment to the enterprise by rewarding seniority, the internal labor market concretely coordinates the interests of capitalist and laborer in the generation of surplus value.

This interpretation diverges from that of Doeringer and Piore, who see the internal labor market as an adaptation to enterprise-specific skills. Although this is a by no means unimportant feature, it is difficult to square their theory with Braverman's compelling degradation thesis: the decline of enterprise-specific skills and the ease with which they are acquired. How can one reconcile the rise of internal labor markets with the increasing separation between conception and execution? Certainly Braverman makes no such attempt. Richard Edwards, borrowing from Max Weber, Michel Crozier, and Alvin Gouldner, argues that the internal labor market is part of a system of bureaucratic control that

rationalized the enterprise's power by making its application more predictable and stable, and hence bureaucratic control evoked more stable and predictable behavior from workers; that is, bureaucratic control tended to legitimize the firm's exercise of power, and translate it into authority.¹⁷

Although his analysis goes beyond Doeringer and Piore, in that it focuses on control, how the exercise of power is legitimized through rules is as unclear in Edwards' writing as it is in Weber's.

By contrast, I am arguing that what is significant about rules is not that they increase stability and predictability but that they confine increased uncertainty within narrower limits. Thus, the internal labor market bases itself in a complex of rules, on the one hand, while expanding the *number* of choices on the other. Nor should these choices be belittled by saying that one boring, meaningless job is much the same as any other. The choice gains its signifi-

cance from the material power it gives to workers in their attempts to resist or protect themselves from managerial domination. Workers have a very definite interest in the preservation and expansion of the internal labor market, as the most casual observation of the shop floor would demonstrate. Moreover, it is precisely that interest that draws workers into the bidding system and generates consent to its rules and the conditions they represent, namely, a labor process that is being emptied of skill.

Seven

Consolidating an Internal State

In the preceding chapter I examined the consequences of the partial absorption of the external labor market by the industrial enterprise. I now propose to examine the implications of another process of internalization—the growth of the “internal state.” Writing about the Progressive Era, James Weinstein describes the endeavors of corporation leaders in the National Civic Federation to solve social problems by “extrapolitical” means, that is, by keeping them out of the arena of public debate.¹ At that time, institutional arrangements for this kind of “depoliticization of the public realm” were still primitive. Since then, corporations have managed to provide solutions to many of their social and economic problems by establishing political processes within their own jurisdiction in the form of collective bargaining and grievance machinery. According to Jürgen Habermas, a distinguishing feature of advanced capitalism is the emergence of political class compromise between worker and capitalist, or what he refers to as the “repoliticization of the relations of production.”² In a somewhat different vein, Selznick has called attention to the rise of private government within industry and the

constitution of the industrial citizen. "It follows that if collective bargaining 'creates' a system of government, it does so by helping to reconstruct the managerial process. Management becomes more conscious of rights, and more capable of building that consciousness into the routines of institutional life. The administration of 'things' becomes the governance of men as this reconstruction proceeds."³

The term "internal state" refers to the set of institutions that organize, transform, or repress struggles over relations in production and relations of production at the level of the enterprise. It is in no way a new phenomenon, although it takes on a radically different form under monopoly capitalism. Under competitive capitalism, except where craft organization existed, the regulation of relations in production was largely carried out by the despotic overseer. The relationship between management and labor was modeled on master-servant laws. With the rise of the large corporation and trade unionism, the institutions of the internal state have become disentangled from the managerial direction of the labor process and embodied in grievance procedures and collective bargaining. The emerging internal state protects the managerial prerogative to fashion and direct the labor process by imposing constraints on managerial discretion and by endowing workers with rights as well as obligations.

The Union and Its Members

The transformation of the internal state from its despotic to its hegemonic form rests on a limited participation by representatives of labor in the government of industry. The trade union must be sufficiently strong and responsive to labor in order to command the allegiance of its members and yet not sufficiently strong to present a challenge to management prerogatives in the organization and control of the labor process. Changes since 1945, slight though they have been, suggest, if anything, that worker support of the union is stronger, while the union's challenge to management is weaker.

As mentioned in chapter 3, union activities were curtailed during the war. A no-strike pledge took away the union's strongest sanction, and a maintenance-of-membership clause in the contract dampened the recruitment drive:

In recognition of the Government's wartime labor policy as expressed by the National War Labor Board, the Company agrees to the following maintenance-of-membership and checkoff clause. All employees covered by this agreement who on the effective date of this agreement are members of the union in good standing in accordance with the Constitution of the United Steelworkers of America-C.I.O., dated May 13, 1944, a copy of which is attached hereto as Appendix 1, and all such employees who thereafter join the Union, shall as a condition of employment remain members in good standing in accordance with the said Constitution for the duration of this agreement. [Art. I, sec. 3]

No strikes, security of membership, and a checkoff system made for a passive union. Roy knew of no operators on night shift who would speak favorably of the union:

The union was rarely a topic of Jack Shop conversation, and when it was mentioned, remarks indicated that it was not an organization high in worker esteem. Characteristic of machine operator attitude toward the union was the scornful comment: "All the union is good for is to get that \$1.00 a month out of you."⁴

There was no union shop steward on night shift, and Roy had little contact with the one on day shift. In his eleven months at Geer, Roy interacted with him directly only twice. On the first occasion, the steward wanted him to sign the checkoff form. On the second, Roy went to complain about the price on one of his operations; the operation had been retimed, but the rate was still impossible to make. The steward showed interest but did nothing.

Since Roy had so little contact with the union, changes in union-management relations are difficult to gauge. Though he presents us with no accurate data on the matter, his observations suggest that there were fewer shop stewards. There have been some changes in the contract, and these have affected union-management relations. A union shop has been introduced, so that union membership is a condition of employment once the initial probationary period has been served. The disciplinary procedure has been rationalized to include a series of steps that must be taken before a worker can be discharged. At each step but the first (verbal warning), the union is notified and involved in the disciplinary procedure. Finally, a qualifying paragraph has now been added to the management

clause; this stipulates that the company "will advise the Union in advance of initiating any major action that would cause a direct and adverse effect over the job and wage security of employees."

Nonetheless, attitudes among rank and file remain much as they were in 1945. There is a pervasive cynicism as to the willingness and ability of union officials to protect the interests of the membership. In part this is because union leaders in their day-to-day activities exercise so little *visible* power and so rarely initiate interventions on behalf of the members. But the role of the union is to preserve the status quo, and its power is generally *invisible*—designed to prevent arbitrary action by management. Nonetheless, this power is significant. The union's very presence acts as a deterrent to management's violation of the contract. Therefore, to the extent that management "plays it fair," the union is seen to do nothing. Indeed, it is to management's advantage to violate the contract from time to time if only to assist the union in preserving its legitimacy and its appearance of autonomy vis-à-vis management. Though much attention is drawn to union incompetence, feathering of nests, corruption, being in collusion with the company, and so forth, union leadership must, to retain minimal legitimacy, present itself as independent. Management recognizes the need for a legitimate union with which to bargain, and it therefore accepts the appropriate constraints on its discretion.

Comparison with nonunion shops, where punitive sanctions are applied more arbitrarily, unchecked by grievance machinery, highlights the importance of the union's presence. One of Roy's informants corroborates the point:

The man that I deal with had formerly worked at Geer as an inspector. I noticed that he made no comment, but remained silent when I told him I worked for Geer. "I guess Geer is not regarded very highly," I said. "It's been better since the CIO got it," he said. "Before the union came in they did not treat the workers fairly. They'd come to work at seven, wait around for materials, and get sent home at nine without pay for the wait, if there were no materials. They had no regard for the workers."⁵

In 1975, at Allied, a certain discrepancy between action and attitude pointed to a continuing ambivalence on the part of workers. On the one hand, there were continual complaints that the union "ain't

worth shit," that its officials were corrupt, and that it was good only for collecting and spending the dues, which in 1975 amounted to around ten dollars a month for each worker, depending on his earnings. On the other hand, whenever the workers had a grievance, felt that management was cheating them, that a fellow operator was endangering their job, and so on, their first move was to the union. Moreover, the union was wielded as a threat to any offender. "I'll get the union onto you," I was told when I ran someone else's job—which indicates that it was not regarded as so ineffectual as some of the comments might suggest. The complaints appeared to be directed at the *individuals* who held office rather than at the union as an institution, which generally defended workers against management encroachments, irrespective of the incumbent leadership.

Creating the Industrial Citizen

Everyday life under the internal state inserts the laborer into the political process as an industrial citizen with a set of contractually defined rights and obligations, together with a commitment to a more tenuous "social contract." This commitment to the enterprise finds its material expression, first, in the rewards for seniority, such as the pension scheme, supplementary unemployment benefits, bumping rights, and so on, and, second, in the grievance machinery, which is designed to guarantee equality of treatment and "industrial justice." The union acts as an umpire, both in protecting the rights of industrial citizens and in overseeing the punishment of offenders against contractual obligations.

We think, you see, that the union is an attempt to extend the democratic processes in the industrial community; that organized society is based upon the principle that within the framework of a given society the people who make up that society have to work out rules and regulations to govern the relationship of one to the other.⁶

As a corollary, meetings of the union local, held every month, are interspersed with comments from Jim—the president—to the effect: "Our [*sic*] biggest problem is absenteeism," or "I'm proud of you guys, absenteeism is half what it was in December."⁷ (In fact, a major reason for this was a doubling of the unemployment rate.) In

its day-to-day dealings with the rank and file, the union leadership plays an individualizing role. The most intense interaction between union membership and union executives—in particular, Jim—occurs when grievances are discussed at the monthly meetings of the local—grievances that have been, have not been, or are in the process of being dealt with. Tempers may flare over the union's efforts, or rather lack of efforts, to protect a particular member. The meeting becomes a safety valve for the release of accumulating frustration on the shop floor, at least for the 6 to 9 percent of members who attend. Each time a *collective* grievance or an issue of principle outside the contract, affecting the entire membership or even a section of the membership, is raised, Jim insists, "Have you got a grievance? If you have, let's hear it. If you haven't, give the floor to someone else." Each case is dealt with on an individual basis, its merits being considered in light of the rules of industrial government, laid down in the sacrosanct contract.

Complaints by workers about particular shop stewards or other union officials revolve around whether they are discriminatory in their handling of grievances. Thus, one of the most explosive issues concerned the racial bias of the union executive. (Over one-third of the membership is black, but the entire union executive group is white.) In other words, ritual and sometimes quite deliberate and even violent condemnation of shop stewards, grievancemen, etc., only reinforces the normative assumptions of industrial government, namely, that everyone is equal before the law. The interests served by the "law" were never explored, let alone questioned.

Concrete Coordination of Interests

In their day-to-day activities, union officials referee and enforce the rules embodied in the contract and in such customary practices as making out. Their enthusiasm to protect the rules stems in part from their role in bargaining for, and agreeing to, changes in these rules every three years. In Roy's time new contracts or extensions were negotiated almost every year. Now, as in many industries, the three-year contract has been firmly institutionalized.

Collective bargaining on the one hand *displaces conflict* between

different agents of production from the shop floor, where it can lead to work disruptions, and on the other hand *reconstitutes conflict* in a framework of negotiation. In reorganizing conflict in this way, collective bargaining *generates a common interest* between union and company, based on the survival and growth of the enterprise.⁸ Collective bargaining is a form of class struggle, that is, a struggle in which workers are represented as a class in opposition to capital. In this particular form, class struggle revolves around marginal changes, which have no effect on the essential nature of the capital-labor relationship. On the contrary, as a result of negotiating about marginal changes, capitalist relations of ownership and control become the object of consent. In other words, collective bargaining can be viewed as another game—this time a *game about rules and outcomes of other games*, such as making out. As before, the context that defines the rules of collective bargaining is, as a result of playing the game, taken as given. Violations of the established rules of collective bargaining, or failure to come to a mutual agreement, may lead to a strike or to compulsory arbitration at some higher level. In the particular industry or firm where collective bargaining fails, capitalist relations may be questioned, but outside the affected industry or firm the consequences of the breakdown are as likely to *reinforce* the commitment to collective bargaining and a common interest in the survival and growth of the company. When I confronted one of the leading officials of the union local with its timidity and cooperative spirit, he pointed to the example of Cog Company, across the road. "A few years ago negotiations with the union broke down and there was a strike. Then the company closed up and moved to the South. Lots of the men tried to come and join Allied." This is not to say that enforcement of a collective-bargaining agreement cannot itself push a company out of business. This is possible, since the wage commitment is prior to the securing of profit. But such an eventuality stems not from a rejection of the organizing principles of capitalism but from the inability of a particular enterprise to generate sufficient product to satisfy the distributive demands of both capital and labor. Collective bargaining, then, represents an institutionalized creation of a common interest between the representatives of capital and labor, that is, between management and union, but it rests on a material precondition—the growth of profits.⁹

The Relative Autonomy of the Internal State

The rise of the internal state is characterized by the subordination of both workers and management to the impersonal rule of law. Moreover, the law assumes an autonomy of its own, in that it can be changed only in a prescribed, nonarbitrary fashion—most frequently through collective bargaining and joint regulation. Selznick describes the evolution of the employment relation as moving from “prerogative contract”—according to which the sale of labor power carries with it few, if any, proscriptions or prescriptions on its consumption by management—to the “constitutive contract” and to “creative arbitration,” which does establish procedures and regulations for the utilization of labor.¹⁰ Restrictions on managerial discretion and arbitrary rule, on the one hand, and enhanced protection for workers, on the other, reflect not only the ascendancy of unions and *internal* government but also indirect regulation by agencies of *external* government. This is revealed “in (1) the use of government procurement to impose standards on industries that enter contracts with public agencies and (2) regulation developed as a by-product of legislation or administrative policy directed primarily toward other problems, such as civil rights or the control of industries affected with public interest.”¹¹ Rarely threatened with outside intervention or regulation, industrial government has been the bearer of a privatization of public policy. “It followed that public policy would develop less through an accumulation of regulations than through a process by which parties invoke the authority of public purpose in support of new demands and claims of right.”¹²

Selznick is documenting the relative freedom of the internal state, first from the intervention of external public bodies, and second from the imposition of the immediate economic interests of capitalists or managers. We will have more to say about the relationship of the individual firm to external bodies in subsequent chapters. Suffice it to say that Selznick’s analysis finds its expression in affirmative-action programs at Allied. Management submits annual plans, laying out targets for the racial and sex composition of its labor force, which are then passed on to government for approval. In other words, outside agencies do not intervene and dictate to Allied the precise proportion of blacks, women, and so on; instead

they fulfill the more passive functions of ratification and constraint.

The second area of relative autonomy is more important to the argument of this chapter. Here the internal state is relatively autonomous in three related senses. First, it subjects management and workers alike to the rules and regulations inscribed in the contract. The autonomy is therefore relative, because it ensures the reproduction of relations in production by protecting management from itself, from its tendencies toward arbitrary interventions that would undermine the consent produced at the point of production. Relative autonomy in this sense is the autonomy necessary for securing and obscuring surplus value. Second, the autonomy of the internal state is relative in the sense that it is preserved only as long as surplus value is obscured and secured. The advent of a crisis can threaten this autonomy, and workers can then become subject to the arbitrary discretion of management. Third, the relative autonomy of the internal state expresses the institutionalized power of management in the context of an organized working class, organized through a trade union having a certain degree of independence and power. Moreover, the negotiation of a contract implies that the union is also relatively autonomous, that is, autonomous within limits defined by the requirements of accumulation. It is in the interests of the company to uphold the relative autonomy of the union leadership if only to legitimate the union as a bargaining instrument. That is to say, agreements between the company and union leadership preserve the relative autonomy of the internal state as long as there is no visible “collusion,” of the kind normally associated with “sweetheart” contracts, though it may sometimes assume more subtle forms, such as this super-seniority clause:

In the event of layoffs, the officers of the Union . . . shall be deemed to have more seniority than any other employee for layoff purposes only. . . . [Art. IV, sec. 10]

At the beginning of my employment at Allied, the results of the contract negotiations were announced and the union’s legitimacy was temporarily impaired. The new collective agreement included, as the most significant gain for labor, a more liberal pensions scheme. It was cynically noted by the rank and file that most of the union executives were close to retirement. Sentiments expressed in my

presence were almost entirely opposed to the new proposals. Indeed, everyone I spoke to told me that they were going to vote no. I asked Bill which way he voted. He replied, "They are offering a bigger pension, but that's no use to me; I've got another fifteen years to go. We're all voting no." What about the wage increase, I asked. "Five percent, that's all we've got. That's nothing. The union officials will accept it, but we won't. . . . They could do with a bigger pension—it suits them." Curiously, however, the official result declared the membership's support for the new contract by a margin of 408 votes to 307.

Management was no doubt aware that improved pensions would appeal to the union executives and felt that it was worth risking the consequences of rank-and-file disaffection to get a cheap contract. From the discussions I had with the personnel manager, it appeared that management recognized the importance of preserving the relative autonomy of the union and responsiveness to its membership; he was, for example, concerned about the lack of black representation among the union executives. He understood that the day-to-day policing function of the union can be effectively carried out over the three years between contracts only if the terms of the negotiations are minimally acceptable to the rank and file.

Failure to negotiate an acceptable contract may impair the union's ability to preserve the status quo, and it may also lead to the overturning of the incumbent officers, particularly the president, in the elections held every three years. Since officials usually wish to retain their positions, the mechanism of elections is one way of maintaining the union leadership's autonomy from management, though it is not as effective a mechanism as one might think. But elections have the more significant consequence that they generate among the membership the view that a poor contract, with few gains to labor, is the fault of the incumbent leadership rather than a result of the structure of the union and its relationship to the company. In other words, at the local level, it does not matter whether there is a one-party system or a two-party system in trade-union politics as long as there is an effective electoral mechanism for replacing officers;¹³ for the electoral mechanism effectively masks and thereby protects the structural context of management-union relations. The relative autonomy of the union as an institution is consistently preserved even

in the face of—and, indeed, sometimes because of—the frailties of its leadership. At Allied's engine division, the position of the president of the local has for some time now rotated between two senior operators. Contempt for the union is frequently leveled at one or another of these individuals. Some of the more senior employees occasionally talked of presidents in the old days, who used "to really fight for the guys" (one of these former presidents has since moved into a higher office in the international union). Others would say, "What we need now is some young blood in the union."

The relative independence of industrial government from the narrow economic interests of capital and from outside intervention serves to mask the property relations that collective bargaining and the dispensation of "industrial justice" protect.¹⁴ Furthermore, when that autonomy is impaired, it is human frailty and not property relations that are revealed. In its turn, frailty is not regarded as a consequence of a set of structural conditions but as a given—as a part of human nature.

Conclusion

The internal state and the internal labor market serve similar functions. Thus, in this chapter we have seen how the internal state in its relatively autonomous form concretely coordinates the interests of union and management through their joint use of grievance machinery and collective bargaining. It concretely coordinates the interests of worker and corporation in the expansion of profit, which provides material concessions in the form of employee benefits and wage increases. It obscures capitalist relations of production in the labor process by constituting workers as individuals—industrial citizens with attendant rights and obligations—rather than as members of a class. Finally, struggles over relations in production are regulated in the grievance procedure and displaced into collective bargaining.¹⁵

On the other hand, the internal state and the internal labor market serve complementary functions in the production of consent. In this chapter and the two preceding it, I have suggested that changes in the labor process and the rise of the internal labor market expand the choices of workers and thus constitute the basis of consent

to degradation. However, this consent emerges only if management does not arbitrarily dictate choices to workers—if, for example, transfers are always taken at the initiative of workers and through the bidding process and, further, if punitive sanctions are confined to the transgression of the limits of choice, as when workers decide to stay at home rather than come to the factory. Moreover, when restricted to violations of the rules that define the limits of choice, the application of force becomes the object of consent. The relative autonomy of the internal state guarantees that coercion will play a more restricted role in the regulation of production.¹⁶

Yet there is a certain ambiguity in the organization of the internal state. Just because it coordinates the interests of workers and managers, labor and capital, it also acknowledges those interests as potentially antagonistic, as when workers make demands for increased control over the labor process. Unlike the global state, which does not recognize the existence of classes in its structure, the internal state explicitly recognizes classes and thereby becomes, at least potentially, more vulnerable to class struggle. After World War II there was much uncertainty as to what would be negotiable in a collective contract, but this uncertainty has since been resolved in ways that establish management's prerogative to direct the labor process. Whatever the reasons for this outcome, the consequences are relatively clear.

Thus, in part 3, I have shown that, in the period between 1945 and 1975, the application of force was increasingly limited to violation of rules that defined an expanding arena of consent. In doing so, I have regarded the enterprise as obscuring and securing surplus value through the organization, displacement, and repression of struggles, through the constitution and presentation of the interests of the corporation as the interests of all, and through the promotion of individualism, and I have also assumed that the obscuring and securing of surplus value can be examined independently of such external factors as the global state, markets, and the reproduction of labor power. These factors can no longer be ignored, and the remainder of this study will pose the question of their relationship to the form, reproduction, and change of the capitalist labor process.

4

The Relative Autonomy of the Labor Process