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EMPLOYMENT RATHER THAN UNEMPLOYMENT IN A TRANSITIONAL RURAL FORMATION

by

F.BANU KARAŞIN

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ABSTRACT

This study is an endeavour to develop a model of employment and/or unemployment so that it can adequately be defined as both a theoretical and a social problem. For this end, the theoretical premise of a dynamic social totality and a certain structural causal model are adopted. Thus, while producing the new definition, employment is conceived of as an overdetermined social phenomenon. Accordingly, the employment process is analytically broken down into three constituent determinants and/or aspects; their internal dynamics are elaborated to arrive at the general conceptual description of each.

It is argued that each aspect of employment involves different social practices founded on discrete levels of social reality. These in turn are generated by the contradictory but indispensable unity of elements embedded in each structural level. As a corollary, at the economic level, the production aspect of employment puts stress on the consequence of labour performance. At the political level, the income aspect of employment is concerned with remuneration of labour performance through the distribution of newly created value within the production process. Finally, at the ideological level, the recognition aspect of employment deals with the relation of the employed/unemployed to the lived world through labour performance in the form of self-conception vis-à-vis employment.

The analysis proceeds historically when each aspect of employment is discussed within an 'imaginary' context of a transitional rural formation. Here, the rural employment situation is elucidated in a (definite) time and (relatively indefinite) space matrix characterized by a specific form of capitalist penetration which subsumes other existing capitalist and non-capitalist modes of production. Theoretically, each determinant of employment also indicates one potential cause of unemployment. Empirically, the logical consequences of the suggested model can be used to 'quantify' unemployment. However, the tentative operationalization of these aspects may lead to the identification of a person's employment/unemployment status differently which depends on what determinant of employment he/she is subjected to testing. Therefore, the counterpart of employment can only be unemployment when a person is simultaneously ranked as unemployed in all aspects of employment.

It has to be noted, furthermore, that the new concept of employment/unemployment developed in the present research is to be considered as a contribution towards the organization of thought, collection of data and formation of policies. It does not advocate a certain remedial strategy in combating unemployment although it has focused on the relevant dimensions of employment in a transitional rural formation where social policy can be effective. Nor, does it intend to establish a new discipline. Still, hopefully, it is designed to reveal that the range of social phenomena can be treated consistently and more fruitfully over a common denominator. And this is realized on the basis of a definite methodology.

BİR KIRSAL GEÇİŞ TOPLUMUNDA İŞSİZLİĞİN TERSİNE İŞLİLİK

KISA ÖZET

Bu çalışma hem kuramsal hem de sosyal bir sorun olan işlilik yahut işsizliğin yetkince tanımlanabilmesi için bir model geliştirme amacıyla yapılmıştır. Yeni tanımı üretirken de benimsenen dinamik bir sosyal bütünlük kuramsal öncülü ve belli bir yapısal-nedensel modelle, bundan önce özellikle işsizlik üzerinde yoğunlaşmış olan ilgili yazından ayrılmaktadır.

Böylelikle çözümlemede işlilik üst-belirlenmiş bir sosyal olgu olarak ele alınıp, kendisini oluşturan üç belirleyiciye (görünüm, veçheye) parçalanıyor. Her işlilik görünümünün farklı bir sosyal pratik ve yapısal gerçeklik içerdiği iddiasıyla hepsinin içsel dinamikleri genel kavramsal betimlemelere vardırılmak üzere irdeleniyor. Sonuçta denilebilir ki, ekonomik düzeyde, işliliğin ekonomik veçhesi, yerine getirilen emeğin sonucu üzerinde durur. Siyasal düzeyde, işliliğin gelir görünümü, üretim sürecinde yaratılan yeni değerlerin dağılımı yoluyla, yerine getirilen emeğin karşılığı ile ilgilidir. Son olarak ideolojik düzeyde, işliliğin tanıma veçhesinde vurgulanan, işli ve/veya işsizlerin emek harcarken yaşadıkları dünya ile olan ilişkilerinin sonucu işlilikleri konusundaki kendi öz anlayışlarıdır.

Her işlilik veçhesi 'hayali' bir kırsal geçiş formasyonunda tartışılırken çözümleme tarihsel olarak sürdürülüyor. Burada, var olan kapitalist ve kapitalist olmayan üretim tarzlarını kapsayıcı özel bir tür kapitalizm etkisiyle tanımlanan, (belirli) bir zaman ve (görelince belirsiz) bir mekan matrisinde, kırsal işlilik durumu aydınlatılmakta. Kuramsal olarak, her işlilik belirleyicisi aynı zamanda işsizliğin bir potansiyel nedenini gösteriyor. Gözlemsel olaraksa, önerilen modeldeki denencelik ilişkilerin mantıksal sonuçları işsizliğin 'nicelleştirilmesinde' kullanılabilmekte. Bununla birlikte, işliliğin üç veçhesinin deneme kabilinden yapılan işevuruk tanımları, hangi belirleyiciye göre teste tabi tutulduğuna bağlı olarak, bir kişinin işlilik/işsizlik statüsünün farklı teşhislerine yol açabiliyor. Bu yüzden bir kimse ancak işliliğin bütün veçheleri açısından aynı anda işsiz sayılırsa, işliliğin tamamlayıcı karşılığı işsizlik olabilmekte.

Ayrıca belirtilmesi gereken nokta bu araştırmada geliştirilen yeni işlilik/işsizlik tanımının, düşüncenin örgütlenmesine, veri toplanmasına ve sosyal politikaların oluşturulmasına katkıda bulunmak için atılan bir adım olarak anlaşılması. Hernekadar konu bir kırsal geçiş toplumunda, sosyal politikanın etkili olabileceği işsizlik durumlarının ilgili boyutlarında odaklaşırsa da işsizlikle olan savaşında belirli bir çözümleyici stratejiyi sahiplenmiyor. Yeni bir disiplin kurma niyeti de söz konusu değil. Gene de, sosyal olguların yayılma alanının tutarlı ve daha verimli bir şekilde ortak bir payda üzerinde irdelenebileceğini ortaya çıkarma ümidiyle yapılan bir çalışma. Bu da zaten belli bir yöntemden yola çıkılarak gerçekleştiriliyor.

TABLE OF CONTENTS

vi

	Page
PAGE of APPROVAL	ii
ACKNOWLEDGMENT	iii
ABSTRACT	iv
KISA ÖZET	v
INTRODUCTION	1
CHAPTER 1. FORMS OF UNEMPLOYMENT	5
A. Deflationary and Frictional Unemployment	5
B. Voluntary and Involuntary Unemployment	7
C. Seasonal and Cyclical Unemployment	10
D. Structural and Technological Unemployment	14
CHAPTER 2. INTRICACIES OF 'DEVELOPMENT'	18
A. 1950s	19
B. 1960s	23
C. 1970s	26
D. 1980s	28
CHAPTER 3. NEW TRENDS IN METHODOLOGY	32
A. Social Totality	34
B. Structural Casualty	36
C. Social Practices	38
D. Reproduction of Social Totality	45
E. Transitional Social Formation	47
CHAPTER 4. EMPLOYMENT AS AN OVERDETERMINED SOCIAL PHENOMENON ...	51
A. PRODUCTION ASPECT	52
A.1 Production Totality	52
A.2 Social Character of Value	54
A.3 Attack on Nature	56
B. INCOME ASPECT	59
B.1 Forms of Exploitation	60
B.2 Fair Remuneration	65
B.3 Reproduction of Labour-Power	71
C. RECOGNITION ASPECT	74
C.1 Fruitful Effort	74
C.2 Job-Seeking Activity	78
C.3 Suitable Jobs Appropriate People	83

	Page
CHAPTER 5. PECULIARITIES OF EMPLOYMENT IN TRANSITIONAL RURAL FORMATIONS	87
A. Subsumption of Peasant Production	89
B. Rural Incomes and Employment	91
C. Underemployment	96
D. Labour Reserve	101
E. Over-Renumeration of Labour	104
E.1 Share-Cropping	107
E.2 Legitimate Overpay	110
E.3 Self-Employment	113
F. Rural Aspirations	115
 CHAPTER 6. INCIDENCE OF EMPLOYMENT	 121
A. Time-Worked In Agriculture	123
B. Measurement of Productivity	126
C. How Many Are Employed and/or Unemployed?	131
D. Concluding Reflections	137
 Bibliography	 140
References not Cited	143

Introduction

The subject of employment and/or unemployment ramifies into many channels and engenders necessity of severely limiting the study to certain lines of investigation. However, its scope will be enlarged in the introductory chapter on forms of unemployment. This seems a necessity not only because without such foundation the present research would be too much divorced from its historical background, but also because it might hopefully make it appear more 'sympathetic' and 'intelligible'. Nevertheless, presenting the existing problematique may render some acquaintance to the readers so that encouragement will be provided to emancipate themselves from strictly conventional patterns. At this point, it is worth noting that the first two chapters can be considered as a veneration of these patterns while the following two chapters will be their transgression, albeit the synthesis is attempted in Chapter 5 and Chapter 6.

In the introductory chapter on forms of unemployment each will be defined and elaborated in order to correct the perceived inconsistencies and/or contradictions as well as the limitations of the existing frameworks, although no claim can be made on being exhaustive.

When one tackles the vaguely conceptualized forms of unemployment, a foray of theories simultaneously emerges. This is because each form of unemployment refers to a different reality as all are the expressions of different attributed causes of unemployment. Accordingly, forms of unemployment serve as a common denominator above which employment theories expounded by various writers till the Second World War, can be broken up. However, in Chapter 1, this objective is accomplished at the expense of the possibility of comparing the views of one authority with those of another at a chronological order.

On the other hand, when the evolution of economic thought till the Second World War on the subject of employment and/or unemployment is reconsidered, one striking feature appears to be common in all of them. What the early economists have bothered about economic development, that is, their shared anxieties about 'progress', turn out to be the characteristics of contemporary Third World formations.

With respect to this, in Chapter 2, various perspectives concerning the employment situation in 'developing' countries are crudely outlined since the end of Second World War up to the present. Accordingly, within a periodisation of four decades, different views on the problem of employment in 'developed' countries are juxtaposed to those pertaining to 'developing' ones. And the generation of these various ideas is connected to the developments in the world capitalist system. The purpose of this rather limited practice on history of knowledge is two-fold. Firstly, it intends to up-date the reader as fast as possible. Secondly, it renders justification why the major objective of this study is to extend a 'new' perspective to aspects of social life not yet encompassed within the science but forced upon the scientist's attention. Above all, a 'new' science can only emerge if and only if its conditions of existence in all the interconnected aspects of social life are satisfied.

It is a fact that certain realities are not readily welcomed. Nevertheless, the literature review in the preceding two chapters reveals that almost for three centuries people have been theorising within the infertile boundaries of the methodological premise of 'closed totality'.⁽¹⁾ In line with this, associating the methodological tool of closed totality either with 'linear causality' or with 'expressive causality'; it seems that all theoreticians have rushed to explain unemployment before they properly defined what 'employment' is. Accordingly, when a mechanical model of causality is adopted; all the potential non-economic causes of unemployment are disregarded.

1. Even Marx could be put within this category as he did not especially tackled the problem of employment although he built his whole analysis of capitalist mode of production on a dynamic model of social totality.

And, similarly, when the analysis is grounded on a teleological - expressive model of causality, the insurmountable nature of unemployment is emphasized. It follows that, on the way to scrutinize employment/unemployment the 'discouraged' contemporary researcher is 'naturally' supposed to either dive with the conventional methodological commitment of closed totality or find another frog pond. This might not be the case though.

Chapter 3 is devoted to the methodological premises of a new approach. It is the strong 'belief' of this researcher that priority has to be given to methodological rigour rather than name-calling; though the latter is a common practice in scientific community. With regard to this, the paper proceeds as a 'version' of Marxist theory, though, preferably, it is set out to be a methodological contribution to the analysis of the specific problem of employment.

What's new then? The concept of social totality as it allows space for structural causality. Indeed, a dynamic notion of social totality provides the site for any meaningful social activity. Accordingly, the three fundamental social activities within the domain of economic, ideological and political practices will be elucidated. This formal - analytical exercise is to stress that every social process which includes employment has ideological, economic and political determinants. And, although these different determinants (causes) operate at different levels of social reality; they all have a stake in the over-determination of social phenomena. Nonetheless, this chapter can be considered as a preparatory stage for the reader to trace the different aspects (moments and/or determination levels) of employment to these essential levels of social reality.

The sub-chapter on reproduction of social totality is to elucidate that a single contradiction embedded in any level cannot by itself generate a new higher unity. Disintegration and/or transformation of the 'whole' can only result from specific set of contradictions working through their interdependent effect upon the structure which they constitute. In addition to this, each contradictory relationship is reconcilable provided particular conditions. It follows that the reproductive/ transformative features of any social totality depend upon specific historical mediations. Thus, when the concept of social totality is 'corrected historically', transitional social formations are further subjected to various forms of capitalist penetration which set limits to their reproduction processes.

Chapter 4 is a withdrawal into a self-constituted world of theoretical construction and deals with aspects of employment. Employment as an over-determined social process is broken down into its constituent moments (or aspects). This certainly entails the isolation of essential aspects, recognition, production, income; from each other and from the whole by the 'power of abstraction'. Still these concepts should be located in a lower level of abstraction when compared to the elaboration of the social theory and model in the preceding chapter. Accordingly, aspects of employment which underpin the nature and possible manifestations of unemployment are reduced to their 'purest' forms. Purest, in the sense that, they will be free from all other determinate relations which might influence its specific and historical character. Above all, if social analysis begins from immediately recognizable and isolated facts, it can only come up with an abstract and one-sided relation.

Indeed, it is not that theory is abstract while reality is concrete. As concrete-real is always mediated through a conceptual apparatus, the theoretical opposition between the abstract and concrete is wholly in the realm of theory. Nevertheless, there can be different levels of abstraction within theoretical practice in terms of the generality of concepts. Besides, it is impossible to develop a historically permanent and universally determinant theory about any social phenomenon because social totality is never closed. Social and/or economic relationships are always specified in their historical context though economic mode of production plays a determinant role in economic history. Parallel to this, after each aspect of employment is

elaborated, more complex elements are going to be introduced to the analysis. Thus, employment moments will be less pure but more concrete when they are discussed in the context of the world capitalist system, and more specifically in a transitional rural formation.

In this connection, it has to be emphasized that this paper is not intended to provide a classical critique of "correspondence" theories of truth which hold science (theory) accountable to facts. Nor, its epistemological objective is to propose in their stead, yet another classic: the "coherence" theory of truth which acknowledges that facts are appropriable only through the filter of conceptualization. The latter might imply that all testing occurs 'within' theory as if no standard, outside the various conceptual frameworks could ever exist against which to judge their 'truth' or 'adequacy'.

It has already been mentioned that the last part of the research would symbolize an attempt at a synthesis. Undoubtedly, facts are mediated by conceptual frameworks but a science has to be accountable to its logical implications as well as to the universe of observational statements that are accessible to all members of scientific community. With respect of this, in Chapter 5, the employment phenomenon has been made subject to a prior conceptual definition so that the sites and limits of the 'measurable' can be delineated. It is not for any exclusion of the possibility of measurement and other resources of mathematical science from social analysis.

Chapter 6 proceeds as to complete the validation of the methodological exercise by applying it to the specific problem of employment in a transitional peasant formation. Thus, the reader is expected to imagine with the researcher that the mission is to measure the extent of unemployment in a conjunction of contradictions. Given that employment is an overdetermined social process which has determinants (causes) at different levels, in this chapter, the 'incidence' of employment /unemployment in 'any' transitional peasant formation will be operationalized.

The logical extension of the adopted causality structure and the methodological premise of a dynamic social totality imply that the identification of peasants as employed or unemployed differs according to what aspect of employment they are subjected to 'testing'. Consequently, a person may be ranked employed from one aspect of employment while unemployed from another which tantamounts to saying that unemployment cannot be measured on a single magnitude, unless, peasants are simultaneously identified 'unemployed' at all levels of social reality. Therefore, in Chapter 6, each pair of contradictory elements will be specified empirically since each aspect of employment contains a different structural causal mechanism. Perhaps the readers will also glance at the concluding reflections.

1. FORMS OF UNEMPLOYMENT

"For many centuries, theories were presented as to the meaning of the various lines on the hand, but no one could logically explain the existence of these lines. They are not merely folds or creases; more than a few lines in any palm tend to go 'against the grain'. Their cause is unknown. But they speak very clearly, in a complex language." (Palmistry, Broekman)

There exist a profusion of terms and concepts related to the definition of unemployment. Still, it is the common practice amongst social scientists and commentators to 'specify' their references by stressing a particular 'form' of unemployment. Obviously, this taxonomy implies that different emphasis is put on the constituent characteristics of unemployment phenomenon. Moreover, as the terms are selectively used; such distinctions among various forms of unemployment adduce that the nature of unemployment, and therefore, its causes are different.

However usually, these terms are so vaguely defined that the assumptions underlying each form of unemployment cannot be easily recognized. In some cases any reference to these terms becomes potentially misleading as to urge the analyst to desist from using them altogether. Nonetheless, the following preliminary terminological discussion can be considered as a conceptual clarification of main forms of unemployment. The different alternative usages of these 'old' terms by various theoreticians are going to be elucidated so as to 'warn' and 'equip' the future researchers. Accordingly, it has to be noted, beforehand that, the following eight forms of unemployment which are paired for all practical purposes are not necessarily mutually exclusive. In some cases they do overlap and in some cases they are identified with another.

A— DEFLATIONARY AND FRICTIONAL UNEMPLOYMENT

These two types of unemployment forms can only be conceivable with reference to full employment which has itself an equivocal pedigree.

The bulk of economic theory before the Great Depression distinguished two fundamentally different macro-economic situations, to be of full employment and that of underemployment. Output was always assumed to be as large as the available resources and the willingness of the factors of production would permit. With respect to the factors operating on the demand side, population increase was welcomed as it created larger potential market for consumption and for investment goods. To the extent that technical progress was taken for granted, any increase in total output was likely to outpace the increase in population itself, accompanied by a rise in output per man.

In the early nineteenth century, accordingly, when savings and investment were hardly separate activities undertaken by different individuals, full employment was considered to be a permanent, universal state of affairs whereby output level could be raised as much as possible. As savings were supposed to be automatically invested, the outcome would be more output and employment whenever there were considerable amounts of unemployed (e.i. underutilized) resources.

Quite ironically, it was only Malthus who happened to get involved in a controversy with Ricardo on the process of capital accumulation and investment in industrial machinery. Although he questioned the feasibility that capitalists did not necessarily spend their profits on fixed

capital assets at his times, the economic activities were quite remote to provide any basis for his insights. There were no organized stock exchange through which money could be raised and the money lending institutions were in their inception. Consequently, the only way to expand business was out of profits which would be undertaken by the favourite Victorian characters. Though the interruptions of the trade cycle were conceded, it was assumed that unemployment existing in one or two industries would be later absorbed by the expansion of other industries.

The dragging years of the Great Depression taught mankind that output could fall far below the levels of full utilization in a condition of unemployment equilibrium. During these years economies were plagued with unemployed men and machines for almost a decade and yet not spontaneously generated the momentum to reabsorb them. And this intellectually unsettling feature found its expression in Keynesian economics that envisaged the possibility of an equilibrium position less than full employment. Within this conceptual framework, the level of employment was determined by the equilibrium level of effective demand which, in turn, was equivalent to the sum of consumption and investment expenditures.

However, this equation did not need to coincide with a position of full employment. For, the latter was not inevitable as the classics claimed, but one possible level of employment out of a large number of possible levels. There was nothing inherent in the economic system to guarantee that consumption and investment would call for just enough output which could only be achieved by employing all the available people who sought work. There were no automatic mechanism ensuring that attempted restraint from consumption (e.i. saving) was exactly balanced by investment. Too many demands might lead to inflation while few demands meant unemployment.

Since the Depression of 1930s, full employment has mostly become to be theoretically defined as the point where inflation begins. Although it is conceded to be a desirable economic goal, its operationalization also proves to be controversial. At this point, economists are still divided on 'full employment' issue.

"Full employment obviously does not mean that the population will work at the maximum possible hours that human endurance make feasible." (1)

"Full employment means that unemployment is reduced to short intervals of standing by, with the certainty that very soon one will be wanted in one's old job again or will be wanted in a new job that is within one's power..." (2)

"Full employment is a state of the economy where by all persons desiring to work are able to find employment within a reasonable time at prevailing rates of pay, work hours and working conditions and in positions reasonably in line with their attitudes, abilities and occupational interests." (3)

"Full employment means only those who want to work of the prevailing rates of pay are able to find work without undue difficulty." (4)

It is now quite apparent that the concept of full employment is not easy to define and operationalize. However, deflationary and frictional unemployment both bear upon it.

Deflationary unemployment refers to a situation in which unemployment exists because there are not enough jobs available in the economy as a whole. In the economic literature on

1. Alvin H. Hansen, Economic Policy and Full Employment, Whittlesey House, New York, 1947, p. 20.

2. William H. Beveridge, Full Employment in a Free Society, George Allen Unwin, London 1944, p. 19.

3. Paul H. Casselman, Economics of Employment and Unemployment, Public Affairs Press, Washington D.C., 1955, p. 10.

4. Abba P. Lerner, Economics of Employment, McGraw Hill Book Company, Inc., New York, 1951, p. 17.

the subject, it can be identified with 'involuntary unemployment' (5); since the theoretical origins of the concept has been laid down by Keynes. Parallel to this, deflationary unemployment which generates from deficiency in aggregate demand, can be eliminated by increasing the total spending on goods and services in the economy. As the economy moves from depression to full employment, deflationary unemployment will be reduced while employment is increased.

Frictional unemployment, on the other hand, refers to a situation in which unemployment exists because the unemployed men and the unfilled jobs do not fit each other - their special qualifications, skills and locations do not match. On the supply side, either people have resigned from their old positions in order to obtain more promising employment opportunities or they are new labour market entrants. On the demand side, there exist employers who desire but are unable to fill the posts in each occupation, at the wage rate ruling there. Although, even men without jobs are worse than jobs without men, if the measures taken to curb deflationary unemployment are pressed beyond a certain point (which will be the point of full-employment) creation of extra jobs may increase wage and prices in an inflationary spiral.

Frictional unemployment, then, stems from imperfections in labour market and/or from barriers which obstruct labour mobility. To the extent that it is impossible to make labour 'perfectly mobile', when the mobility of labour is increased the full-employment level of the economy itself rises. Similarly, if adequate aggregate demand is not achieved, frictional unemployment will only be transformed into deflationary unemployment, or some other kind, irrespective of facilities to labour mobility.

Indeed, what is peculiar about frictional unemployment is that, it never puts a person out of work, but keeps him out of work. Certainly, a rise in the number of unemployed resulting from other causes of unemployment may also produce an increase in frictional unemployment by the fact that the greater the number of persons looking for jobs, the greater is the possibility that some of these will be unable to find jobs compatible with their skills and abilities. Nevertheless, in frictional unemployment except for new entrants in the labour market, people remain jobless owing to some factor. And the hinderances to the mobility of labour are of so many different kinds in different situations that the nature of particular resistances vary in each case. Still, it is possible to group these barriers into two main groups; geographical and/or social, that is, institutional. While these two both obstruct labour mobility, the latter replaces the 'natural' frictions generated by the former, by institutional rules. Social barriers exclude certain individuals from particular labour markets, though these rules are essentially man-made. It is no coincidence that factors of age, sex, etc., are at the same time alleged to constitute labour market frictions.

B- VOLUNTARY AND INVOLUNTARY UNEMPLOYMENT

The concept of voluntary and/or involuntary unemployment, just like structural unemployment usually appeal to sociologists. However, as a form of unemployment utilized in most economic literature, the terms are left so vague that it proves to be difficult to distinguish conceptually and/or empirically between voluntary and involuntary unemployment.

As can be found in the writings of nineteenth century theorists; voluntaristic theory of action has certain basic elements. Accordingly, a subject (and/or, actor and/or individual) is placed in an action situation where he has to organise his behaviour. The subject-actor (which can be either an individual or a group) 'rationally' directs its behaviour through the cognitive appraisal of the immediate means available to it and through its interaction with others; in order to attain

5. As a different form of unemployment, involuntary unemployment is going to be discussed later.

a particular end or 'goal'. Moreover, this specific goal may be either empirical or non-empirical. Parallel to this, in guiding the subject's orientation, the action situation is constituted both by symbols and values through which the actor relates to the various elements of the situation and attributes meaning to them – and by norms and rules etc. Thus, individual voluntarism implies that the subject can choose his own goals, the means to attain them and the organisation of these means. All action is interpreted from the actor's subjective perspective on the situation whereby choices are limited by the constraints of the physical and/or social environment which set limits on available goals and means.

Turning to involuntary unemployment, the seed of the concept is found in Pigou, as he identifies unemployment with involuntary unemployment, although he is not the first to coin the term. "A man is only unemployed when he is both not employed and also desires to be employed. Moreover, the notion of desiring to be employed must be interpreted in relation to established facts as regards –1– hours of work per day –2– rates of wage and –3– a man's state of health." (6)

Nevertheless, almost the most influential analytical approach has been expounded by Keynes on which both his analysis of the causes of unemployment and his formulation of the remedies have been based. Accordingly, voluntary unemployment referred to "the refusal or inability of a unit of labour ... to accept a reward corresponding to the value of the product attributable to its marginal productivity." (7) Furthermore, within his conceptual framework full employment corresponds to "the absence of involuntary unemployment but not of 'voluntary', 'frictional', or presumably 'seasonal' unemployment". (8) In fact, as an extension of his articulate theory which envisages full employment as one possible level of equilibrium as well as his methodological individualism; Keynesian involuntary unemployment is deflationary unemployment. It follows that increasing the total money spending may eliminate all of the deflationary and/or involuntary unemployment while leaving a great deal of remaining voluntary unemployment.

At this connection, one qualification is due, however. While Keynesian involuntary unemployment is identical with deflationary unemployment; frictional unemployment can not be treated analogous to voluntary unemployment. The fundamental precondition for the latter is refusal of employment on the part of individual which is lacking in frictional unemployment.

Another strand of this theory can be related to the interdependence of inflation and unemployment. (9) Any rise in aggregate monetary demand is going to be accompanied by a rise in commodity prices relative to wages and will induce more workers to offer their services. As a corollary to this, in the context of demand-pull inflation; the probability of being involuntarily unemployed increases. On this ground, it can be claimed that inflation consistent with demand expansion may have favourable effects on employment but these are transitory consequences. "It has recently been affirmed, especially by Friedman and Phelps that within the full employment zone, rising aggregate monetary demand as a means for curing unemployment will produce a merely transitory effect; once people realise that widespread

6. A.C. Pigou, The Theory of Unemployment, Frank Cass and Co., Ltd., London 1968 (1933) p.3.

7. Quoted in Guy Standing, 'The Notion of Voluntary Unemployment,' International Labour Review, Vol. 120, No. 5, 1981, p. 563.

8. Richard Kahn, 'Unemployment as Seen by Keynesians' in The Concept and Measurement of Involuntary Unemployment, Worswick, G.D.N., ed., Allen and Unwin, London, 1976, p. 22.

9. The reader will naturally recall the famous Philip's Curve.

wage and price changes are occurring as a result of the added demand, they will correct their decision plans for initial monetary illusion and the previous unemployment patterns will re-assert themselves." (10)

With regard to this, in the 1960's an alternative approach to the concept of voluntary unemployment via Edmund Phelps (11) was put forth, whereby all unemployment was effectively defined as 'voluntary' in so far as 'job seeking' itself became a job. "Since then much sophistry has been devoted to such concepts as a 'natural rate of unemployment' which corresponds, according to some, to the rate at which money wages rise in step with real wages". (12) It has to be emphasized that the natural level of unemployment is presumably determined by the basic forces of productive undertakings, accumulation and thrift characteristics of the economy. Therefore, except for an ex post rationalization, it is impossible to identify a level of unemployment as the natural rate.

Within the frame of Keynesian logic, it is possible to define involuntary and/or enforced unemployment in which a worker is willing to work in any occupation, in any locality at the going rate of wages and under the other established conditions of employment but no employment is available to him. Then, there is enforced idleness or unemployment either for a whole or a part of a year or some part of a month, in the course of a working year. However, when Phelpian logic is further extended, all unemployment above the 'natural rate' has to be due to workers unrealistic job expectations and/or illusions, for, it will be at best a misnomer to call those voluntarily unemployed if they are willing to work for less than the going wage rate.

Apart from these, even if unemployment and inflation both compromise at respective levels, what will be taken as a 'reasonable wage aspiration' is ambiguous given the segmented and/or structured nature of the labour market, whereby there are barriers to entry. Moreover, in the absence of a concrete specific opportunity, it is hazardous to infer from an expressed aspiration that the individual's actual behaviour will precisely correspond to it if such an opportunity rises. Still, will it be anticipated that any worker is expected to take any sort of job, irrespective of his skills yielding an income adequate to meet some 'subsistence' standard of living?

Lastly, average wages are different within the whole economy in terms of different lines of economic activity. Parallel to this, a worker may be offered a job at the current rate of wage which is less than the average wage received by workers whose skills correspond to his. In this case, if he refuses will he be classified as voluntarily unemployed? It seems that the most reasonable procedure is to compare the aspiration wage to the average wage in the occupation the worker is seeking and/or he previously held. As a corollary, an unskilled worker may only want a certain type of a skilled job. He may express a preference for white-collar clerical work while also seeking for unskilled manual jobs. In this case his 'voluntariness' can be judged on the basis of his actual refusal to take other types of both unskilled and skilled jobs, save for his preferential jobs.

Nevertheless, what is crucial for involuntary and voluntary unemployment is their 'vulnerability' for any emphasis on certain behavioural characteristics attributed to individuals and/or groups as a cause of unemployment just like frictional unemployment. In that respect, like anyone faced with a charge, he/she should be presumed innocent until proved guilty. It probably seems that only through household surveys the difficulties faced by the unemployed, their means of survival, and the effects of unemployment on morale, ability and aspirations can be highlighted; before 'labeling' anyone as voluntary and/or involuntary unemployed.

10. Malcolm R. Fisher, 'The New Micro-economics of Unemployment', in G.D.N. Worswick ed., *op. cit.*, p. 564.

11. E.S. Phelps, ed., *Micro-economic Foundations of Employment and Inflation Theory*, Norton, New York, 1970.

12. Standing, *Voluntary*, *op. cit.*, p. 564.

C- SEASONAL AND CYCLICAL UNEMPLOYMENT

Periodicity of economic activities may result in fluctuations in labour demand which in turn lead to seasonal and/or cyclical unemployment. In this respect, seasonal and cyclical unemployment have to be distinguished from each other not only because the period of irregularity of unemployment is different but also because the assumed causes of each are quite distinct.

In seasonal unemployment, the complete cycle of falling and increasing demand for labour is completed within the period of one year. Nevertheless, the magnitude of the fluctuations may vary from year to year although the seasonal rhythm of the peaks and troughs are more definite.

As the adverse weather conditions may interfere with normal economic activities in different ways, seasonal unemployment is generated by marked temperature and climatic changes. It may retard or completely curtail the activities in a given industry, by making it impossible or difficult to perform work, or at least increase the costs of production and hence decrease profitability. The phenomenon of seasonal unemployment mainly bears upon certain lines of economic activity which can be cited as follows:

- 1) agricultural industries and all the activities dependent upon them
- 2) construction activities, water transportation
- 3) though the effect is indirect, coal mining (quarrying) and gas manufacture.

Two main patterns seem to dominate the seasonal variations in employment, one with its peak in summer or fall, and the other with its peak in winter. Even though, all the above mentioned industries are susceptible to seasonal fluctuations, analysis may reveal that each segment of a specific industry may follow its own pattern.

However, this seasonal periodicity of economic activities are not absolutely tied to meteorological necessities. When approached from another angle, besides the natural seasons, industrial activity may also be effected by the so-called social and man-made seasons. After the original climatic exigency disappears, the seasonal periods are to some extent maintained by social customs.

Seasonality of employment, has broad repercussions on the society as a whole, though it is a characteristic of certain lines of economic activity and it varies in time, regularity and range among these. Nonetheless, certain characteristics of seasonal fluctuations have to be outlined, briefly.

Firstly, fluctuations in labour demand are less marked in large scale production than those in which small-scale production prevails. When the ratio of fixed capital to variable capital is high, the productive enterprise becomes less vulnerable to seasonal irregularity especially when the necessary labour is skilled and limited in supply. In this case, it becomes the employer's advantage to regularize the productive activity throughout the year.

Secondly, since the volume of output in each production cycle changes, irregularity in one trade ramifies with varying intensity through all those connected with it. However, with the widening of trade's outward connections pertaining to both sources of supply and markets; local fluctuations tend to neutralize each other and the irregularity encountered at the provincial level tends to be lessened. Thirdly, there can also be marked seasonality in unemployment associated with the entry of new workers into the labour force at certain times of the year (e.g. students seek employment at school-closing time in late spring or early summer).

Cyclical unemployment, on the other hand, refers to fluctuations in business and industrial activity and the changed demand for labour extends to a number of years till the economy recovers from depression. Temporary seasonal depressions generate three or four yeared periods of idleness, that is, cyclical unemployment; if not part-time employment.

Trade cycle (13) refers to a pattern of events which is repeated in a similar form at fairly regular intervals. However, although it seemed that trade cycles have characterized the course of economic history since the beginning of 19th Century, only during the first three decades of the 20th Century a pool of ideas originated and a great deal of statistical information was collected and analyzed. It can be said that business cycle as a cause of unemployment has ever since stimulated greater enthusiasm than other forms of unemployment. Moreover, though there is relatively high degree of agreement among economists about the characteristics of business cycles, discrepant opinions still persist about the cause of such fluctuations some of which worth nothing. Some of the theories put forth to explain trade cycles appear to be in diametrically opposite to each other while others differ mainly in the matter of emphasis. Accordingly, the following will elucidate several of the accepted causes of business cycles. (14)

Purely Monetary Theory:

The simplest explanation of the business cycle is represented by this school whose chief exponent is Ralph G. Hawtrey. (15) According to this theory, cyclical fluctuations in economic activity is attributable to the changing supply of money (not the supply of currency but of bank credit). If the flow of money were controlled, recovery would be guaranteed and unemployment would disappear. The elasticity or fluctuating nature of bank credit is the major cause of cyclical unemployment and it is inevitable so long as credit is regulated with reference to reserve proportions.

For Hawtrey, an undue increase in the supply of money leads to a fall in the rate of interest. As traders attempt to build up their stocks, this sets off an inflationary boom which can only be terminated and reversed by an appropriate restriction in the supply of money and rise in the rate of interest.

Over – Investment Theories:

The fact that heavy industry experiences more violent cyclic fluctuations has formed the basis of a number of cycle theories which trace the causes to their over-expansion.

One school of economists incorporate the elements of monetary theory within the framework of over-investment theory when they attempt to explain business cycles. F.A Hayek (16) is generally acknowledged as the leading exponent of this view which is sometimes called the monetary over-investment theory. It is claimed that the fundamental cause of business cycles is the fluctuating supply of credit on capital investment and not on consumer demand.

Another group of theoreticians among whom Cassel (17) is the central figure, attribute over-investment on fixed capital goods itself to factors other than monetary. They assert that durable goods industries, especially those handling or producing fixed capital equipment expand disproportionately during the upswing phase. This expansion eventually falls because wage increases raise production costs and the rate of technological development slows down. Consequently, the supply of capital available to maintain the level of elasticity of the producer goods industries declines as profits decline.

13. The Victorians tend to say 'trade' instead of production whereas the Americans use the term 'business cycle'.

14. For a broader review of business cycle theories, see, Cassel, P.H., Economics, op. cit., especially pp. 88-114.

15. Ralph G. Hawtrey, Monetary Reconstruction, Longmans Green, Inc., New York, 1926.

16. F.A. Hayek, Monetary Theory and the Trade Cycle, Harcourt, Brace and Co., New York, 1933.

17. Gustave Cassel, Fundamental Thoughts in Economics, Kennikat Press, Port Washington, N.Y., 1971 (1925).

Under - Consumption Theories:

These bundle of theories are among the earliest explanations advanced by economists. Though they have written rather vaguely on the subject, Malthus and Sismondi were among the early adherents.

In more recent times; Hobson (18), Foster and Catchings (19) claim that depression is the outcome of the fact that too great a proportion of current income is saved and not devoted to the purchase of consumer goods. Accordingly, on assuming that consumer expenditures do not increase in proportion to rises in income, they tend to emphasize the unequal distribution of income to be held responsible for the faster downward movement of the economy.

Psychological Theories:

Certain theories have given a central importance to the psychological reactions of the consumer, the investor and businessmen in cycle determination. The theories advanced by John Stuart Mill (20), F. Lavington (21) and A.C. Pigou (22) can be grouped under psychological theories.

Among these prominent economists, Pigou seems to have given the greatest emphasis on psychological factors, though he also makes use of economic elements in his explanation of the cycle. Nevertheless, he over-stresses businessmen's attitude towards the economic outlook and their prospects for future profits. Accordingly, either in the form of over-optimism or over-pessimism, psychological factors determine the phases of the trade cycle.

Solar Cycle Theory:

A rather distinct school of economists attempt to explain business cycles on the basis of the effects of the sunspots on weather and on the crops. W.S. Jevons (23), and later, his son H.T. Moore (24) have propagated the solar cycle theory as they claimed to establish a direct link between celestial and terrestrial events in a time span of 150 years.

This theory is mainly based on two observations: Firstly, they discovered that greater sunspot activity seemed to cause more plentiful rainfall, and thus, more abundant crops. Secondly, they observed that the length of the sunspot cycle appeared to coincide with the length of the business cycle. In line with this, even without subscribing to the sunspot theory, many economists recognize that changes in agricultural production may influence the course of the business cycle although they look for sources of instability within the industrial system itself.

Keynesian Theory:

Although Keynes offers an original explanation for industrial fluctuations, his position carries the elements of psychological, over-investment and under consumption theories though he extends these views in order to bring them into their 'proper' relation with the operation of monetary factors and price levels.

18. J.A. Hobson, The Industrial System, A.M. Kelley, New York, 1969 (1910).
19. W.T. Foster and Waddill Catchings, The Road of Plenty, Boston, 1928. quoted in Casselmann, op. cit., pp. 90-93.
20. J.S. Mill, 'An Economic and Social Forecast' in John Stuart Mill: A Selection of His Works, ed. by John M. Robson, Odyssey Press, New York, 1966.
21. F. Lavington, "Uncertainty and Its Relation to the Rate of Interest" Economic Journal, Vol. XXII, (1912), pp., 398 - 409.
22. A.C., Pigou, Industrial Fluctuations, London, MacMillan, 1927.
23. W.S. Jevons, The Principles of Economics, A.M. Kelley, New York, 1965 (1905).
24. H.T. Moore, Economic Cycles: Their Law and Causes, MacMillan, New York 1914.

Contrary to the most other economists of his times, Keynes (25) traced the causes of business cycle to changes in effective demand. According to Keynesian 'aggregationists', rises in the level of effective demand (by consumers at home and abroad, and by government) has to match increases in output potential resulting from new investment, expansion of labour force and increased productivity. As a corollary to this, it is recommended that in periods of depression the governments either have to persuade businessmen to increase their investment or have to encourage an increase in consumption (via tax cuts) or have to undertake large-scale public investment expenditure themselves. Quite consistent with his methodological individualism, Keynesian explanation has also introduced an important concept, that is, the marginal propensity to consume. This refers to the total consumption which is the mere summation of individual consumptions that tends to vary inversely with national income.

Marxian Explanation:

Marx was the first major economist who built the trade cycle into his analysis although his contemporaries had already turned away from macro-economic problems (what determines the size of the national income its division between main social classes, the level of employment) to micro-economics (what determines the output of an individual firm, the price of a factor of production) after Ricardo and Malthus.

In Marxian framework (26), the trade cycle is nothing but an expression of the inner contradictions of the capitalist system. The kernel of the argument proceeds as follows:

Competition forces capitalist firms to invest their profits in labour-saving machinery so that their efficiency will not drop. Hence the capitalist tendency of growth in the organic composition of capital. However, investment in fixed capital both replaces labour-power and engenders a fall in profits, because the value of what is produced depends on the number of man-hours involved in producing it. Hence the tendency of the average rate of profits to decline.

As unemployment rises, wages which are supposed to be already at subsistence level will tend to fall. If the originally employed workers do not accept lower wages, they are going to be replaced by some of the 'reserve army' of the unemployed. On the other hand, the fall in profits leads to a crisis during which unemployment and reserve army of labour grow.

In the short-run, crisis eventuates, as big firms swallow up small firms and thus getting back into a position where they can make profits. In the long-run growing concentration and monopolization of business reduce competition, which in turn, reduces the incentive to invest their profits (as Ricardo has assumed they would) on fixed capital. Since the capitalists' profits can only be spent for consumption goods in minute amounts, there will be a general glut of commodities accompanied by heavy unemployment.

It is beyond any doubt that Marx did represent a very significant landmark in the evolution of economic thought though his whole analysis depended on the standard of living of the average worker remaining in the long-run at subsistence level. Nonetheless, it is worth underlining that he was the first to 'notice' that unemployment was quite a frequent occurrence in the developing industrial countries of Western Europe, and that, society's capacity to produce would outstrip its capacity to consume.

25. John M. Keynes, The General Theory of Employment, Interest and Money, Harcourt, Brace Co, New York, 1935.

26. Marx Karl, Das Capital, Chapter XXV, Sections 3-4 (London, 1901) pp. 642 - 664 outlined in Frederick C. Mills, Contemporary Theories of Unemployment and of Unemployment Relief, AMS Press, New York, 1968.

D- STRUCTURAL AND TECHNOLOGICAL UNEMPLOYMENT

The notion of structural unemployment is used in a wide variety of ways, which in effect almost renders the term potentially misleading. To put it even deceptively plain, at the most abstract level structural unemployment refers to the mismatch of the demand for labour and the supply of labour. Accordingly, two lines of analysis stem from this definition that are purport to explain such non-correspondence.

When approached from the labour demand side, changes in the economic (and/or industrial) structure are spelt out as the cause of structural unemployment. This approach includes the decay of particular industries; the regional shift in the location of an industry or a group of industries; the introduction of a new production process (machinery). The decay of particular industries as well as their regional (locational) shift can be associated with the usual expansion and contraction of business within the economy. With regard to this, cyclical unemployment is encompassed by structural unemployment.

On the other hand, the decline in certain industries is sometimes tied to the changes generated from consumers. To the extent that declining earnings imply a reduction in the purchasing power; and therefore, a reduction in demand for goods, structural unemployment is related to deflationary unemployment to defy almost any dichotomous separation.⁽²⁷⁾ However, it can also be the case that the decline in some industries is the consequence of a change in consumers' tastes. "Since the Second World War there have been sharp changes in consumer preferences; for example there has been a sharp decline in the demand for coal, cotton textiles, and railways, with a parallel increase in the demand for oil, artificial fibres and motor vehicles."⁽²⁸⁾

Nevertheless changes in consumers' tastes are closely related to technological progress which may result in a superior product and stimulate a shift in consumer demand. Moreover, some of these changes in consumer habits take place quite rapidly while others are extended over a long period of time. That is the reason why structural unemployment is sometimes even associated with cultural changes. A non-correspondence between labour supply and labour demand may be due to technological developments accomplished within the economy which may involve the appearance of either a new production process or machinery or a new product. With respect to this, technological unemployment is a special version of structural unemployment which needs further elucidation, for, it is sometimes treated synonymously.

Technological unemployment stems from labour displacement associated with mechanisation and automation. It can, indeed, be linked to demand deficient unemployment which can be ameliorated by monetary and fiscal policies. But quite paradoxically, stimulating effective demand especially that of investment might well raise the level of technological unemployment as more labour saving innovations are introduced.

Although all economists agree that changes in technology or techniques of production cause immediate labour displacement, certain controversial issues follow from this which mainly focus on two fronts: the long-term effects of technological change on total employment and the nature of technological change.

The entrance of new technology into any branch of industry has two fold effects. Firstly, it raises the potential output of the industry with its present labour force. Secondly, it enables the costs of the industry to decline, or the quality to improve or the production of a brand-new

27. It has to be noted that structural unemployment can exist at any level of aggregate demand, whether or not, there were a depression.

28. Martin Roderick, and R.H. Fryer, Redundancy and Paternalistic Capitalism: A Study in the Sociology of Work, London, Allen and Unwin, 1973. p. 16.

commodity. Parallel to this, technological changes may result not only in outright unemployment but in displacement of skill as well. Even when work opportunities exist; workers may experience difficulty in obtaining a job in which they can utilize their skill and ability.

Technological development, undoubtedly, causes an immediate displacement of skill, necessitating in many instances a re-training and adjustment period and/or the acquisition of new skills. Besides, the relationships between various causes of unemployment seem to be so intertwined that whether improvements in technology increase employment in the long-run; or at least they do not displace more jobs than they create is a moot point. A third alternative still exists with respect to capital saving technology. This form of technology renders feasible for an industry to turn out the same product with a cheaper capital equipment and thereby making it attractive to expand production and to hire more labour.

Anyway, although the various available pieces of evidence only 'prove' to be inadequate to assess 'properly' the 'net' effect of technological change on employment and occupational structure; a number of basic factors can be cited for the evaluation of this effect. Still, these factors can be considered the 'causes' of structural unemployment as they are suggested to be the factors which tend to influence either the extent of technical change to result in technological unemployment or the rate of absorption of displaced labour or both. Accordingly, these are;

- 1) the degree of competition in the industry
- 2) the stage of development in the industry (that is, whether it is expanding or whether it has reached a period of stability or of contraction)
- 3) elasticity of demand for the product
- 4) relative labour costs
- 5) the supply of labour available
- 6) the mobility of labour force.

The second controversial issue related to technological unemployment is about the nature of technological changes, as to what extent it can be a distinct phenomenon divorced from the business cycle. A group of economists, known as the 'innovation' school (29), among whom Schumpeter (30) is the outstanding exponent, identify the moving force behind cyclical fluctuations in business with technological changes. Here, it has to be emphasized that Marx even traces the cause of technological improvements to competition, organic composition of capital and the tendency of average rates of profit to decline. And the opposing views, as found expression in Lester's works (31), after a close scrutiny on the course of business cycles argue that the behaviour of technical change and the resulting economic reactions differ from one cycle to another.

After all, technological unemployment cannot be an absolute menace to workers, although there is a theoretical limit of employment which assumes the arrival of total automation. This is because a worker cannot produce the countervalue of his entire wage in zero minutes, and that, capitalist exploitation can never suppress a residual. But even this fact cannot disguise the possibility that technological progress may historically reactivate two labour problems: Firstly, it may induce unemployment and a macro concern for 'job security' may come into display. Secondly, it has effects on production possibilities which can reach dimensions far beyond unemployment when contemplated within the international system of dependent economies.

29. Some known members of this school are Emil Lederer, Gustave Cassel and Arthur Spiethoff.

30. J.A. Schumpeter, Business Cycles, McGraw Hill Inc., New York, 1939.

31. Richard A. Lester, Economics of Labor, MacMillan, New York, 1951.

When structural unemployment is approached from the labour supply side the emphasis is put on population and its characteristics, although the distinction between individual and collective supply of labour is blurred in various ways. Indeed, labour supply cannot adjust itself in a flexible way to changes in the volume of demand for its services. This is not only because labour surplus cannot be liquidated below cost, if needed be, like other commodities. But also because labour shortages cannot be overcome in the short-run, if there is a basic scarcity of labour.

As regards to these, the problem of over-population with its feasible impact on unemployment has frequently been explored by economists and demographers since Malthus. (32) In his famous doctrine of population, as later adopted by Ricardo, evolution of societies faced with population growth is built upon the maintenance of subsistence level. The pressure of population on the means of subsistence (e.i. land) results in destitution and poverty, which indeed will be a natural positive check to unemployment caused by excess number of workers.

Marxist model of capitalist development also uses the notion of surplus population, but not as a source of unemployment and poverty. Within this conceptual framework a relative surplus population which provides the 'reserve army' is actively promoted within the capitalist system, whether by labour-saving innovations or by promoting the growth of the wage labour force. The relative surplus population exists in every possible form to constitute a disposable industrial reserve army. Every labourer may belong to it during the time when he is only partially employed or wholly unemployed to be one of the energetic agents of the reproduction of capitalist system.

When population growth is considered as a cause of unemployment; there can be divergent views that associate poverty and unemployment with surplus population. Even if it is recognized by Marx that the degree of inequality is a property of social relations of production and population increase is a mechanism whereby these social relations are maintained, this time another controversial issue arises; any definition of relative poverty has to be based on a definition of absolute poverty, as a yardstick. In practice commodity bundles (consumer price index) that are necessary to maintain a 'constant' standard of living are used for measurement of poverty to delineate surplus population. And, quite contradictory to the conceptual commitment on 'absoluteness', these only turn out to reflect changes in commodity prices which are themselves historically and/or socially determined. (33)

This dilemma is quite apparent in the following definition, "We shall define as 'surplus' that part of the population which under normal conditions of domestic and international demand and in spite of appropriate measures of employment policy, is not or is not likely to be able to secure regular employment yielding an income commensurate with acceptable standards of living." (34) Therefore, despite its 'objective' overtone, the concept of population surplus and over population such remains quite relative and hence debatable even at the national level. Let alone international comparisons. With respect to this, it can be claimed that these disagreements stem from the fundamental theoretical differences pertaining to the relationship of value and price as well as their determinations.

When approached from another angle; the causes of structural unemployment are also sought in variations in labour participation rates of population since the latter is an expression of collective labour supply.

32. Thomas R. Malthus, An Essay on the Principles of Population, London, 1803.

33. David M. Gordon, Theories of Poverty and Underemployment, D.C., Heath and Company, 1972, pp. 98-100.

34. I.L.O. Asian Advisory Committee, Fourth Session: Underemployment in Asia (Geneva 17 – 18 November), 1952, p.5.

In general, labour participation rates refer to the ratio of labour force over people of working age (e.i. conventionally, people in between 15–64 years of age). And when the attributed cause of structural unemployment is variation in collective labour supply, to be that of variations in labour participation rates; this time certain factors which influence the over all rate of unemployment are cited as the 'derived' causes of structural unemployment. Some of the recognized factors which bear on the fundamental question of how many persons will 'seek work' out of a given population can be cited below:

- 1)the growth rate of national economy and the inflation rate
- 2)the growth of general well being to provide social services (e.i. housing and transport facilities)
- 3)attitudes to work and to gainful activities (in terms of their dignity and ignominy)
- 4)the drift from country to city
- 5)legislation about minimum working age
- 6)compulsory full-time education
- 7)general lengthening of life
- 8)the decline in the number of hours of labour per day expected of a job holder. In line with this, it is claimed that, "removal of the objections to certain kinds of work, increased incentives to earn money, emancipation of women, improved mobility etc. will raise participation rates." (35)

On the other hand, sometimes the mere empirical knowledge that some groups have higher unemployment rates than others is put forth as a characteristic of variations in labour supply. Then, structural unemployment is obviously confused with frictional unemployment; to render the term even more inclusive and futile. Moreover, the demarcation between collective labour supply and individual labour supply is violated so as to treat the former as a mere aggregate of the former. The groups with higher unemployment rates, accordingly, are analyzed in terms of their personal and/or demographic characteristics such as age, sex, marital status etc. It is claimed that these personal characteristics of job-seekers engender certain behavioural patterns which lead to differential unemployment experience within the collective labour supply which in turn lead to variations in labour supply, and hence structural unemployment.

Nevertheless, there are assaults to this logic on four levels. First, it is argued that higher unemployment incidence among certain groups does not necessarily mean that their demographic increase will automatically imply a rise in unemployment rates; and that 'determination' does not at all imply statistical preponderance. Secondly, it is underlined that the behavioural traits should not be absolutely and exclusive identified with personal characteristics. There can, at least theoretically, be various ways of clustering people on the basis of their properties, and these properties need not be empirically observable. Finally, doubts are casted as to whether it is sound "to infer from a group's past behaviour either that all of that group will have those traits or that such behaviour will continue to characterize that group." (36)

35. P.P. Streeten, A. "Critique of Concepts of Employment and Unemployment" in Third World Employment in Third World Employment: Problems and Strategy, Richard Jolly et. al. eds., Penguin Books, 1973, p. 57.
36. G. Standing, "The Notion of Voluntary Unemployment", International Labour Review, Vol. 120, No.5, 1981, pp. 571 – 572.

2. INTRICACIES OF DEVELOPMENT

"Therefore mankind always sets itself only such tasks as it can solve; since looking at the matter more closely, it will always be found that the task itself arises only when the material conditions for its solution already exist or are at least in the process of formation."

(Preface to the Critique of Political Economy, Marx).

The origins of terms which refer to different forms of unemployment reveal that employment is recognized as a problem by early thinkers, albeit they have attributed different causes to unemployment, in spite of their differential doctrinal commitments and the diversity of their interests, background and experiences. Yet, these early thinkers from Ricardo to Keynes all seem to agree that growth in already developed countries will gradually create conditions which will make it grind to a halt. Indeed, output growth, economic growth, development and progress have been identified with each other. And, although the reasons they adduce are quite different; the unanimity that economic growth will sooner or later succumb to some kind of obstacle or come against some kind of ceiling is quite impressive. To put it differently, they appear to be all aware and anxious of the self-limiting tendency of output growth.

Similar to those various causes of unemployment; the 'gravediggers' of growth were different for each of them. The Law of Diminishing Returns in agriculture for Ricardo; population growth, for Malthus; collapse of markets and insufficiency of purchasing power, for Marx; the exhaustion of coal and natural resources, for Jevons; the undermining of the entrepreneurial spirit, for Schumpeter and the falling marginal efficiency schedule of capital, for Keynes. (1)

However, what is apparently striking is that, although these 'villains' in the minds of the great economists of earlier days referred to the conditions created by economic progress itself, they now, denote the characteristic features of 'developing' countries: lagging productivity in agriculture (Ricardo), high population growth (Malthus), lack of markets and purchasing power (Marx), unproductively consumed natural resources (Jevons), failures of, or interference with entrepreneurship (Schumpeter), the absence or exhaustion of productive investment opportunities (Keynes).

Nonetheless, as a natural counterpart of their idea of economic progress with its self-limiting nature; the great economists of the Ricardo-to-Keynes era entertained a sort of optimism about the prevailing conditions in developing countries of their time. It somewhat followed logically that the self-limiting factors would not operate in the early stages of progress in the developing countries, for, these conditions were to be created by the force of progress itself.

Moreover, the historical evidence of their day also had encouraged this reflection since other countries joined in the progressive march one after the other. First Belgium, Holland and France then the United States and Germany, then Japan then Russia then Canada, Australia, New Zealand. Still, it did not escape from their eyes that the economic beliefs and policies differed among the late-comers as well as from those of the pioneers of progress. Nevertheless, the selective distribution of these countries over the globe was generally explained on non-economic grounds by these analysts providing manifold answers and advocating for different motor forces (e.i. Protestants in Weber, Puritans or Calvinists or Jews or religious minorities generally in Sombart and/or Prussians in Sombart, again).

1. H.W. Singer, "Recent Trends in Economic Thought on Underdeveloped Countries," in The Strategy of International Development, eds. by Sir Alec Cairncross and M.Puri, Macmillan, London, 1975. pp.1-21.

But, these views on employment in the context of both already developed and developing countries were re-shaped as the world capitalist system unfolded. Employment as well as unemployment provided the theoreticians with a definite object of knowledge which were both structured by the combination and interrelation of ideologies that prevailed within the social formation in which they existed. "Theoretical analysis always operates on notions embodied in discourses or texts which-however they are transformed theoretically are originally a product of the reproduction of a particular set of ideologies dominant during the process of theoreisation." (2)

With respect to this, the following is mainly designed to summarize briefly the changes in human thought within a time span of four decades. Accordingly, this limited practice on history of knowledge has two-fold functions: to lay bare how truth is historically produced and to explain the origins, determinants and continuing reproduction of the conceptual frameworks. Hopefully, it is going to provide a basis for analysing the major determinants of the received conceptions of the employment and/or unemployment theoreticians and trace the 'effects' of their theoretical work since the Second World War up to the present.

A. 1950s

The prevailing 'pessimistic' view of the before Second World War period changed into its exact opposite in the fifties. The immediate post war circumstances had impressively demonstrated both the capacity of industrial countries to overcome the effects of widespread war destruction and the effectiveness of Keynesian policies in mitigating a severe post-war slump. Under the pressure of war necessities, technical progress (3) had speeded up and the development of synthetic materials served to relieve the Ricardian anxiety of diminishing returns.

Subsequently, emphasis shifted in developed countries, from such factors as physical capital and dependence on natural resources towards the 'human factor' in development. Was not that productivity could infinitely be increased by the systematic and continuous application of ever deepening scientific insights to the design of machinery? With respect to this, on assuming some thing like a 'Law of Increasing Returns' in research and development; great attention was directed to skills, training, attitudes, institutions, research centers, developing machinery by applying new research in production, etc.

The growth models of the Harrod-Domar type, on the theoretical plane, formed the basis for descriptive and practical policy considerations. And despite the expectations of a stationary condition of economy within theoretical reasoning; the possibility of continuous and self-sustaining growth was 'officially' accepted within the context of already developed countries. When the shifted emphasis on the human factor as an active agent of progress in developed countries was combined with the 'idealization' of capitalist system, both engendered the introduction of the tradition/modernity couple to explain the ongoing differences among countries.

Indeed, the transition of 'some' societies from tradition to 'modernity' has formed a theoretical object for the 'Sociologists of Development' (4) as it emerged during the post-war

2. John G. Taylor, Modernization to Modes of Production, Macmillan, London, 1979. p.8.
3. Keynes's anxiety that rapid capital accumulation would decrease the marginal efficiency of capital were alleviated as the latter was 'naturally' pushed up by technical improvements.
4. The theoretical foundations of 'Sociology of Development' can be traced back to Parsonian structural-functionalism as well as to the writings of theorists such as Tonnies and Weber. For a lucid discussion of the subject see, Taylor, op.cit., pp. 3-41.

period. For modernization theorists the industrialized countries crystalized an end-state as they had contemporarily attained the most differentiated systems. The contemporary modernising societies of the Third World Countries were supposed to differentiate in the direction of the end-state which was reached by the already developed societies. It was their theoretical conviction that all societies ought to undergo changes from one equilibrium state to another while an evolutionary correlation between industrialization and differentiation formed one of their other axioms. Then, it logically followed that the process of 'modernization' now occurring in Third World societies had to follow a path analogous to that taken by pre-existing forms of capitalist industrialization (i.e. the capitalist formations of Europe and North America). Along with this, any qualitatively new forms of economic and social development generated in the course of modernization of developing countries could only be tagged as 'deviants' from this norm. (5)

Nevertheless, the theory of modernization gradually more and more became a search for empirically given indicators of a pre-given teleological conception of history that flourished in different forms. One tenet focused on descriptive stages theory in which Third World countries were placed on a continuum of economic development derived from previous phases of capitalist industrialization.

Another group emphasized the agencies through which the 'given end' could be attained. Processes like urbanisation, the strengthening of institutions, the promotion of rural entrepreneurs and traders, the creation of innovating political elites; a more nationalistic military, etc., were analysed so as to ensure development. With respect to this; the Weberian search for the universal cause of capitalist industrialization in the rational calculation of means towards goals was transformed into concerns of nationalisation on various grounds as a generator of change. At the most extreme, the psychologistic school to modernization (6) even conceived development to be solely a problem of ensuring that those individuals who possessed a high motivation to achieve, entered into key entrepreneurial roles.

However, quite ironically, the emphasis both on the transcendal nature of capitalism and on the human, that is, non-economic, difficulties on the way to development elevated the latter to the status of endogeneous factors while it appeared exogenous and sociological before the Second World War. Moreover, in combating unemployment, it seemed that re-shaping existing institutions and attitudes as well as developing human skills were more complex and painstaking than the mere injection of capital. It might be 'cheaper' yet harder.

While explaining the prevailing differences among countries, several theorists reflected their doubts pertaining to the straight and narrow path of exponential growth, to the diminishing profit rates, to chronic unemployment and idle capital to produce a stationary state to 'developing' ones although these were all abandoned in the developed ones. As it found expression in the 'take-off' theory proposed by Rostow (7), a terrific concentrated effort was required to give momentum to the developing economies. Accordingly, an 'underdeveloped' country had to first create a number of diverse preconditions which included changes in institutions and attitudes; the provision of social and economic overhead capital; raising of agricultural productivity and solution of land-tenure problems, etc. Since any successful solution of these problems would necessarily place an underdeveloped country on the runway, before take-off was achieved, several theories were advanced to tackle the stringent conditions of the presently developing countries so that they might accomplish an exponential growth and augment employment opportunities.

5. B.F. Hoselitz; N.J. Smelser, M.J. Levy and W.E. Moore can be cited as the most conspicuous adherents of 'Modernization theories'.

6. The major exponent of this theory is D. Mc Clelland, The Achieving Society, Von Nostrand, Princeton, 1961.

The desparate 'take-off' prospects of developing countries generated views which tended to conceive the situation in developing countries as a system of 'vicious circles'. They emphasized that various factors were so interlocked that they mutually tended to produce a stagnant or stationary situation from which it was difficult to move away. The focus was on mutually supporting obstacles which stood in the way to development path. Accordingly, theorists tried to locate some kind of obstacle and/or barrier which made the modest initial growth self-sustaining rather than cumulative, and which would only be got over by some exceptional 'big-push.' (7)

Parallel to this, the self-sustaining difficulties facing the developing countries gave way to ideas on three different platforms with respect to the locus of this barriers.

A tenet of 'vicious circle' theorists brought the problem of 'industry versus agriculture' problem on the agenda as they debated on the question of "balanced" or "unbalanced" growth. As the leading exponent of the theory of balanced growth, Nurkse (8) built the vicious circle around such economic variables as lack of markets, lack of synchronization of investment and trade factors and low incentives, etc. He argued that industry and agriculture formed a functional whole and that a simultaneous development of a number of lines of production would likely to create favourable market conditions. Similarly a possible way out of the deadlock could only be through balanced investment and that lack of markets in developing countries made it impossible for any isolated development of individual lines of production.

However, although the principle of balanced growth proved to be good news for developed countries whose expansion was in fact going on along a broad front, it did not have similar consequences for developing ones. This was certainly because the theory had assumed a sufficient slack in the developing economy as well as a considerable volume of unutilized resources so that it could engage in the simultaneous expansion along a broad range of economic activities. This condition was obviously not plausible in the countries and this fact was pointed out by Eckhaus. He (9) asserted that labour abundance, capital and land shortage described the unfavourable factor endowment position in developing countries. The fact that capital and labour were not substitutable in production, that is, rigid factor proportions, rendered impossible to absorb the surplus population even with a relatively primitive level of technique. The argument propounded by Eckhaus still held in agriculture where factor proportions were less rigid. This was because the most labour intensive process in agriculture required some minimum amount of capital per unit of labour.

On another plane, rapid population growth served as the most easily detectable barrier and target of attack deserving the 'big-push'. Rapid declines in death rates associated with simple sanitary precautions were considered to be the facilitating factors in the formation of a surplus population that put great demands on food, housing and all forms of social (as opposed to directly productive) capital. It was asserted that small advances would simply be eaten up by surplus population, which otherwise might have led to fundamental improvements. The argument proceeded on the 'dearness' of the provision of overhead capital, that is, transport and communications, housing, urban utilities, schools and educational systems, hospital and health systems, etc. It was further pointed out that these expenditures had a high capital/output ratio and a very long gestation period before the appearance of final output which in turn, exacerbated inflation. Two "solutions" were suggested to break this deadlock; either a remarkable advance in

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7. Walt W. Rostow, The Stages of Economic Growth, A Non-Communist Manifesto, Cambridge University Press, London, 1971 (1956).
 8. Ragnar Nurkse, "Some International Aspects of the Problem of International Development," American Economic Review, (May 1952).
 9. C.R.S. Eckhaus, "The Factor Proportions Problem in Underdeveloped Areas," American Economic Review, Vol, 45, Sept, 1955, pp. 539-565.

living standards of such a kind as to change the attitudes to large families. Or, as Leibenstein (10) recommended, a striking and rapid improvement in production was the requisite to overcome the persistent income-depressing effects of rapid population growth.

On the other hand, an unlimited supply of labour was also welcomed and indeed surplus labour theory as initially advanced by W.A. Lewis (11) proved to be a fertile source of policy advocations with respect to capital formation. Indeed, agricultural labour being available for industrial employment at a constant real wage flourished in dual economic models which conceived the national economies consisting of a small 'capitalist' and a large 'subsistence' sector, as later developed by Ranis and Fei. (12) For dual economists, the excess supply of labour in the subsistence sector implied that labour supply was not an effective constraint on the growth of capitalist sector. The capitalist sector could recruit as much labour as it wished at a constant wage rate fixed as a proportion of subsistence level of wages in the traditional sector.

Given surplus labour and a wage rate at a constant low level, profits in the capitalist sector would be high. On the assumption that 'capitalists' re-invest the entire surplus; which in turn was given by surplus profits; both transfer and labour absorption in the modern sector were supposed to take place at a rate that would be a consequence of the rate of capital accumulation. As the transfer of labour continued, unemployment (and/or underemployment) in the rural sector would be reduced as employment in the modern industrial sector increased. Similarly, this cumulative process was believed to result in leading to higher incomes, a large capitalist sector and a higher ratio of investment to national income.

Surplus labour theory also culminated in the 'Green Revolution', within the context of which a forced urbanization was advocated as an extension of "full employment welfare state view." It was argued that technological changes in the agricultural sector would allow the production of basic supplies by an increasingly small fraction of the national population. Then, the surplus agricultural workers could be taken off agriculture and put to 'productive' use in building the urban complexes financed by the surplus siphoned off from the modernized agricultural sector.

This view was also defied on the basis that capital formation through agricultural surplus could not be an 'automatic' or 'painless' process. For the success of this attempt, several conditions had to be ensured such as:

- 1) agricultural workers remaining behind would not increase their average consumption level.
- 2) available food ought to move physically out of the village and reach the 'new' workers; as no transfer of value from urban to rural sector was intended.
- 3) agriculture would be taxed 'effectively'.

Consequently, in the developing countries, neither might necessarily happen. At first sight, it was quite feasible that the shortage of food experienced by migrants would lead to more favourable terms of trade for agricultural products relative to manufactured goods and the proportion of peasant output marketed would go up in response. Yet, another alternative to prevent this, would be, state intervention to feed the workers through agricultural taxation as well as the monopoly procurement and public distribution of food grains. However, this mechanism also would not likely to operate. Material incentives through distribution were always used

10. Harvey Leibenstein, Economic Backwardness and Economic Growth, New York Wiley, (1963).

11. W.A. Lewis, "Economic Development with Unlimited Supplies of Labour," Manchester School, Vol., 22, 1954, pp 1-22.

12. Gustav Ranis and John C.H. Fei, "A Theory of Economic Development," The American Economic Review, Vol. LI, No.5, Sept. 1961. pp. 533-558.

to play a necessary role in capitalist economies and could only be assured by the higher returns to few rich farmers in the modernized agricultural sector. Accordingly, surplus should not be immediately 'siphoned off.' Besides, it was a fact that, developing states were mostly too weak to be effective in taxing higher incomes in order to provide social services. Above all, as Nurkse pointed out, the extensive subdivision and fragmentation of land were responsible for much unproductive labour time. And, the removal of excess labour would often be prevented by those who were interested in maintaining the existing structure of property in the land.

On the other hand, utilization of surplus labour would make considerable demands on the entire economic organization. A large scale movement of labourers from the villages to centers of non-agricultural work would require the setting up of housing and other facilities of life as well as ensuring the supply of equipment, raw materials and food for them. Obviously, these could not be conceived a 'routine' form of economic activity in the context of developing countries especially while social overhead capital was quite low. Moreover, if the best alternative (agriculture) was taken as a point of departure, the wage rate offered by an industrial project inevitably would tend to exceed the value of the marginal product of (unskilled) labour in rural sector. (13)

Yet another version of 'vicious circle' theories was provided by the so-called 'backwash' theory with which the name of Gunnar Myrdal (14) was associated. Myrdal's vicious circle emphasized the existing inequalities between the developed and developing countries, whereby great regional economic inequalities tended to create conditions that continually widened the gap between regions. In other words, this theory stated that the 'spreading' effects of progress in developed countries had some harmful or 'backwash' effects on the economies of the developing countries, apart from certain beneficial effects, if any. Amongst such backwash effects; the development of a premature desire for high-level consumption stemming from the demonstration effect of conditions in more developed countries; the spreading of premature ideas in developing countries about the welfare state, social insurance and minimum wage legislation were usually cited.

B. 1960s

In 1960s the concern about the continued existence of world mass poverty was inevitably combined with the conspicuous failure of some of the underdeveloped countries and regions to join in the march of progress. With regard to this, the impression of an increasing gap between the developed and underdeveloped countries was much more intensified, and the conception of a single world economy began to rise on the "official" horizons. The concept of Malthusian overpopulation got more and more divorced from its original sense since it was no more possible to identify mass poverty experienced in the developing countries with the ongoing unemployment in the developed ones.

The unemployed died of hunger not because there was too little to eat but because there was relatively too great a supply of foodstuffs. This was because the contradiction between the progressive socialization of production and the private appropriation of its fruits which served the driving power of the capitalist system unfolded. And though, extraordinarily, the economic

13. Ajit K. Dasgupta, Economic Theory and the Developing Countries, St. Martin's Press, New York, 1974 pp. 22-25.

14. Gunnar Myrdal, Rich Lands and Poor, Harper, New York, 1957.

crisis was no more crisis of scarcity, but of over-production.(15) Since this phenomenon could only be conceived when viewed from a global perspective such immensely practical motivation forced not only unemployment theories but also the attitude of developed countries towards the developing ones to be re-oriented.

On the other hand, in a group of developing countries, the facts of life did not really bear out the strong pessimism since their national incomes increased as about the same rate as the national incomes of more developed ones (e.g. the growth of the Latin American region during the post war decade). This further vindicated the opinion that "if on a per capita basis the rate of progress among the underdeveloped countries was slightly less than that of developed countries, this was due to differences in population growth and in economic structure rather than to any inherent failure of production to increase in the underdeveloped countries." (16)

Nevertheless, even this progress had not proceeded so smoothly as expounded by 'dual economy' theoreticians. The close connection they assumed between the subsistence sector and the level of wages in the capitalist sector did not hold; for urban real wages rose both absolutely and relatively to rural living standards, even in the presence of open unemployment. Although their contribution through the accentuation of transfer of labour from rural to urban sectors should not be disregarded, their assumptions also clashed at other facets of social reality: there was not full employment in urban sector, neither the pervasiveness of surplus labour in the countryside was an unquestionable supposition.

Exactly, the opposite was witnessed in the urban areas of the Third World where considerable open unemployment existed side by side with the presence of massive employment in informal and/or unorganized sectors. In brief, nascent modern industry had failed to absorb labour which was readily transferred from rural sector. (17)

With regard to these, 1960s displayed not only the evidence of stagnation, weakness of primary commodities, increasingly capital intensive technology but also evidence of progress particularly in development planning techniques. At the theoretical level, the conception of national economies as closed systems was eroded. Even the most cursory survey of national economies could no longer be confined to a consideration of the situation of industrialized countries on the one hand and of developing countries on the other; each looked at in artificial isolation. Besides, the world economy was neither simply the sum total of individual national economies each of which functioned according to its own laws of motion. Nor, their only marginal interconnections consisted of merely external trade. These national economies were rather, organic elements of all-embracing system, namely, a world economy which was, in fact, a single world-wide capitalist system. And, the structural changes in individual economies were interrelated to determine one another mutually.

As far as policy was concerned, the closed system of economic models of employment had implicitly assumed that lower wages would encourage labour-intensive techniques if capital was not 'underpriced' by overvalued exchange rates, tax concessions and low interest rates etc. However, it was now conceded that within a highly unequal world economy, the two mainly advocated factors of adjustment (that is, capital accumulation and adjustment in factor prices) might lead the primary producers of the Third World away from full employment than towards it.

15. Ernest Mandel, An Introduction to Marxist Economic Theory, Pathfinder Press, New York, 1976.

16. H. Singer, op. cit., p. 15.

17. Genuinely, these two observations verified Marx's conceptualization of 'floating' and 'stagnant' relative surplus population, respectively.

Nevertheless, the duality was still acknowledged, but not within the boundaries of national economies. It was the paradox of capital goods producers and raw material producers. The obstructing impact of technical progress in the industrialized countries on developing economies was now widely accepted and began to be overstressed. Although Alfred Marshall insisted on the merits of available stock of technical knowledge at the disposal of new-comers; the followers of backwash theory underlined the 'inappropriateness' of capital-intensive technology. In line with this, the developing countries were begun to be presented as 'underdogs' which financed the reproduction of the capitalist system through their self-sustaining backwardness as far as the mechanism of private foreign investment was concerned.

Similarly, the blackwash effects of the technical progress in the industrialized countries which resulted in the use of raw materials in the development of synthetic materials as well as in their industrial structure were closely explored by Paul Prebisch.(18) His argument focused on the disadvantageous status of developing countries vis-à-vis the technical improvements. He detected a chronic tendency in the former of weakness in terms of trade, the price relationship between primary and manufactured products.

While the developing countries were said to suffer from unfavourable terms of trade, the already industrialized countries were experiencing over-production and trembling in the cold war. With regard to this, the impetus was present to trigger a movement under the banner of technical assistance to transfer and adopt mankind's enormous stock of technical knowledge and expertise to developing countries.

The development of international aid and technical assistance as well as the progress in development planning techniques engendered a pragmatic view: try to build on the more useful elements and strengthen them while reducing the impact of the unfavourable elements. Even though the difficulties of finding productive investment opportunities were acknowledged, they were no more considered as absolute and unalterable. The hope was there to make progress even with limited resources by concentrating them at strategic points (e.g. augmenting overhead facilities as transport and power). It was advocated that a sufficient increase in their supply without disrupting production would elicit the maximum linkage effect.

The spadework made by the early students of the post war decade were no means neglected or underestimated. But the difficulties in the path of economic development pointed out by them were considered in the nature of a challenge which was not beyond human wisdom to cope with. This new trend in thinking was a search for possibilities, whether they be numerous or few. The emphasis was placed upon the availability of an unutilized potential of labour, human talent (including entrepreneurial abilities) resources of all kinds; savings capacity, fiscal capacity, directions of technological research etc., all devoted to reactivate such unutilized potentials.

But the most striking feature of this policy implementation was its close interrelation with underdevelopment theories which constituted a theoretical reaction to Sociology of Development. The latter had accepted as axiomatic that the process of economic penetration of traditional societies by capitalist relations of production were essential prerequisites for modernization. However, the Sociologist of Underdevelopment counter argued that an ending to these forms of penetration was an essential prerequisite for the development of an economic structure based upon the needs of the indigeneous population. In order to arrive at this conclusion, 'underdevelopment theorists' elucidated the economic, political and ideological relations that presently existed between the industrialized capitalist societies and those of Asia, Africa and Latin America. They pointed out that the international dynamics operating on domestic invest-

18. Paul Prebisch, Towards a New Trade Policy for Development, United Nations, New York, 1964.

ments of developing countries within the unevenly developed capitalist world economy perpetuate an 'alien' capitalist sector in the economies of the Third World, because of the technological superiority of developed nations.

With regard to this, Sociology of Underdevelopment was an attempt to demonstrate "how the process of capitalist industrialization in each of its specific phases was facilitated by the enlarged reproduction of the capitalist mode of production occurring within a world division of labour which guaranteed that the reproductive requirements of each phase could be adequately met through an exploitation of non-capitalist and emerging capitalist economies." (19) In line with this, it was claimed that the result of economic penetration of Third World economies had been to produce an economic structure whose development was both highly uneven and necessarily restricted to particular sectors of underdeveloped economies by this penetration. Accordingly, neither of the same preconditions for an extension of capitalist industrialization in Western Europe could be duplicated in Third World societies. But also the very attainment of these preconditions was blocked by their economic relations within the now industrialized capitalist countries. To put it more briefly, for Sociology of Underdevelopment (20), development of capitalism (albeit only through merchant's capital) both generated development and underdevelopment which, in turn, sustained the reproduction of capitalism. And the only way out of this vicious circle was a more rational organization of Third World Societies' surplus product on the basis of "planned" economic surplus.

In addition to this, despite the total divergence of its conclusions from those of Sociology of Development; the form of explanation adopted by Underdevelopment theorists was quite similar. The existence of any contemporary phenomenon of an underdeveloped society could only be explained whether or not they contributed to the attainment of a 'potential' state. What differed in Sociology of Underdevelopment was only that the potential state denoted the full utilization of resources of satellite societies; an internal surplus utilization, so to speak; rather than the differentiation already achieved in industrialized countries.

C. 1970s

New attitudes to the development problem and new dimensions and approaches came to the fore after 1973 oil-shock. Both the rise in oil prices and the boom, to some extent, in primary commodity prices served as a watershed within developing countries. The concept of a homogeneous Third World (e.g. satellites) was certainly shattered. The oil producers as well as those countries of the Third World which had strategic commodities to export left the ranks of those to whom financial resources prove to be a constraint to their growth and development. On the other hand, those countries which needed to import oil were also hit by the oil-induced inflation in the rich countries, as well as their obviously reduced ability to give aid.

As the distinction between semi-periphery and periphery (21) was sharpened; as opposed to the uniform treatment of underdeveloped economies, the conception of world capitalist system also was further equipped with qualifications at the theoretical plane.

Indeed, since its inception international trade was the most apparent manifestation of the world economy. After industrial capital had established dominance in the nineteenth century merchant capital was transformed into an 'agent' or 'aspect' of industrial capital. Its domain

19. John G. Taylor, *op. cit.* p. 43.

20. A.G. Frank, Capitalism and Underdevelopment in Latin America, Monthly Review Press, 1967; P. Baran and P. Sweezy, Monopoly Capital, Penguin, London, 1966.

21. Emmanuel Wallerstein, The Modern World System: Capitalist Agriculture and the Origins of the European World - Economy in the Sixteenth Century, Academic Press, New York, 1974.

was no longer limited to the circulation sphere but began to establish control over the production process itself. The mere production of commodities was doomed to be useless, unless the value of commodities produced, was realized in the world market. And, this function was usually undertaken through a small group of merchants with oligoponistic privileges.

On the other hand, when the commodity produced entailed large investments in fixed capital, this financial dependence led to a systematic yet asymmetric relationships between centre and periphery within production of abstract wealth and its further appropriation. Accordingly, money capital as a principal source of production moved directly into production by loaning the amount necessary for the investment, and hence collecting interest on that loan. On the condition that it organized the production process to a certain extent, merchant capital was claimed to imitate industrial capital; while, together with financial capital, they could both operate as 'agents' of industrial capital without necessarily becoming industrial capital themselves.

The industrial country monopoly through the supply of capital goods had urged massive foreign aid injections to developing countries while stimulating export-promotion. However, foreign aid policies of industrial countries had frequently restricted use of aid to the capital (imported equipment) component of projects which introduced a growing labour-saving bias to industrial techniques. Moreover, shortage of supervisory labour to complement the available unskilled and semi-skilled labour came to the fore. Tax concessions on investment expenditure, artificially low interest rates and overvalued exchange rates not only cheapened domestic capital but also had encouraged the use of labour-saving technology. As a result, importation of capital equipment and intermediate goods exacerbated a balance of payment crisis which further led to continually overvalued exchange rates and the reliance on capital biased foreign aid, in the periphery and semi-periphery.

As regards to these, the operation of domestic capitalist sector in urban areas of the developing world turned out to be an 'isolated' height in several respects. Firstly, by virtue of competitive advantages vis-à-vis indigeneous small-scale enterprise it provided a higher level of income for a tiny proportion of the population which was extravagantly beyond the capacity of the economy to provide for the rest of the work force. This, ultimately, resulted in a distribution of income in the indigeneous country which would bias the structure of demand toward capital and skill-intensive elite goods.

Secondly, because of its capital intensity, the imported capital equipment necessarily displayed labour, that is, output was increased at the expense of employment.

Turning to the status of international capital; if foreign investment were expected to play the role often assigned to them in peripheral economies, foreign capital had to move freely and remuneration to it had to be conveyed through a structure of incentives that had to meet the same 'standards' generated by the world market. Accordingly, the elucidation of the pattern or type of aggregate GNP growth, however rapid in the oil producers and countries in a similarly strong position, demonstrated another important feature of their so-called development. It had concentrated its benefits on the foreign investors and multinational corporations which could 'bring' modern technology to bear upon the modern industrial sector of peripheral economies and the small upper-income local elite groups associated with them. It then, became inescapable to concede that GNP (e.i. output) growth might go hand in hand with raising income inequality, poverty and unemployment. In addition to this, it was underlined that conventional statistics took account of the destruction of informal and traditional sector activities which provided most of the employment opportunities.

The hard facts of rapid population increase, the increasingly capital intensive productive technology created in the peripheral economies, the distortion of factor prices and rewards connected with the process of industrialization as well as the education explosion and migration

explosion indicating a strong preference for the modern sector jobs all tantamounted to an intolerable imbalance in the process of growth. Besides, the idea that capital-intensive, import-substituting industrialization could absorb the rural surplus labour and create a 'golden age' where rural incomes and rural/urban wages both rise together lost all ground. Finally, in the seventh decade of the twentieth century, the nascent doubts on the existing problematique were begun to be voiced; "If the problem is one of 'unemployment' then the solution is 'employment'. And if by employment, we mean 'wage employment' than the solution is clear-faster growth of the foreign-owned 'modern' (i.e. imported from the West) sector. This is not a solution; it is the problem itself." (22)

D. 1980s

Naturally, the peripheral countries of the world capitalist system celebrated 1980 in a gloomy mood as another discouraging vicious circle was vindicated. "The labour saving technology tends to create an unequal income distribution and the unequal income distribution creates a demand pattern providing a limited market for the products favoured by the carriers of imported capital intensive technology." (23) Hence, the question of employment and income inequalities was brought into the centre of the picture.

In the centre, capitalist crisis seemed to be consolidated and began to disrupt life within the world system more than ever with ongoing stagflation. Accordingly, the attempts of economic integration (EEC, GATT, UNCTAD) were all thwarted. Now that the aid capacity had passed strongly to the oil-producers; valiant efforts to stabilize the automatic growth of peripheral countries by relating funds of foreign aid and technical assistance to 'rich' countries' GNPs proved to be all in vain. Moreover, it seemed a remote possibility to draw the Second World (Russia and her associates) into the aid scenario as it was once hoped because of the ill winds of the cold war.

Programmes of economic development in the Third World had not produced the intended effects; not to mention their debt-servicing woes. The progress in development planning techniques had also turned out futile because their objectives were oriented towards increasing output that entailed an emphasis on 'modernization' and a limited focus on modern industrial sector which themselves were questionable.

Moreover, inequality in the distribution of income and wealth, on national scales as well as on the globe at large had also become the target of criticism increasingly. It had already been taken for granted that neither the conditions, channels and practices of aid nor the flow of foreign capital through the operations of the multinational corporations left place for any 'progress' to reform the terms in favour of 'developing' countries. But, new perspectives pertaining to the valorisation and accumulation of international capital after the 1960s further accentuated the insurmountable nature of unemployment as a severe problem facing the whole globe.

It was argued that the movements of international capital had merely generated the classical international division of labour which referred to a traditional bisection of the world into a few industrialized countries on one hand, and a great majority of developing countries on the other. As a result, few industrialized countries producing capital goods confronted the vast majority of developing countries which were integrated into the world economy as producers of raw materials till 1960s.

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22. J. Weeks, "Does Employment Matter?" in *Third World Employment: Problems and Strategy*, Richard Jolly et al eds., Penguin Books, Ltd., England, 1973, p. 63.
23. Guy Standing, "The Notion of Structural Unemployment", *International Labour Review*, Vol. 122, No.2, 1983, p. 147.

Turning to the employment generation effects of somewhat arguable tendency for the long-term rate of profit to decline in industrialised economics or inadequate aggregate demand, certain possible patterns of action had already been undertaken by industrial capital. It was either that, in the interest of preserving an efficient and experienced workforce, larger establishments tended to retain workers despite the temporary cuts in profits in recessions. These contractions have also stimulated labour-saving investment and a shift of more labour-using investment to low income countries; because national economies and the international economy proceed through combined yet uneven development.

After 1960's there has been a marked, slow but steady increase in manufactured products exported from developing countries as a proportion of total world exports of manufactured goods. Indeed, it is a concrete manifestation of re-structuration of capital which has culminated in the development of a new international division of labour. "World trade is increasingly becoming a flow of commodities between the plants of the same company spread throughout the world, or at least a flow between companies and their partners in subcontracting arrangements." (24) Necessitated by changed conditions, this new international division of labour was an institutional innovation of capital itself, but not the consequence of changed development strategies by individual countries or options freely decided upon by so-called multinational companies. What are the preconditions decisive for turning the developing countries into industrial sites which produce manufactured goods, then?

Firstly, the division and subdivision of the production process which render fragmented production operations that are carried out with minimal levels of skill can be easily learnt within a very short time. Both this technical feasibility as well as the development of techniques of transportation and communication have made the complete production of goods at any site in the world feasible.

In addition to this, the un- and underemployed in the developing countries constitute an enormous mass of people who are either not all or only partially integrated as productive labour into their so-called domestic 'modern' sector. This reservoir of disposable labour force which is extremely cheap, allows cuts in real wages and helps to maintain stable wage rates among the employed even if periods of expansion. These potential workers can be, furthermore, mobilized for practically the whole of the year and can be exhausted by overwork as they can be easily replaced and be easily subjected to all sorts of 'selective' tests by employers; and consequently, all contribute to increase surplus transformed into profits. Besides, low and declining rates of profit in old industrialized countries, accompanied by rising real wages there (or, higher living standards) as well as large numbers of skilled workers expecting wages that reflect their skills, are also among the factors which encourage the relocation of employment and/or re-structuration of capital.

Now, many companies from the largest industrialized countries (e.g. U.S.A., Japan, Federal Germany, France, U.K.) both large and small are expanding their investment, production capacities and employment abroad especially in developing countries, whilst their investment, production capacities and employment at home are stagnating or even declining. "In other words in and after an economic downturn, large companies often take advantage of new sources of labour, whether in economically backward regions or more relevantly, in areas of newly industrializing countries where workers are available for low wages and are unorganized and where governments are willing to subsidize investment and to restrict the formation of unions. (25)

24. Folker Fröbel, Jürgen Heinrichs and Otto Kreye, The New International Division of Labour: Structural Unemployment in Industrial Countries and Industrialization in Developing Countries, Cambridge University Press, 1980, p. 9.

25. Standing, Structural, op. cit., p. 149.

As regards to these, crises reduce the value of constant capital without reducing its physical productivity which fosters search for innovations in the labour process. Accordingly, sectoral crises release money, means of production and labour power for new sectors in a subsequent expansion in the developing countries. In developed countries, crises increase industrial concentration and a rise in efficiency; for specific industries are brought into oligopolistic control either as a consequence of bankruptcies and/or buying up of smaller firms.

Parallel to this, capital re-structuring takes the form of closing down of certain types of manufacturing operations in undertakings in the industrial nations and the subsequent installation of these parts of the production process in the foreign subsidiaries of the same company. This is because, the profitable production for the world market may take place in whichever part of the world that can provide the most profitable combination of labour and capital. "Of those countries which were able to supply vast reserve armies of potential industrial workers and to offer these workers' labour-power as a low price, the first to attract the relocation of parts of the production process were countries with close geographical and commercial links to existing industrial centers." (26)

In the past world conjuncture, crises 'rationalization' engendered the installation of more efficient machinery and a reduction in the size and skills of labour force which as 'common devices' are no more adequate. At this stage of development of world economy, the survival of any company, almost irrespective of its size, can only be assured through the transnational relocation of production to new industrial sites where labour power is cheap to buy, abundant and well-disciplined.

On the other hand, while capital restores profit rates, it also relocates employment on a wider geographical scale. In this respect, high unemployment in developing countries is used for redistributive reasons and facilitates capital re-structuring while it precipitates largely where previously, industrial employment was relatively concentrated. Thus, capital re-structuring also brings into existence a competition for jobs between workers in the already industrialized countries and their fellow workers in the developing countries as national economies are forced to compete against one another to attract industry to their sites.

When approached from another dimension, 'the choice of techniques' and 'given wage rates' can be quite irrelevant factors to the profit oriented capitalists in the context of their organization of production in developing countries. The foreign firms produce in the host country highly standardized products with a given technique. And originally, these techniques are designed to yield profit even with the wage rates, in the advanced countries in mind. This implies that when adopted in the context of developing countries over a wide range of the wage scale, the same technique will continue to be the most profitable. Therefore, the wage-technique spiral will tend to lead to unemployment in advanced capitalist but not in the periphery economies of the Third World.

The possible existence of a fall in the rate of profit may be disputable, yet, the world wide migration of capital witnessed by history is doubtless. "Even if it is accepted that the greed for maximum rather than 'normal' or 'legitimate' etc. rates of profit is the law imposed by competitive capital valorisation and accumulation, national protective measures (and the threat thereof) nonetheless may force capital to establish less profitable production sites in order to secure prospective markets." (27) Moreover, whether production at the new sites provides for an improved valorisation and accumulation of capital or not, demands for empirical verification.

Still, to the extent that developing countries come to provide the world market with competitive manufactured products, it can legitimately be claimed that foreign trade is not just simply

26. Fröbel, et al, *op. cit.*, p, 14.

27. Fröbel, et al, *ibid*, p. 47.

an exchange of commodities between two national economies, but, rather, and more precisely, a concrete manifestation of the new international division of labour. Nevertheless, the pace of this trend can be effectively harnessed by the following ways:

1) As far as possible, it is often necessary to use existing facilities unless they are not economically feasible.

2) Concessions granted by the state and/or the unions in the center may deter capital from leaving.

3) Political instability in the peripheral and semi-peripheral countries may have a negative effect in the mobility of capital.

4) The same profits may be obtained by companies, both in the case of rationalisation in the center and relocation in the periphery.

Yet, if the capital migrates to developing countries, the structure of such export-oriented industrialization will definitely have an adverse impact on their further growth patterns, whose features can be as follows:

(A) High dependence on foreign companies usually in the subcontracting arrangements with foreign firms.

(B) Extreme fragmentation in the sense that it is not supplemented by an integrated wider industrial complex. The existence of the latter would enable them to free themselves eventually from their dependency on the industrialized countries for imports of capital - and other goods, and for the maintenance of their industrial installation.

(C) Development of few individual branches of industry whereby production is confined to a few highly specialized manufacturing processes.

(D) Input importation from outside, though are worked on by the local labour force and though exported in processed form.

(E) Dependence on the expertise for foreign specialists and managers because of the technology employed.

"In other words, these world market factories are industrial enclaves with no connection to the local economy except for their utilization of extremely cheap labour and occasionally some local inputs (energy, water and services for example) and are isolated from the local economy in almost all other respects." (28)

With regard to these, export - oriented industrialization has failed to achieve any improvements in the social conditions of the mass of the populations of the developing countries. As a corollary, its operational dynamics, are likely to intensify the social tensions and struggles between the tiny privileged minority which benefits from it and the vast majority of populations which lack such privileges. It is no surprise then, the increasing militarization of the so-called Third World is preventive of the violent eruption of social tensions in an increasingly overt and repressive manner.

As the cities that were potential sites of industrial employment could not grant good living conditions and a high income, (that is, employment opportunities in the face of oversupply of labour and stagnating economic growth), eyes were once more turned to agriculture and again the false dichotomy of agriculture versus industry was being evoked. "Agriculture is now supposed to provide not only the necessary surplus for industrialization but is also expected to provide employment, to induce better income distribution, to lead to the adoption of appropriate technology and to earn foreign exchange." (29)

However, the stark contrast between different groups in the peripheral states and the debilitating economic dependency prove to be so rigid that the goal of improving the living standards of the masses of populations seems unattainable under present circumstances. Besides, wider employment opportunities, more equal income distribution and reduction of poverty requires new approaches capable of giving expression to a social function rather than a production function.

28. Fröbel, et. al. *ibid.*, p. 6.

29. P. Thandika Mkandawire, "Employment Strategies in the Third World: A Critique", *Journal of Contemporary Asia*, Vol. 1, 1977, p. 37.

3. NEW TRENDS IN METHODOLOGY

"To dream The Impossible Dream, to fight the unbeatable foe. To bear with unbearable sorrow, to run where the brave dare not go. To right the unrightable wrong, to love pure and chaste from a far. To try when your arms are too weary to reach the unreachable star!"

("Man of La Mancha", The Quest)

It is quite apparent that up to now economists have produced mountains of information, endorsed to various causes of unemployment and already discussed them within the context of Third World formations. With respect to this, it will be quite 'legitimate' to claim that unemployment has always been existing not only as concrete-real (an entity having an existence independent of human cognition) but also as thought-concrete (conceptual framework about the knowledge of concrete-real). However, if the work of particular theorists as well as the limitations of their dubious notions embedded in the conceptual frameworks were to be left aside together with the limited practice on history of knowledge of the previous chapter; the inherent explanatory limitations would be easily revealed.

Under the persistent presence of unemployment; or at least, the problem of employment, except Marx, in a torrent of theories, one thing is strikingly common in all of them: the methodological premise of "closed totality." Indeed, the concept of totality has always been and will be a valuable category as a methodological guide when analysing the relation of parts to wholes. It represents the view that parts can have meaning only in terms of the whole and that the constituent elements have to be analyzed in terms of the whole.

Nevertheless, in the vast variety of over-abundant theories, the premise of 'closed totality' leads to two modes of thinking:

When the closed totality is utilized in a mechanical form, the whole turns out to be dominated by one part, whereby in a linear fashion the cause of the isolated part is searched. Although the rest of the whole other than the isolated part is "recognized," it is not given any analytical and/or substantive status. The parts that make up the whole are either disregarded within ceteris paribus clauses or they are tacitly treated as epiphenomena of the separated part. Within the confines of this sort of logic if unemployment exists the guilty causal element has to be separated from the totality as neatly as possible. If unemployment exists 'more' than before, either one of the previous constants is brought to the fore, or the previously guilty factor is "stabilized." If not the cause of unemployment is high interest rates, it is deficiency in aggregate demand. If not it is a deficiency in aggregate demand, it is 'unfair' terms of trade, it is outrageous wage demands or highly set minimum wages, etc.

And, when this mechanical logic is applied to mold the future prospects of development, it leads to an optimistic stance both in the case of developing countries and the developed ones. For the latter, the road to further progress is open, unemployment is not so severe a problem, the level of full employment will steadily rise; if such and such (e.g. a fixed capital/output ratio) is kept constant or prices are stabilized. In the case of developing countries it is believed that the developing countries will duplicate the historical experience of the developed ones. Whatever the attributed causes of unemployment, the proposed remedies and the encountered problems were, these would 'certainly' be on the path of their development. Similarly, what is 'good' for the Western World now, can only be a temporary 'bad' for the Third World.

Moreover, the mechanical conception of closed totality leads to a quite limited notion of the 'economic.' As an inevitable extension of it human beings are treated as if they only engage in relations with objects during their productive activity.

On the other hand, when the methodological premise of closed totality is utilized in an expressive manner, each part is considered homologous through which the whole is expressed in each of the parts. Each part is conceived as an identical necessity of a 'pre-designed' total. If unemployment exists, it will be as absolute as the universe just like the existence of 'progress! If unemployment is a problem in the West it is also a problem in the Third World. If unemployment is a consequence of progress, progress is also a consequence of unemployment. And the adoption of all sorts of fatalistic vicious circles ultimately says that: One thing leads to another, but nothing leads to nothing.

In line with this teleological logic, a pessimistic approach to the employment phenomenon is adopted though it is "expressed" differently with respect to its 'historical' context. In developed countries persistent unemployment and depression are taken as absolute givens while the nature of progress and its human costs are questioned. The emphasis is put on the individual as a part of the society and its virtues as well as its unexpressed, underutilized abilities are underlined. In developing countries, the same givens are used to justify the existing 'state of affairs' as well as pushing the individual into an 'incurable' positivity.

But, are not 'luck' and 'opportunism' the two sides of the fatalism coin? This time, the expressive form of closed totality leads to a 'broad' notion of the 'economic' whereby either every human activity is 'economic' or none is 'economic.' If human societies are not beset with the problem of employment, they are not beset with any problems. If employment and/or unemployment is not a problem, nothing is a problem.

Unfortunately, the picture is partly embarrassing partly gloomy. Nevertheless, people have been theorising for centuries within the shallow and infertile limits of the methodological premise of a closed totality, though a 'social totality' can never be a 'closed totality'. Their conclusions are limited plainly because of these basic methodological premises operative in their theoretical discourses although the axioms are continuously reproduced in varying conceptual forms. In this group, even Marx can be included since he has not dealt especially with the problem of employment although he has laid the methodological as well as the conceptual frameworks of social (that is, detotalizing) totality.

Name-calling always occurs in scientific work and this paper proceeds as a version of Marxist theory of employment for there exist different interpretations of Marx and his works. However, it is the researcher's opinion that name-calling need not be elevated to the heights of methodological rigour. Indeed, this paper is intended as a methodological contribution to the analysis of the specific problem of employment. Or, to put differently, this study concentrates on an application of the basic Marxist methodology as elaborated by Althusser for an understanding of current social problem of employment in a transitional social formation. More specifically, it will attempt to develop Althusser's reading of Marx in elucidating the problem of employment and/or unemployment, even without any full commitment to either of them.

The following chapter can be considered as a formal analytical exercise through which the underlying methodological premises of the 'new' approach will be outlined schematically. These will act as guidelines and/or prerequisites for the present analysis of employment which is an overdetermined social phenomenon operative within a dynamic social totality.

A. SOCIAL TOTALITY

The stress on 'totality' is, of course, a pre-eminent methodological precept for analysing the interconnections of phenomena. Although it is necessary to isolate and separate the different elements from others for analytical purposes; this stance emphasizes that these elements can have meaning only within their specific total context.

The view that parts can have meaning only in terms of the whole is also endorsed by structuralists and functionalists in sociological theory like by Marx. Yet, both of these schools identify the concept of whole with social structure in order to delineate relatively enduring relationships (structured normative rules) between sets of places (positions).

These sets of places are usually conceived as social positions within an institutional framework whose occupants (individuals) are arbitrary and temporary; in the sense that, they maintain these positions by fulfilling their assigned roles. Since these places (social positions) are the only significant elements for analysis of totality (social structure); it permits the employment of linear-causal models whereby x influences y . When the relatively enduring and patterned relationships are at stake; the normative and/or institutionalized rules that regulate human conduct are emphasized. In this case, a set of reciprocal interactions between social positions whose functions have to be fulfilled via social roles are scrutinized which allows the operation of a teleological causality. No matter whether institutional positions or the reciprocal relations between positions are emphasized; social analysis is necessarily confined into a static and closed totality as if either social change is externally imposed to social institutions, or social institutions simultaneously change to restore the axiomatic stable unity of social structure.

On the other hand, Marx's social totality as developed in *Capital* is based on a different methodological precept which incorporates dialectics into social totality. (1) Within his methodological framework, all parts are dialectically related to each other and to the whole. Accordingly, the nature of patterned and enduring relationships between the parts are further qualified to be of contradictory, uneven, and thus, transformative. With respect to this, social totality is a dynamic and interconnected union of parts whereby wholes and parts condition each other. Similarly, the concept of social totality encompasses both social relations and social structure (which provides the frame of reference for the former). However, this distinction needs to be further elaborated before tackling the other fundamental axioms of this new methodological framework.

In relation to a given mission, a given complexity of labour determines the possible separate spheres of activities whose fulfillment necessitates the imperative coordination of individuals. "For as soon as the distribution of labour comes into being, each man has a particular exclusive sphere of activity which is forced upon him and from which he cannot escape." (2) However; "A group of men are mutually dependent whenever each of them can anticipate with reasonable accuracy what the rest will do in response to his actions... The members develop habitual patterns of behavior based on their ways of using each other, until at last they become aware of their dependence on the whole. They then feel compelled to define their relationships in terms of general rules and to recognize an authority whoever enforces these rules effectively." (3)

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1. Within the scope of his research, the dialectic in Hegel and its relationship to that in Marx is not going to be discussed. However, certain aspects of Marx's analysis of contradictions and his concept of the dialectic is going to be examined.
 2. Marx and Engels, 'The German Ideology,' in Selected Works, Vol.I, Progress Publishes, Moscow, 1977 (1969), p. 31.
 3. George L. Yaney, "Bureaucracy and Freedom: N.M. Korkunov's Theory of the State," American Historical Review, Vol. LXXI, No.2, 1966, p.473.

It, then, follows that the orderly social intercourse of people are made possible through social sanctions which may be positive or negative as they require and/or prohibit the commission of social act. Similarly, social institutions refer to a system of norms or rules which are socially sanctioned. (4)

If the social organization covers the organizing matrix of positions, the social structure covers the organizing matrix of institutions. (5) In either case, every individual is limited by his social position in his choice between various modes of social conduct. And, social practice covers not behaviour but an interactive operation carried on within the limits imposed by the relevant social institutions. With respect to this, in any social institution where human action and interaction proceed wholly in conformity to the norms of it, the authoritative limitation engendered by the social organization on the individual proves to be legitimate (and justified). In this way, the demarcation between positions of subordination and domination, and hence the social institutions, are reproduced.

However, in particular conditions of conflict, the institutionally admitted range of social activity through institutional norms, that is, social practice, may not correspond to the actual activity undertaken by the individuals. Accordingly, when the social processes seem to be going 'off' its course; application of sanctions comes into effect. In this connection, sanctions may even extend to sheer force which can take the form of "the reduction or limitation or closure or even total elimination of alternatives to the social action of one person or group by another person or group." (6) With regard to that, sanctions can be conceived as mechanisms of reproduction of any social organization.

Nevertheless, no social institution, even the most formal one, can be a rigidly organized one with pre-defined rules of human conduct. Under the exigencies of time and circumstance, individuals usually interact not only "extrinsically" and "categorically." Then, the explicit norms which are embedded in positions within social institutions only lay down a framework for individuals for their daily interactions through social practices. And despite the existence of these institutionally defined rules; modifications in social interaction are possible in terms of how the individuals 'bear' these given roles exhibiting their own personalities. Thus, social interaction proceed not only in terms of pre-given norms of social institutions and/or organizations but also in terms of the implicit extra-organizational determinants. Moreover, the latter have their locus in the wider social totality which may or may not conflict at strategic points with the organizational norms.

To the extent that authority-relations of domination and subordination-can only be realized momentarily through the application of sanctions within the organizational framework, social reality can only be grasped through an analysis of the global effect of the structures in the field of social relations.(7) Above all. "...the human essence is no abstraction inherent in each single individual. In its reality, it is the ensemble of the social relations." (8)

Nevertheless, these propositions have repercussions at various levels. (9)

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4. For all practical purposes, the term 'social organization' will be reserved for social institutions only when they have immediate empirical reference throughout this text.
 5. Social institutions can be treated analogous to social structures both involving different levels of abstraction with that of 'social organizations'
 6. Robert Bierstedt, "An Analysis of Social Power," The Bobbs-Merrill Reprint Series in the Social Sciences, S.343, (reprinted from American Sociological Review, Vol. 15, No.6, 1950), p. 733.
 7. The term 'effect' should not be read in a chronological sense, but, be conceived with respect to the objective social consequence: of any action, i.e. the consolidation and/or transformation of social structure through social action.
 8. Karl Marx, "Theses on Feurbach", Selected Works, Vol. 1, op.cit., p.14.
 9. One has to bear the responsibility of his deeds albeit not exclusively within thought process!.

At the outset, social relations and social structures should be analyzed separately although they both constitute a tense unity of social totality. For, it can only be possible to give an adequate explanation of the continuous re-adjustments of the social structures in an ongoing process of reproduction within this framework.

This stance, on the other hand, does not necessarily reduce the social dynamics to a problem of whether there is an interpersonal relation between the different moments of crystallization of social relations into social structures through social practice. "Such a formulation of the issue effectively ignores the fact that interpersonal fragmentation of decision-making does not necessarily imply a random and unpatterned structure of events. Indeed, it is a basic, and seemingly legitimate assumption of social science that all occurrences in human society are in some way patterned and therefore susceptible to comprehension by scientific analysis." (10) Accordingly, even in the absence of a conscious inter-personal connection, different moments of human activity may be interrelated to make generalizations. Yet, the intricate issue will be to pinpoint how these different moments are linked to one another by their reproductive and/or transformative effects on the social structure.

Quite on the contrary, the separation of social relations from social institutions renders feasible the objective insertion of a time dimension into the analysis of social reality. To the extent that social structure can only be lived in and through historical practice; man and his social activities cannot be dissolved into a mere reflex of external conditions and/or objective social roles. Similarly, social theory has to grasp this reality as a living process involving man in his dual role as a social product and a producer of social reality.

To summarize it plainly, human reality as well as social totality is not immutable and non-historical- but is lived and made by men. History is genuinely made by man while the 'creator' is a part of social collectivity (group and/or class) and he has to make it within a context he has not freely chosen. In line with this, the contradictory and tense relations between social institutions and social relations do not allow any space for a definite, historically upward social necessity. "For the dialectic is not motion external to man's actions but involves man both objectively and subjectively for it is only through men that social change occurs at all." (11)

B. STRUCTURAL CAUSALITY

The dynamic social totality precludes any conception of social structure which is a passive aggregate of interrelated institutions. On the other hand, though social relations refer to an active reality, they necessarily emanate from social structures. This is because the pre-given institutional norms delineate the possible course of social relations. Thus, the type of social determination is structural.

Nevertheless, each social institution which constitutes the social structure contains its own contradictions while the latter denote opposition and conflict between two forces that form a necessary and intricate unity. As regards to this, social totality constantly expands through contradictions since each part of the whole engenders disturbances which are resolved in a new synthesis. Moreover, as these internal contradictions generate all the movement, change is not forced upon the social totality but flows from within. It follows that the incorporation of contradictory forces into the methodological precept of social totality entails the elucidation of both internal and external relations as well as properties of a particular social phenomenon.

In this connection, another property of social totality has to be elaborated in order to

10. Göran Therborn, What Does the Ruling Class Do When It Rules? NLB, London, 1978, p. 135.

11. Alan Swingewood, Marx and Modern Social Theory, MacMillan, London, 1975., p. 31.

consummate the dialectical relationship of each part of the whole. As each level of social activity undertaken at various levels of social totality contains its own peculiar contradictions, the parts of the whole (e.i. each social institution and/or social relation) are reproduced separately. Similarly, there exist four possible consequences of any social action: It may

1) extent and/or intensify social structure within a fixed range and hence reproduce the already existing social totality.

2) maintain social structure by providing resources to overcome the crisis that the social totality undergoes. It takes the form of resolving conflicts among other levels of social activity or other social institutions through handling 'external' relations.

3) go against the social structure through restricting the possible development of it which complements the intensification of another structure (institution and/or level of social activity).

4) break with social structure which creates space for the rise of other social institutions and/or social norms.

With respect to this, although social structure (and/or institutions) implies cohesiveness and unity, the tense balance between social relations and social structures, the historically concrete and specific, lived and not fixed social relations result in a dynamic social totality. Parallel to this conceptualization of social totality, social structures do not change simultaneously but they all have different temporalities. And "disarticulating uneven development denotes the growth of disjuncture and conflict between two or more forces which have become intertwined in an extrinsic, contingent reproductive totality." (12)

Thus, structural causality designates the mode of existence of the structure in its effects. What is at stake, then, is to what extent the actual social actions extend; maintain; go against and/or break with social structure. Therefore the structure is not a pre-existing object outside its elements but rather, it is merely a 'specific' combination of its peculiar elements. Indeed it is only interior to its parts in its effects. However, its elements are united in a contradictory relationship so that the original structure ultimately unfolds into a qualitatively different one. When the methodological precept of social totality is adopted in order to constitute the theoretical object: social totality provides the site for any social phenomenon under investigation whose type of determination rests upon the principle of contradiction. The latter foreshadows a unity of opposites which presuppose and precondition each other.

Moreover, this relationship between the opposites is not only logical but also material. While the two partners of the relationship are in opposition, they form a unity so as not to exclude but mutually necessitate each other. The internally coherent unity, owing to inner contradictions, brings about an uneven development, a 'structural incongruity' so to speak, of the opposing parties. Accordingly, on 'having their own laws of motion and temporalities' (13), the contradictions embedded in a given social totality determine not only the exigency of change but also the possible direction and form of change.

In addition to this, social contradictions are radically heterogeneous both with respect to their different origins and points of application. Similarly, they refer to distinct levels of social reality; every social phenomenon is the outcome of accumulation of effective determinations. To put it differently, the final outcome always arises from contradictions at distinct levels as innumerable intersecting forces of each level give rise to one resultant. Yet, this outcome is quite different in size from each constitutive force by itself and simultaneously it is a resultant without a subject but an 'objective' force. (14)

12. Therborn, *Ruling Class*, op., cit., p. 176.

13. This can be used as a justification of the relative autonomy of the instances within a social totality, namely, economic, political and ideological which are going to be elaborated later.

14. L. Althusser, *For Marx*, NLB, London, 1977, especially Part 3.

In brief, it can be claimed that social totality does not simply refer to the mutual determination and interaction of the different parts of the whole. Nor, it merely engenders the study of social phenomena in their relationship to a social whole. Still, more important than these, it denotes "a system of functional interrelationships and a fundamental asymmetrical efficacy." (15) Totality refers to "neither a whole each of whose element is equivalent as the phenomenon of an essence (Hegelianism) nor are some of its elements epiphenomena of any of them (economism or mechanism), the elements are asymmetrically related but autonomous (contradictory), one of them is dominant." (16) Paralel to this, overdetermination implies the determination of an element or a structure by another structure.

While identifying and ordering the relevant elements in the study of social phenomena; then, a new form of causal model emerges as the principle of contradiction is incorporated into the conceptualization of social totality. Moreover, contrary to Hegelian contradictions (17), the contradictions of historical materialism "are not simple but overdetermined contradictions in which the interplay of a multiplicity of "relatively autonomous" spheres intervene to preclude any necessary outcome in their resolution." (18) Consequently, overdetermination is a fully relational concept through which every social activity (relationship, practice) among people is conceived as the focus of several processes or aspects. Change emerges from the set of internal contradictions that are constituted in each aspect and/or process of social life. As each aspect includes a particular set of contradictions, each imposes a correspondingly particular tension and/or momentum upon not only that aspect but the social totality also.

Thus, "any understanding of the economic, political or cultural aspects of any social formation requires understanding the precise mutual effectiveness of all aspects of that formation". (19) When the overdetermination of any social aspect is theoretically constructed it entails the constitution of the particular relative autonomy of that aspect as the site of influences (effectiveness) of other aspects, pushing to different and contradictory directions. Yet, overdetermination of social phenomena can only take place in a social formation which requires further elaboration.

C. SOCIAL PRACTICES

As social totality implies the co-existence of nature man and society, it provides the cite for any meaningful social activity to take place within it. Nevertheless, man and nature, man and man, man and society relations are of different nature, each involving their peculiar contradictions to render distinct levels of social existence and hence different social practices. With regard to this, any social totality can be broken up into three finite provinces of meaning each of which is the scene of a particular type of practice.

These fundamental social practices are of economic, ideological and political whose different

15. Göran Therborn, Science Class and Society, NLB, London 1980, (1976), p. 400.

16. Nicos Poulantzas, Political Power and Social Classes, NLB, London, 1978, (1975), P. 14.

17. These are simple as their resolution always takes the form of supercession; what is not rational is overcome, annihilated, in a teleological movement toward the ultimate end of spirit's complete self consciousness.

18. Editorial, "Introduction to Resnick, Wolff and Gintis," Review of Radical Political Economics, Vol. XI, No.3, (Fall 1979), p. 1.

19. S. Resnick and R. Wolff, "The Theory of Transitional Conjunctures and the Transition From Feudalism to Capitalism," ibid., p. 6.

contents can only be conceived pertaining to the different natures of the objects to which they apply; of their means of production and of the social relations within which they produce these different elements and their combination. Besides, all the above cited practices involve different dialectical (contradictory) relations which are historical, in the sense that, they live through historical practice. Although each level of practice entails a production process; the determinant moment in each practice is the work of production which brings together raw materials, men and means of production. It follows that the men who perform the work cannot therefore be claimed to be the subjects of historical process.

In line with this, the following will elaborate the distinct levels of social existence, their nature and internal contradictions, in a schematic manner.

Economic Practice.

As a distinct level of social existence; economic practice refers to the transformation of nature by human labour into social products. It involves, therefore, a subject-object dialectic within the production process. Accordingly, the subject becomes him/herself through changing the object-world so that he/she can meet his/her projects, and thereby constitutes and reconstitutes these projects. Similarly, the labourer not only changes the form of the material on which he works but also realizes a purpose of his own. When the labour process ends, the consequence of labour performance has to match with that of which already existed in the imagination of the labourer at its commencement.

At the most higher level of abstraction, the 'economic' in general is constituted by certain elements, which are invariant. These are as follows:

- 1) The labourer, 'the direct producer', i.e. labour-power.
- 2) The means of production, i.e., the object and the means of labour.
- 3) The non-labour who appropriates to himself the surplus labour i.e. the product of labour. (20)

However, these invariant elements exist only in a specific combination which is variable to constitute the 'economic' in a given mode of production. On being at a lower level of abstraction then, the economic of a mode of production is itself composed of a double relation of these elements. Firstly, there is a relation of real appropriation which applies to the relation of labourer to the means of production while appropriating nature. In other words, it denotes the labour process and/or the system of productive forces whereby a certain degree of productivity is organized by various arrangements. To the extent that the division of labour becomes more complex the hierarchical co-ordination of labour process is accompanied by an increasing loss of control by the direct producer over the means of production he operates.

On the other hand, there is a relation of property which 'justifies' the intervention of non-labourer to the productive activity as an owner either of the means of production, or of labour power or of both, and so of the product, which involve social relations of production. Indeed, relations of production determine the 'class' content of human social relations. Thus, relations of production are constituted by three aspects which can be cited as follows:

- 1) the distribution of means of production among direct-producers and non-producers
- 2) the goal of production
- 3) the structure of the social relations that link the immediate producers to one another and to the appropriators of the fruits of their surplus labour.

When production goes beyond the reproductive requirements of the labour utilized

in the production process; surplus labour is performed whose outcome is subject to different forms of extraction in different historical periods. The particular form in which surplus labour is appropriated from the direct producer denotes relations of exploitation. Nevertheless, a specific mode of production is founded upon one dominant form of extraction of surplus labour which structures and has primacy over the labour processes.

Upon considering these, a particular mode of production exists as a specific double combination of relations of production and labour processes, though structured by the dominance of relations of production. In the unity of the relations and forces of production, the inner contradiction of economic practice can be located. This contradiction dynamizes man and nature relationships as well as the social totality on the whole. Above all, social relations of production encompass the specific historically determined configurations which are assumed by particular relations of exploitation due to the level of development of productive forces.

Yet, after a certain level of development of the productive forces certain relations of production are rendered unviable or uncompetitive. This results in the transformation of the economy that will necessarily have reverberations not only on all levels of the social totality but on the nature of social totality, per se. Moreover, "the existing relations of production also place restrictions on the way in which production can be organized within a particular economic enterprise, and they largely determine where and how even the most revolutionary peasant or worker can support himself or herself." (21) Similarly, the relations of production under which surplus labour is extracted also determine the emergence of specific forms of distribution, consumption and exchange.

The distributive process within the economic practice involves two spheres. In one sphere, what is at stake is the distribution of newly created value in the process of production amongst the various owners of the factors of production which is, therefore, a function of the reproduction of the relations of production. In the other sphere, the concern is the distribution of consequences of production process, that is, the distribution of the products (or use-values). Besides, the use-values produced can take the form of either means of production or consumption, both are exchanged for the newly produced value distributed to the owners of the factors of production. However, means of production which reproduces conditions of production are exchanged among those who have a monopoly of the means of production. With respect to this, the distribution of the instruments of production and the subsumption of the individuals under determine relations of production are prior to the distribution of products (use-values).

The structure of production similarly governs consumption which also takes place in two qualitatively different platforms. Productive consumption is consecrated to satisfy the needs of production process. It includes the 'objects' of production (natural materials or raw materials, the result of labour transforming natural materials) and the instruments of production (tools, machines etc.) necessary for production.

On the other hand, individual consumption is devoted to the needs of individuals which are dependent both upon their disposable income and upon the nature of products. At this point, it has to be emphasized that human needs cannot be defined by human nature in 'general'. They are governed by the level of the income at the disposal of individuals as well as by the nature of products made available through the technical capacities of production at a given movement. As regards to these, even at the micro-level of individual consumption whereby use-values and needs are interconnected, it is possible to trace the global social dynamics of forces and relations of production.

21. Therborn, Ruling Class, op.cit. p. 174.

As relations of production determine the places and functions occupied and adopted by the agents of production, they assign men into social classes and hence govern the distribution of income. The technical capacities of production, on the other hand, render definite means of consumption (e.i. use-values) available for consumption. Moreover, production not only shapes human needs through the appearance of different forms of product but it also gives a content and/or 'meaning' to these products. Parallel to this, both the wish for these products as well as their mode of consumption bear upon the reproduction of class structure within the social totality.

Turning to exchange, it refers to the process of circulation of the product as an intermediate phase between production and distribution on the one hand, and consumption on the other. Exchange, accordingly, can be between commodities (e.i. use-values) or between productive forces (e.i. exchange between capital and labor-power) or between income and commodities for personal consumption, all operating within limits set down by the process of production.

Ideological Practice

Similar to those of other practices, ideological practice has a material existence whose specific object is to transform the subject's existing relations to the lived world into a new relation. Accordingly, ideological process involves subject-subject dialectics" in which individuals recognize and continually recreate their humanity through the objectification and resubjectification of others whose subjectivity, humanity and rationality they posit." (22).

Ideological practice involves the formation of individuals into subjects through their daily interactions during which they are endowed with the common-sense experience of the social world. Indeed, common sense denotes a fragmentary and haphazard collection of ideas and opinions part of which humanizes man's anti-social instincts and provides both a direction and purpose to his daily activities. Similarly, "the individual is born into this world and accepts it as legitimate, he is socialized through specific social relationships of which he has both direct knowledge (his family) and indirect knowledge (teachers) and in order to relate to this inter-subjective world he forms 'typical commonsense constructs' attributing to others 'typical functions' and 'typical relations.'" (23)

In the routines of everyday life, knowledge is transmitted to individuals through social institutions each generating a common consensus 'a shared universe of meanings and knowledge (e.i. symbols). As they fulfill their roles within social institutions, individuals translate common-sense constructs to provide immediate unreflective knowledge of how to begin and end certain actions. Individuals take account of the definitions of social situation which other people have of their own environment and experience so that the expected behavioural patterns of others can render the social world intelligible. Thus, not only man's action towards external objects but also all the relations between men (as conducted within and through social institutions) are understood in terms of what 'others' think about them. In sum, an aspect of social life is made up of 'inter-subjectively' shared meaning systems and common-sense knowledge, whereby these symbols are constituted and reconstituted in an ongoing ideological process.

"The concrete subject lives within ideology – not within one ideology but within a complex overdetermination of different ideologies – and as a result, he adopts particular 'attitudes' and participates in events governed by material rituals (voting, housework, purchasing a commodity,

22. H. Gintis, "On the Theory of Transitional Conjunctures", Review of Radical Political Economics, Vol. XI, No. 3, 1979, p. 26.

23. Swingewood, op cit., p. 84.

etc.) which always exist within an apparatus (the family, the church, the trade union, the school etc.)," (24) With respect to this; as social subjects bear various roles their everyday knowledge is not a coherent expression of a particular group; but rather, an overdetermined structure of opinions, values and sentiments.

Social relations combine both agents and positions they occupy through the functions to be fulfilled. Thus, social totality embraces a specific structure of the distribution of relations, places and functions, occupied and supported by objects and agents of production. As subjects support social institutions through these pre-assigned functions, they come to acquire an interpretation of their relations to the lived world and they are confirmed in the correctness of them. Consequently, ideology always exists in the form of material actions, the specific content of ideologies, the time, direction and limits of their transformation are subject to the structuring effect of other practices.

Various social institutions have to fulfill the ideological requirements of the dominant relations of production so that they are reproduced within the social totality. It follows that various ideologies are ultimately subjected to the ideological forms within which the class(es) that controls the production and distribution of the surplus product lives its relation to the real world.

Nevertheless, ideological practice has a two-fold function on moulding individual personalities. At the outset, it subjects the amorphous libido of new-born human animals to a specific order. And, it qualifies them for the differential roles they will play in society. As individuals go through a socialization process, they are continuously subjected to and qualified for the existing order which are historically comprised by social relations and forces of production. After all, human beings have to acquire the specific form of economic individuality required by the labour process. Thus at the ideological level, subjection to and qualification for the existing relations of subordination and domination form a contradictory but intrinsic unity. "Subjection to a determinate reality principle and to internalization of a particular type of superego denotes the process whereby individuals qualify for membership of a class at a given point in the development of society." (25)

At one angle, through ideological formation people are allocated different kinds and amounts of everyday knowledge. Indeed, it is the framing of self-conception with reference to people's 'rootedness'. Individuals accordingly, are inculcated about what exists out in the world, who they are and how they are related to the world. However, reality is no longer seen by the subjects as a human reality but one divorced of human attributes as the real motives impelling them towards 'outside world' usually remain unknown to them.

When approached from another angle, ideology foreshadows what is possible and what can ever be in the future. Parallel to this, throughout their socialization process, individuals are endowed with varying types and quantities of self-confidence and ambition. Hence, they have different levels of aspirations and an 'objective' line of action for their future orientation so to speak.

In addition to this, ideological formation provides the individuals with a yardstick to judge what is right and wrong; good and bad; fair and unfair. Therefore, it shapes conceptions of legitimate power, the 'just' relationship of performance to reward which will both contribute to the images pertaining to the existence, extent and character of exploitation and domination. Similarly, it comprises notions of leisure and work ethnics and generates views of interpersonal relationships from comradeship to sexual involvements.

24. John. G. Taylor, *op. cit.*, p.119.

25. Therborn, *Ruling Class*, *op. cit.*, p. 177.

However, the outcome of this socialization process may not always be 'taming'. Subjects may have been qualified to such an extent that they are not 'easily' be subjected to prevailing state of affairs. In the structure of consciousness, certain elements are oriented to stability while others to criticism and change. Men, while developing their material production and their material intercourse, alter along with their real existence, their thinking and the products of their thinking. Then, "the concept of praxis is important in that social knowledge represents man's attempt to assimilate the raw experiences of the world and help him master both nature and society." (26)

With respect to this, it has to be re-stated that social totality is not simply a discrete heap of individuals but a complex, structural whole in which the subjective element, is also an objective element in the sense that it exists for 'others'. In other words, social totality is comprised by social structures as well as social relations whereby the units of analysis are not the individuals but the group, the community and the class. Thus, a complex of meaning-endowing acts can constitute a level of reality to the extent that they are shared, although concrete social phenomena does not originate from individual behavior to form a basis of the starting-point of social analysis. This is because the concept of purposive action, subjective states of individuals and/or meaning endowing consciousness are all comprised within the 'structural' unity of a social totality. Still, human action and/or social relations necessarily involve ideas and reflections which render an indispensable role in the re-construction and/or reproduction of social totality.

Political Practice.

"Political practice similarly has a specific object-the occupation of state power through a transformation of the existing balance of social forces, in order to establish or perpetuate the dominance of a particular class or alliance of classes represented politically in the state apparatus." (27) Accordingly, political practice involves object-object dialectic in which classes constitute and reconstitute themselves through their internal oppositions, and thereby make history.

As state is the nodal point of relations of power within society, it is a separate material institution, where social power is concentrated. With regard to this, the raw material of political practice that is transformed is social institutions. Nevertheless, within the enormous complexity of social life; the state has to ensure two relationships. The state must promote and defend the ruling class and its form of exploitation. Therefore, it has a representative function fulfilled especially through its commanding personnel. At the same time, it has the function of mediation of exploitation and/or domination of ruling class over other classes or strata.

However, while representation refers to a relationship between ruling class and state; mediation is a three cornered relationship among the ruling class, the state and the ruled classes. In other words the sameness and otherness of state are manifested through these relations each possessing its own characteristic problems.

The above cited functions of the state can be analyzed separately albeit they are intrinsically intertwined and simultaneous in empirical world. "The problems of representation and mediation encountered by the ruling class are rooted in the need to harmonize the sameness and otherness of the state within and between the two relationships." (28) This is because the state apparatus provides two material means for the accomplishment of these targets. It stipulates a centralization of the resources essentially of the ruling class and it acts as a super-power

26. Swingewood, *op. cit.*, p. 84.

27. Taylor, *op. cit.*, p. 120.

28. Therborn, *Ruling Class*, *op. cit.*, p. 181.

basing itself upon a totalization of social relations. With regard to these, the state invariably stabilizes the existing relations of production by providing the latter by a legal framework backed by force.

However, to what extent state attempts and finally succeeds in centralizing the resources varies greatly from one historical epoch to another. Since the nature and stage of development of the mode of production varies greatly throughout history, the range and modality of state intervention also change (e.g. feudal state had the important obligation to supply the urban population with food while the capitalist state left this to market forces though even this was subjected in varying degree to legal regulation).

Indeed, both relations and forces of production impinge upon the functioning of the specifically political processes of representation and mediation of class power. Consequently, state (re-) produces and/or undermines the political rule of a given class as it bears a specific form of exploitation of ruled classes.

Yet, at the political level, domination and execution may come into contradiction with each other. At the outset, power implies an asymmetric relationship of domination and subordination between the power-holder and power-subjects. Nevertheless the power-holder (e.g. class) has the advantage, that is, an initial position of domination in that it has access to things which are less accessible to others. With respect to this, some kind of a resource-a power basis-is a necessary component of power which not only marks the nature of power but also secures it for the individuals (and/or collectivity) who have access to it.

On the other hand, power symbolizes force (e.i. the application of social sanctions) which may be introduced in any social situation. Consequently, power has to be attached to positions which means that it mediates in and through a social structure for its exercise. As a corollary, when the latent force expressed through power gets institutionalized, it dissolves into authority.

Subjects and groups are 'naturally' restricted in the choice of their behaviour in pursuance of their purposes as an expression of their position within a concrete organizational framework. However, the power relationship between these various concrete social organizations reveals relations not directly determined by each, per se, but, it finally depends on the exact relation of social forces present in the class struggle." The degree of effective power of a class depends directly on the degree of power of the other classes, in the framework of the determination of class practices in the limits set by the practices of other classes. Strictly speaking, power is identical with these limits in the second degree." (29)

Reproduction of the dominant relations of production can only be actualized through a state apparatus as state power is exercised through institutions such as government, the civil administration, the courts, the legislature, the police etc. In this respect, what is peculiar about state apparatus is that, its institutions operate primarily through repressive means. In a political alliance with other classes, the politically hegemonic class, through the political practice, co-ordinates and organizes the social institutions within the social totality as they occupy the state apparatus. However, the economically dominant class (in its various fractions) is not necessarily the politically dominant class although the former limits the actions of the latter. In other words, although political practice is relatively autonomous in its development, in its interventions in other practices, the extent of such intervention is determined by the reproductive requirements of the dominant mode of production within social totality. Similarly, every state organization provides specific institutionalized channels which delimit the field of possible politics by determining the issues, demands and forms of expression which are politically relevant. Furthermore all these institutional channels are supervised by state apparatus in an administrative - repressive manner.

As regards to these, class power can only be expressed through a state apparatus so that the

rule of one class fraction or alliance over others can be manifested. And this expression takes the form of regulation of power relations among social organizations. Every state necessarily has to perform and/or execute the general functions of rule-making, rule application and rule-enforcement etc., so that it can simultaneously represent class power and mediate it. Thus, the nature of state power derived from its class basis may contradict with the exercise of it.

However, political domination and its execution form an intrinsic unity. "A particular form of domination presupposes certain means of execution, and conversely, the form of domination determines the way in which the functions of the state are executed." (30) Parallel to this, 'acts of power' are as important as 'nature of power' and/or 'seats of power' while the latter are the primary condition for the exercise of power. Although Durkheim has argued that "it is not a question as to the ownership of riches, but as to the regulation of the activity to which these riches give rise." (31) these are the two aspects of the political practice which form a contradictory unity.

And what is more, any localization of power (e.i.seats of power) contains an element of social attribution pertaining to consent on the part of the power - subjects and expectations of power-holders. Accordingly "the exercise of power never takes place without a certain feedback as a result of the existence of the power-subjects and of the power-holders 'expectations pertaining to their reactions.'"(32) When power is exercised; it becomes something else; either force when social sanctions are mobilized; or authority when the existing asymmetric relation is reproduced. Nevertheless, there are gradations between 'naked power' and 'legitimate power' since there is a range of balances between the power-holder and the power-subject. Therefore, how power is exercised through a social organization incidences the relevant gradations on the above mentioned continuum which reveals the legitimate power-domain of the power-holder. It follows that the deep concern of scholars of power with legitimation problems is not a mere coincidence.

D. REPRODUCTION OF SOCIAL TOTALITY

As social relations and social structure from the contradictory unity of a social totality the latter's reproduction denotes its mode of functioning as an ongoing social process. Indeed, both division of labour and social differentiation presuppose the existence of social surplus product; that is, what remains out of the total output of a social group beyond that part necessary for the subsistence of the producers themselves. Accordingly, performance of necessary labour can be claimed to afford the reproduction cost of direct producers while surplus labour is necessary for the reproduction of the social totality.

Besides, reproduction of the entire social totality circumscribes reproduction of the economy, that is, relations of production as well as their conditions of existence within it. Relations of production cannot be abstracted from their specific superstructural conditions of existence. (33) These conditions of existence is constituted by the non-productive activities, both are fulfilled and/or conducted via social institutions in return for the due share each institution gets from the social surplus product.

30. Therborn, Ruling Class, op. cit., 177.

31. Emile Durkheim, Division of Labour in Society, The Free Press, New York, 1964, p. 30.

32. J.A.A. Van Doorn, 'Sociology and the Problem of Power', The Bobbs-Merrill Reprint Series in the Social Sciences, s. 648, (reprinted from Sociologia Neerlandica, Vol. I, No. 1, Winter, 1962-1963), p. 9.

33. L. Althusser and Etienne Balibar, Reading, Capital, NLB, London, 1975, pp. 174 - 181.

At this connection, it is possible to identify three basic objects that are to be reproduced with and within social totality; each corresponding to different spheres of social reality. At the economic level; the relations and forces of production are reproduced as goods are produced, distributed and consumed. At the ideological level; particular ideological superstructure with its specialized apparatuses of qualification and subjection are reproduced. Hence, ideas are inculcated and lived. At the political level; relations of domination and subjugation are reproduced as state power is exercised through the state apparatus as an outcome of the struggle of antagonistic classes. It follows that not only laws and commands (institutional norms) are issued and applied but also violence is displayed and exercised at the administrative-repressive sphere of social totality.

For these ends; both the positions of a given social structure as well as the persons required to fill them (positions and processes) are reproduced. There has to be suitable individuals to be the bearers of social institutions and be reproduced (or freshly recruited) in sufficient numbers to fill the positions. Nevertheless, these ends also involve certain processes whereby these structures to be reproduced are intermally related.

To begin with, individuals are shaped into subjects by a particular kind of family among other ideological apparatuses. These people tend to form the same or a similar kind of family when they grow-up and to submit their own children to it. New generation enters a universe which is historically determined, and thus constituted, by a given set of relations of production. Nevertheless this entrance is also through pre-given class-specific gates and class specific paths. Within this delimited universe, the new generation ought to find its material means of support and thereby to reproduce those initial relations together with social totality. "In this way the exploited have to deliver surplus labour to their exploiters who thus acquire the resources to maintain and continue their exploitation." (34)

However, in fulfilling the 'assigned' functions, subjects may deviate from the organizationally limited possibilities (e.i. practices) which will contradict with the nature of their position in the social organization. This is mainly because "the range of structurally limited possibilities and the range of functional possibilities do not necessarily coincide" (35). Both the intrusion of the time dimension and the exigencies of circumstance in social interactions when combined with the peculiarities reflected in the performance of a given role result in continual 're-adjustments' of the social organizations, per se.

Indeed, no social totality is reproduced and/or maintained exactly as it has been previously period. Similarly, the term 'reproduction' has nothing to do with 'simple reproduction' as experienced by protozoa. (36) Social phenomena have various features which do not permit such a process. However, when social totality is reproduced its fundamental structure and dynamics are preserved even though the number, size and concrete forms of the various positions and roles may change together with the subjects who have to fill them.

Despite this all embracing mechanism of reproduction it can still be claimed that social reproduction and transformation are simultaneous instances. Social structures can only be consolidated through social relations and that social relations may violate the pre-given structural limitations. Parallel to this, the strategic time dimension as well as the peculiarities of each concrete situation make it possible the distinction of short-term and long-term (delayed) effects of social relations on social structures. This would be the objective social consequences of any social action in the material crystallization and/or consolidation of social relations in social structures (institutions, organizations etc.).

34. Therborn, Ruling Class, op. cit., p. 164.

35. Eric Olin Wright, Class Crisis and State, NLB, London 1978, p. 16.

36. Single-celled animals.

Moreover, the contradictory nature of social relations and social structures also call for close scrutiny of the indirect effects, that is, unanticipated consequences of any social action irrespective of whether it refers to individuals and/or a collectivity. When fulfilling their roles, human beings may violate the institutionally designed patterns of human interaction to such an extent that they may transform the original norms. A social phenomenon functional in the maintenance of social structure may at the same time develop a dysfunctional (e.i. catalysmic) moment. In this respect, it may be the case that socialization process which molds personalities into 'suitable' subjects for the labour process may at the same time 'arm' them with knowledge so that they may rise as a challenging social force for the status quo. (37)

Since the qualitative change in the nature of social totality is a rare phenomenon, how the network of social relationships are sustained becomes a paramount question.

As the reproduction of social totality encompasses all spheres of social activity; its maintenance in the face of social crisis and challenge entails mobilization of sanctions each of which are contained in economic, political and ideological practices. In line with this, mechanisms of social reproduction denote sanctions which come into effect when this reproduction process seems to be going off course. All of these mechanisms are constituted by mechanisms of expulsion, either threatened or actual, which necessarily take place in the context of state power thus backed by instruments of repression. Nevertheless, these mechanisms are all situated within specific institutionalized channels either in the form of economic constraint or ideological excommunication or the use or threat of violence.

E. TRANSITIONAL SOCIAL FORMATION

Social totality is never complete and does not refer to an absolute entity as it is a dynamic and expanding concept reflecting man's historical activity in constantly changing the social world as well as himself. In this respect, social totality can exist at best only in the form of a 'detotalized-totally'.

However, social totality is not a futile concept analytically. The point is that totality refers to the largest entity and/or highest abstraction as a unit of analysis whereby one of its parts can simultaneously be considered as another totality. Indeed, it is a fruitful methodological tool in the movement from abstractions (and/or collectivities) to their historically specific concrete content. And, in the second step, it serves as the reference point to which these enriched concepts are integrated.

A dynamic social totality as comprised by economic, ideological and political levels, nevertheless, has reference to one mode of production. The concept of mode of production expresses, on the other hand, three features of a social totality which can be cited as follows:

- (a) the differential degree of material attack on nature by production
- (b) the differential mode of unity existing between man and nature
- (c) the degree of variation in the 'man-nature' unity also encompassing the unity of the social relations in which production takes place.

A definite stage in the development of the methods of labour and thereby its social productivity correspond to the direct relationship of the owners of the conditions of production to the direct producers. Similarly, every member of the society maintains a typical relation with the means of production (e.i. objects, instruments) which simultaneously divides the agents of

37. At this connection, it is possible to theorize about latent functions whose consequences are unknown a priori, as they turn out to be dysfunctional.

production into functional groups, each occupying a definite place in the production process.

Yet, a certain form of combination of the elements of production necessarily implies and calls for other social organizations which tend to impose and maintain the defined types of arrangements among the 'members' of social totality. These social organizations form the condition of existence of these social relations of production either by means of material force of state at the political level or of moral power at the ideological level. Moreover, the relations of production also establish the degree of effectivity delegated to a certain level of social totality.

However, any social totality in a given time and space generally contains several different modes of production whose laws of co-existence and hierarchy have to be elucidated. In that respect, social totality can be identified with a social formation in order to make certain concepts theoretically adequate to their practical content. Thus, social formation denotes a social totality which is articulated on the basis of a determinate mode of production. Besides, it is an empirical concept designating the object of a concrete analysis. With regard to this, certain features of a social formation have to be elaborated since they determine its very nature.

To begin with articulation does not merely imply an integration of various levels of social reality to form a coherent unity. On the contrary, it foreshadows the dynamic nature of a social formation which is constituted by unevenly developed and contradictory levels of social practice in a tense unity. Moreover, the relationship between these practices is not a symmetric one but it entails the determination of other practices by the economic one while the others also assign a dominant instance to fulfill the reproductive requirements of the social formation.

In line with this, each practice does not exist in isolation within any social formation with a determinant mode of production. Each intervenes within other practices and is itself intervened in by the others. Thus, the term instance is to emphasize the overdetermined nature of different levels of social reality at a particular moment of its development.

Although each practice has its own relatively autonomous history and differential historical existence owing to its inner contradictions; both the nature and the historical times of the relatively autonomous practices are structured by the articulation of the determinant practice within the social formation. And, dialectically, the economic practice which occupies the determinant place ultimately structures the dislocations among other practices pertaining to their different temporality. According to this, the reproductive requirements of the dominant mode of production within a social formation place limits on the form of intervention of the various practices within each other.

In other words, the uneven development that the determinant instance (economy) engenders calls for the dominance of a particular instance at a specific moment in the historical time of a social formation. The relations of real appropriation, that will be the relations of production under which surplus labour is extracted, determine which of the practices in the social formation occupies the dominant place. In this context, what is meant by 'the ultimate determination of the social formation in the last instance' is that it ultimately determines which of the practices (or combination of practice) occupies the dominant place within a social formation. Since a social formation is itself dominated by a particular mode of production; the determinant instance thus determines which practice structures the other practices in the reproduction of the social formation. As a corollary to this, the dynamics of a mode of production refer to the specific effects of a definite mode of production upon the reproduction of that mode. But, the intricate issue is that, the ultimate instance never comes within the detotalized totality no matter whether it is immersed into a definite time and space matrix in the concept of social formation or not.

It can, then be concluded that "... the social formation is a structure containing a number of practices which have variant structures and are relatively autonomous, being determined in the

last instance by economic practice - or, rather by the particular combination within which this practice exists as a mode of production." (38)

A historically determined social formation is characterized by an overlapping of several modes of production (at least, two of them). When one of these modes of production succeeds in establishing its dominance, the others are subsumed under it in the sense that the dominant mode of production marks the phase of expanded reproduction of a social formation. Therefore even at this end of the strictly transitory phase of a social formation, there exists a true relation of forces between the various modes of production within any one social formation and of permanent dislocations of a formation's instances.

However, when one mode of production is dominant in a social formation the other levels (ideological, political) other than the economy are adapted to the latter, in the sense that they can only operate within limits that are ultimately determined by the mode of production (in its various stages of development). Yet, in a transitional period, political and ideological forms which are the conditions of existence of different modes of production co-exist. These are inevitably in contradiction, and that 'dislocations' between the levels of the superstructure, and between these levels and different modes of production can only be adequately analysed by a double reference; to the transitional social formation and to the reproductive requirements of different modes of production.

As mentioned previously, social totality is an analytical concept which can be immersed in a time and space matrix to denote a specific social formation. If the historical periods concerning various modes of production prior to the penetration of capital are ignored for all theoretical purposes within the scope of this research; it is possible to delineate the geographical space whose periodization is established with respect to the capitalist mode of production at its imperialist stage, namely, the contemporary world capitalist system, as a social formation. Nevertheless, the dominant contradiction within this particular formation stems from the dislocation between the economic and the political level. Accordingly, the political apparatus is fragmented owing to the presence of different nation-states.

Besides, it is possible to consider any nation-state as a separate social formation which is subject to various types of capitalist penetration. The existence, forms or effects of the latter on these social formations will form an independent domain of social analysis, since articulations of contemporary structures of the social formations of the Third World have the world capitalist system as a frame of reference. Consequently, Third World social formations are transitional since they are dominated by an articulation of (at least) two modes of production - a capitalist and a non-capitalist mode - in which the former is, or is becoming increasingly subsumed under the other.

The peculiarity of this transition, then, lies in its being brought about by imperialist penetration which is a specific form of capitalist penetration that has the specific economic effect of a separation of direct producers from their means of production in the Third World formation. It follows that the historical time peculiar to the structure of contemporary Third World formations necessarily characterizes them by a whole series of dislocations between the various levels of the social formation. Imperialist penetration, thus, intervenes not only economically but politically and ideologically within the dislocated levels in order to ensure the increasing dominance of the capitalist mode of production. Accordingly, this form of dominance while creating a restricted and uneven form of economic development within Third World formations also generates further dislocations at the political and ideological levels as they do not necessarily adapt, or rather, usually contradict, to the reproductive requirements of a capitalist mode of production.

In the framework of a historical social formation, a mode of production is always enmeshed in relationships with other modes just like the elements of a structure. Nevertheless, a given social formation is in turn entangled in an international system of social formations. In this respect, there exist patterns of exchange and parameters of economic constraints; violent relations of force and forms of political representation and mediation based on subordination; patterns of communication and intertwined ideological interpellations. These constitute the possible forms of relationships amongst different modes of production and social formations.

In the case of transitional Third World formations, therefore, contradictions are embedded within the economic, political and ideological instances of a mode of production both national and international. The reproduction of a given mode of production always takes place within a concrete social formation; in articulation with other modes of production in an international system. That is the space within which the reproduction and/or transformation of any social formation takes place. Similarly, the nature of any state-power involves four axes of determination that can be schematically cited as follows:

- 1) The stage of development of the relevant mode of production
- 2) The place of the mode of production within the international stage of the same mode
- 3) The conjunctural articulation of all modes existing within the social formation
- 4) The insertion of the social formation in the international system of related social formations at a given point in time. (39)

As regards to these, both the uneven development of partners participating in the world capitalist system and the internal contradictions embedded at various levels of a social formation give rise to the constellation of multiple contradictions and discontinuities within the development process of social formations. (40) It follows that the social formations are in a constant flux throughout their reproductive process, whether slow or rapid.

39. Therborn, *Ruling Class*, *op. cit.*, p. 162.

40. The relation of every nation state to international capitalism and the so-called multi-national corporations is a specific domain of analysis which will be excluded within the scope of this research.

4.EMPLOYMENT AS AN OVERDETERMINED

SOCIAL PHENOMENON

The previous chapter is a rather formal-analytical assertion of a set of thesis which aims at establishing a rigorous basis for producing the concept of employment as an overdetermined social phenomenon. In this connection, it is worth noting that although different emphasis has been put on the constituent moments of employment process in the relevant literature, they correspond to different aspects of the same phenomenon each involving various assumptions at all levels. This is because the problem of employment and/or unemployment is an overdetermined social phenomenon whereby continuous dynamic interactions operate among its various aspects.

When the employment problem is broken down into its constituents therefore, three different aspects of employment can be distinguished; albeit at the risk of oversimplification:

- (1) the income aspect ; employment gives an income to the employed
- (2) the production aspect; employment yields an output
- (3) the recognition aspect; employment gives a person the recognition of being engaged in something worth his while. (1)

Moreover, these aspects have to be considered at different analytical levels which introduce problems of a different "order" as they are different moments in a complex process of employment. As an extension of this, each aspect of employment can be conceived to correspond to different social practices. At the economic level, production aspect of employment refers to the consequence of labour performance involving subject-object dialectics. At the political level, income aspect of employment is concerned with remuneration of labour performance through the distribution of newly created value within the production process, hence the object-object dialectics. And finally, recognition aspect of employment focuses on subject-subject dialectics as it deals with the relation of employed and/or unemployed to the lived world through his labour performance in the form of self-conception.

Nonetheless, what is meant by 'aspect' requires further analytical elaboration.

In each aspect of employment, the contradictory unity of elements embedded in each level of social reality generate a single causal mechanism of determination which is specific to that level (structure) and is its defining characteristic. It follows that the causes and effects of social phenomena are aspects, or applications of the structural relationships between its various elements. As employment is an overdetermined social phenomenon, then, its aspects are also points of reference for the causes of unemployment respectively. Although specific set of contradictions work through their interdependent effect upon the aspect of which they are a part, they accumulate through exacerbating each other. Accordingly, these aspects and/or moments determine employment and unemployment simultaneously.

In systematising social reality, the following sub-chapters on different moments/aspects of employment will elucidate the central dynamics operating at its discrete levels. These will constitute the logical part of the model and/or theory of employment as they represent a general conceptual description of each moment of employment.

1. Amartya Sen, Employment, Technology and Development, Clarendon Press, Oxford, London, 1975, p.117.

A. PRODUCTION ASPECT

"Some things and some materials and some happenings seem to be pretty well independent of each other. At least some are sufficiently independent of each other for changes in them not to bring about discernible effects in other things. It may in the end be true that one cannot pick a daffodil without troubling a star, but the disturbance in the heavens is not discernible.... Some happenings in our common experience do seem to be unconnected. Others do not. The flux of happenings is riddled with consequences".

(The Philosophies of Science, Harré)

It is possible to approach employment precisely with regard to the consequence (outcome) of labour performance. In so far as human labour is objectivated through output, the analysis of employment from production aspect refers to the evaluation of fruits of working activity. What can be the relevant factors that bear on the assessment of the consequences of human labour then?

A-1 PRODUCTION OBJECTIVES

While changing the form of the material on which they work, human beings also realize a purpose of their own. Indeed, every product of human labour normally possesses 'utility', that is, it satisfies a human need which reflects its use-value. Otherwise, it is simply a product of caprice or an 'absurd' jest of some producer. Moreover, all human needs are not innate to man, and that, there is a constant interaction between the development of productive forces and the rise of new wants, between production and needs.

As regards to this, it is possible to distinguish different objectives of production, (2) each roughly corresponding to the different historical modes of production, which are:

- 1) production for use (for direct consumption) (3)
- 2) production of commodities for sale on the market
- 3) production for the accumulation of capital (which also involves production of commodities).

In order for products to be transformed into commodities, that is, to be endowed with an exchange value, it is essential that everybody should not be engaged in turning out the same thing. This will necessarily entail a given degree of development of division of labour within social totality in which social groups produce different use-values. Peasants and artisans who bring their products to markets wish to sell goods whose use-value they themselves cannot or not willing to use, so that they will obtain money (means of exchange). They need money for the acquisition of

2. Göran Therborn, *Science, op. cit.*, p.383.

3. As prevalent in precapitalist modes of production, this objective may have alternative components such as production for the consumption of masters and for the reproduction of the community. This issue is further elaborated by Perry Anderson, in the Lineages of the Absolutist State, NLB, London, 1975.

other goods whose use-value is either necessary to them or deemed more important than the use-value of the goods they own.

However, labour-power has a dual function in the production process. It both preserves all existing values in the instruments of labour, machines, building etc., and incorporates a fraction of this value into current production. Thus, any consequence of working activity contains a surplus value portion referring to the newly created value within the production process. Still, the newly created value remains 'locked' in the products unless there are consumers to buy them.

When the output is sold, that is, when the surplus value is realized through exchange, it is possible to pursue the further consequences of labour performance. Surplus value can be 'unproductively' consumed as in the case of small-farmers and artisans to maintain the direct producer and his family with his entourage. With regard to this, it is withdrawn from the process of production and completely vanishes in the reproduction of direct producers.

On the other hand, after the operation of commodity exchange, the realized surplus-value may still adopt an intermediary but limited role in the next production activity. This time, it is possible to talk about usury and merchant (or, commercial) capital (4) whereby money is treated as a factor of production to be remunerated for the service it renders. Accordingly, this form of capital constitutes the characteristic feature of pre-capitalist modes of production in which commodities are bought in order to sell; and in order to re-sell.

As means of production are also produced besides means of consumption, once surplus-value is being transformed into capital, it can take over the means of production and can directly penetrate in the organization of production itself. In this sense, capital is accumulated and utilized either in the form of supplementary constant capital (raw materials, machines, buildings, land), or in the form of supplementary variable capital (labour-power). Anyway in both forms of materialized labour, the realized surplus value is 'productively' consumed as it is used within the 'extended' reproduction of production process. "It is consequently inaccurate to say that it is the capitalist who creates employment, since it is the worker who produced the surplus-value, which was capitalized by the capitalist, and used, among other things for hiring more workers." (5)

If different objectives of production are further elaborated, it can be claimed that, although every human product embodies certain amount of surplus value newly created by labour, this does not necessarily entail homogenous labour inputs. Quite the contrary, different production objectives warrant qualitatively different labouring processes on the part of the producer. This is because these different ends of production foreshadow qualitatively different labour inputs.

From another point of view, the activity of working for the market, for unknown consumers instead of for consumption by the producer himself his family or larger kinship groups marks the elimination of all aesthetic activity, artistic inspiration and creative activity from the act of production. Accordingly, with the emergence, regularization and generalization of commodity production, labour becomes an obligation imposed from 'outside' and takes the form of purely mechanical and repetitive tasks; quite detached from a normal, harmonious and organic expression within the framework of the day's work. Thus, when different production objectives are re-examined with this phenomenon of 'alienation', the claim that products embody qualitatively different (heterogenous) labour inputs is fortified.

And what is more, though expressed in subjective motives, the objective of production is derived neither from self-interest nor from some other basic drive. But rather, it is a social mechanism whose existence must be established by the analysis of concrete situations. It

4. Any value which is augmented by a surplus value is capital.

5. Ernest Mandel, An Introduction to Marxist Economic Theory, Pathfinder Press, Inc., New York, 1976, p. 44.

might be that production of exchange values reaches its greatest development in the capitalist mode of production. However, two classes of products still remain as simple use-values. These encompass a fraction of agricultural products produced by peasantry but directly consumed on the farms where it was produced as well as household production. Despite the fact that considerable labour goes into these two types of production, these activities do not entertain the process of commodity circulation, and therefore, doomed to be statistically disregarded in the calculation of national incomes.

A-2 SOCIAL CHARACTER OF VALUE

The concept of use-value refers to the relation between a person and a thing, that is, how useful the thing is for a person. But the exchange-relation between things (which can be taken as the price of commodities) involves a relation between people who are the producers of the different commodities. The value of a commodity can be claimed to determine the long-run equilibrium prices of production although exactly how values and prices are related depends upon the particular form of commodity production.

Nevertheless, the exchange value of a product is not a moral reward for mere willingness to work but an 'objective' bond set up between independent producers. On the other hand, if labour consequently produces unsaleable goods that find no equivalent on the market place, then, labour is absolutely wasted.

Few preliminary remarks are due on this concept of 'objectivity' in order to concede its importance. True, evaluation of labour products gets above and beyond the direct producer and adopts a social character. But it does not follow that supply and demand determine the commodity prices, price being nothing but the monetary expression of value. Supply and demand refer to behaviour of producers and consumers as prices change. In other words, these can explain the temporary fluctuations of market prices and why the market price of a commodity rises above or shrinks below its value, but can never account for the 'value' itself. Moreover, at the moment when supply and demand equilibrate each other, the market price of a commodity coincides with its 'real' value with the standard price around which its market prices oscillate. Nor, the supply and demand contrivance can provide answers for the level of wages and profits. However, these paramount issues will be elaborated later.

The value of a commodity is 'relative' and can only be fixed within its relations to all other commodities, in the sense that, the proportional quantities in which it exchanges with all other commodities. This necessitates a third entity to which they can all be reduced so that it can be possible to distinguish them by the proportions in which they contain that identical measure and/or standard.

With respect to this, the quantity of socially necessary labour realized in commodities regulates their exchange values. To put it more plainly, exchange is governed by an equivalence in work hours, whereby quantity of labour being measured by the length of time it takes to produce the commodity. Thus the objective evaluation of human products has repercussions at three levels.

Firstly, the exchange value of a commodity is not determined by the quantity of labour expended by each individual producer engaged in the production of this commodity. It is determined by the quantity of labour "socially necessary" to produce it under the average conditions of labour productivity existing in a given social totality at a given time.

Although values of commodities are exclusively determined by the total quantities of labour crystallized in them; it does not follow from this that values of the single commodities,

or lots of commodities will remain constant. Quite the contrary, the number and/or mass of commodities produced in a given time of labour (e.i. quantity of labour) depends upon the productive power of the labour employed and not upon its extent or length.

"The quantity of labour necessary for the production of a commodity changes continuously with the changes in the productive powers of the labour employed. The greater the productive power of labour, the more produce is finished in a given time of labour and the smaller the productive powers of labour, the less produce is finished in the same time" (6)

When the same relationship is approached from the view of prices, it means that, if a constant amount and/or mass of output can be produced with less labour hours, then the cost of one unit of output will be less compared to production with a smaller productive power of the labour employed. The difference of the price of commodities, therefore, has to be attributed to the difference in the productive powers of the labour employed.

Secondly, as the total mass of value newly created in the entire society is predetermined in the process of production, it can neither be increased nor reduced by what happens in the process of commodity circulation. Economic equilibrium in a given social totality at a given time "implies that the sum total of social production, of the available productive forces of this society, of its available work-hours, has been distributed among the various sectors of industry in the same proportions as consumers distribute their buying power in satisfying their various wants." (7)

Fluctuations of both supply and demand foster oscillations of market prices which can express only the average amount of social labour necessary under the average conditions of production to supply the market with a certain mass of a certain article. Derangements may arise from a mere change in the proportion of the demand for and the supply of different commodities pertaining to market prices. Thus, the initial 'individual' cost of production may and usually does diverge from its market value.

Quite crucial as this is, the concrete outcome of commodity circulation reflects the distribution of value and surplus value among different productive activities undertaken by different groups of producers, as well as how a given amount of production changes its form. When supply exceeds demand, that is, in the case of overproduction, a whole segment of labour hours expended in an industrial branch by individual workers turn out to be a pure loss. Labour is wasted since its products remain unrequited by society though each of them contains surplus-value. Or, conversely, when demand exceeds supply, that is, in the case of underproduction, the industrial sector receives a bonus from society which stimulates an increase in production and achieves a demand and supply equilibrium. Then, it becomes possible to talk about a contribution of human labour to social totality and realization of superprofits by the enterprises.

With regard to this, capital and labour will be transferred from the less remunerative to the more remunerative branches of industry since average rate of profit differs in different spheres of production. In addition to this, "the average periods during which the fluctuations of market prices compensate each other are different for different kinds of commodities, because with one kind it is easier to adapt supply to demand than with each other" (8) And, this process of transfer goes on until the supply in the one department of industry rises proportionately to the increased demand and sinks in other departments according to the decreased demand. Despite a temporary fall in the rate of profit of the particular industry suffering from decreased

6. Marx Karl, 'Wages, Price and Profit', Selected Works, Vol.2, op. cit., p.44.

7. Mandel, op.cit., p. 20-21.

8. Marx, Wages, op. cit., p. 52.

demand or increased supply, the general rate of profit tends to be equalized within the social totality, accompanied by disturbance of market prices.

Up to this point, it seems quite apparent that both socially wasted human labour and socially necessary labour have a determinant outside the production process which is the consumption pattern of social totality. From the point of view of consumers, demand for products is the 'site' of their willingness and ability to buy. Given this connection, the level of prices, (exchange value of commodities) is closely related to individuals and/or social groups' ability to buy. This feature marks the intricate relationship between income and production aspect of employment as the individual's capability of purchasing commodities is closely associated with his earnings. Nevertheless, as the distribution of income is governed by relations of production which assign men into different positions with different functions, the subsequent distribution of products within the social totality proceeds the division of men into social classes.

A-3 ATTACK ON NATURE

Human labour should not be considered as 'pure creativity', for labouring process necessarily involves material and technical conditions of production. Through the production process, labour-power of man is expended as he uses defined instruments of labour according to adequate (technical) rules so that he can transform the object of labour (either a natural material or an already worked material or raw material) into a useful product.

Every member of the social totality occupies a definite place in the production process as all maintain a typical relation with the means of production (objects, instruments) which simultaneously divide the agents of production into functional groups." The 'means of labour' determine the typical form of the labour process considered: by establishing the 'mode of attack' on the external nature subject to transformation in economic production, they determine the mode of production, the basic category of Marxist analysis (in economics and history), at the same time, they establish the level of productivity of productive labour." (9) As regards to these, productivity proves to be the central concept in evaluating the consequences of labour performance which needs further elucidation.

Productivity refers to the relationship between what comes out of production and what goes into production. To put it plainly, it is the ratio between output and input. Nevertheless, although 'productivity' has a quantitative referent which may explain the evolutionary overtones in Marx's expression of level of development of productive forces, it cannot simply be identified with productive capacity as such. At the outset, it has to be kept in mind that a certain minimum level of productivity is necessary to render possible a differentiation between producers and non-producers, who partly appropriate the former's product.

Secondly, a given productivity can only be manifested through the economic and/or social organization of labour. In other words, to what extent the productive power of labour has been developed reflect the social and co-operative character of human labour within the labour process. The greater the productive powers of labour the less labour is crystallized upon a given amount of produce, hence the smaller the value of the produce, which will finally be expressed through exchange rates of commodities.

To what extent surplus-value enclosed in the commodities is going to be realized is decided by market conditions. To put it differently, the commodities have to be sold at an "appropriate" price so that average costs are covered by average revenues and an average rate of profit is

9. Louis Althusser and Etienne Balibar, Reading Capital, NLB, London, 1975, p. 173.

accomplished. Therefore, if consumption pattern is treated analytically exogenous, 'socially necessary labour' has also a determinant inside the production process. This relationship will not only be reflected in prices but in profits also. With regard to this, any productive undertaking has to devote all its energies to those parts of the market process that are in its control. Consequently, this endeavour can only be realized through the efficient combination of factors to minimize the costs and selection of the most profitable scale and level of output.

Yet, the Law of Diminishing Returns puts a constraint on human productive activity while transforming nature: When successive labour units are added to a fixed amount of constant capital, ultimately, a point will be reached at which the contribution of extra labour is so small that average output per unit of labour also falls. The range of factor inputs over which average productivity rises is the range of increasing average returns for a productive enterprise. (10) At one point, the last incorporation of more man-hour will add less to output than its predecessor. Thus, marginal productivity of labour marks the point where maximum 'technical efficiency' for the factor being added is overshoot despite increasing average productivity in the undertaking. (11)

Moreover, marginal productivities of different factors of production do not constitute the only criteria on which production decisions are based. As new production levels are sought (volume of output increased), the cost of inputs also vary. Quite ironically, as production increases, the amount of fixed costs that has to be charged to each unit of output falls. But, variable costs per unit fall as marginal productivity of factors increase until the inevitable stage of diminishing returns is reached. With respect to this, additional production begins to raise average costs when the former turns out to be more expensive than the average for all previous output. Parellel to this, although marginal costs determine most production decisions in terms of output, average costs and average revenues are to be used when calculating profits.

As it is now more obvious, if an enterprise or an industry operates below average productivity, the average revenues which are determined above and beyond the each productive unit, will fail to approach its production costs or fall below them. In this case, a proportion of the total amount of labour available to society will thus have been wasted and that the enterprise and/or industrial branch operates at a very low rate of profit or even at a loss. On the other hand, if an enterprise and/or industrial branch is technologically advanced, it can economize in its expenditure of social labour. As it accomplishes production above average level of productivity, it can make a surplus profit. Accordingly, the difference between its costs and selling prices will be greater than the average profit.

"What, therefore, serves the bourgeois as his measure of profit? The cost of production of his commodity. If he receives in exchange for this commodity an amount of other commodities which it has cost less to produce, he has lost. If he receives in exchange for his commodity an amount of other commodities the production of which has cost more, he has gained. And he calculates the rise or fall of the profit according to the degree in which the exchange value of his commodity stands above or below zero-the cost of production". (12)

The total mass of surplus value produced in society is a fixed mass which ultimately depends on the total number of man-hours supplied by labourers engaged in production. When enterprises operate below the average level of productivity, then, there is an unexpended balance of surplus value available to be captured by enterprises operating above the average level of productivity. With respect to this, the latter are rewarded by society as they realize superprofits in return for 'economization' of social labour-time owing to their technological superiority.

10. Within this conceptual framework, it is assumed that all the units of added factor input are homogeneous.

11. Falling marginal productivity is compatible with rising average productivity.

12. Karl Marx, *Wage Labour and Capital*, *Selected Works*, Vol.1 Progress Publishers, Moscow, 1977, p.156.

Competition forces every capitalist enterprise constantly to improve its technology and labour productivity so that surplus profit can be made. "All the strategy of capitalist industry stems from this desire on the part of every enterprise to achieve a rate of productivity superior to the national average and thereby make a surplus profit, and this in turn provokes a movement which causes the surplus profit to disappear by virtue of the trend for the average rate of labour productivity to rise continuously. This is the mechanism in the tendency for profit rates to become equalized". (13)

Average rate of profit is the ratio of total mass of surplus value produced by all workers to total mass of capital investment in a given period. However, average profit is an abstraction in the sense that real rates of profit of different enterprises and/or industrial branches fluctuate and tend to approximate to this 'average' without ever completely reaching it in an absolute and mechanical way.

Similarly, the price of a commodity is determined by its cost of production in such a way that the periods in which the price of a commodity soars above its cost of production are compensated by the periods in which it sinks below the cost of production and vice versa. Nonetheless, it should be emphasized that this holds for a whole branch of industry rather than particular industrial products and can only explain the whole class of industrialist but not the experience of one single industrialist.

B. INCOME ASPECT

"On the contrary, life begins for him where this activity ceases, at the table, in the public house, in bed. The twelve hours' labour, on the other hand, has no meaning for him as weaving, spinning, drilling, etc., but as earnings, which bring him to the table, to the public house, into bed. If the silk worm were to spin in order to continue its existence as a caterpillar it would be a complete wage worker."

(Wage Labour and Capital, Marx)

Jobs are like commodities in that they possess characteristics which enable wants to be satisfied. Nonetheless, there are a hierarchy of wants which renders impossible their substitution between commodities which satisfy the same want. At the other extreme, there are also commodities which may satisfy more than one want. Still, a third alternative exist whereby a combination of certain commodities can satisfy only one need.

Indeed, it is possible to distinguish three basis activities-consumption production and leisure-each of which possesses a set of characteristics so that in combination their pursuit will satisfy human wants. With regard to this, jobs, unlike other commodities possess one characteristic in common: when labour is performed within the framework of an employment activity, it renders some sort of remuneration for production that makes it possible the pursuit of other activities. Then, employment (and/or unemployment) can not be solely defined in terms of physical activity as such, but related to some notion of "reward" for work.

As regards to these, the income aspect of employment is primarily concerned with earnings which are received on the condition that one works. At this connection, it is worth emphasizing that the income aspect of employment is a question of conditionality and not just whether the level of income is high or low. Accordingly, the criterion of unemployment is not one of inadequate income. Though poverty (14) and/or inadequate income marks the existence of a social problem, neither can be used as the sole criterion of unemployment. Similarly, if a person has other sources of income, he can be rich yet unemployed. In contrast to this, a person may still be in misery though he works very hard.

Thus, for all analytical purposes poverty as a concept has to be kept different from the concept of employment and/or unemployment. As they relate to two somewhat different categories of thought, any identification of the two notions will certainly impoverish both. Yet, such an analytical distinction does not entail any assumption of independence of poverty and employment and/or unemployment, as both are intertwined in the real world. Albeit, any fruitful analysis has to establish the nature and extent of their relationship.

Like that of every other commodity, the value (e.i. remuneration) of labor power is determined by the quantity of labour necessary to produce it. Quite similar to the exchange value of products, 'reward' for labour is not a 'charity' given to individuals living in a society. But, rather it is an objective bond set between the individual and the society. Therefore, remuneration of labour necessarily involves reproduction of labour-power insofar as human beings are individual bearers of energy.

14. Poverty can be seen as a consequence of low productivity, social arrangements for production; and the form and extent of exploitation which are related to their intricate issue of income distribution.

As a means of production, human energy is produced by the metabolic transformation of the means of subsistence in the organism. And, though plain, this fact has reverberations at various levels, each demanding further scrutiny.

Firstly, as production of the means of subsistence encompasses the means of reproduction of producers, the latter brings together problems of demography and economics. At the outset, it becomes clear that production, especially of means of subsistence, is concomitant with the reproduction of human beings. Hence, demographic factors and/or tendencies cannot be considered as a cause of historical sequences but are entirely dependent on production and circulation of food. "This is a field of economic investigation to be thought over taking into account the continuous conversion of subsistence into labour power, of labour power into productive agents and producers of subsistence." (15)

Secondly, remuneration of labour, that is, reproduction cost of human labour should not be identified with mere metabolic transformation of the means of subsistence in the organism that produces human energy. Since human needs are historically determined, the mass of necessities required for the 'maintenance' of labourer are relative to time and space. Neither the concept of a minimum wage nor of an average wage is physiologically rigid. But reproduction cost of a labourer incorporates wants which change with advances in the productivity of labour.

Parallel to this, a labourer has to warrant another amount of necessities to bring up a certain quota of children who will replace him on the labour market and to perpetuate a race of labourers. Moreover, another amount of values must be spent to develop the labouring power of individuals by acquiring a given skill. As the cost of producing labouring power of different quality differ, so must differ the values of the labouring powers employed in different trades. "The cry for an equality of wages rests, therefore, upon a mistake, is an insane wish never to be fulfilled." (16)

Indeed, human labour differ in their qualifications in the sense that an hour of skilled labour must be considered as complex labour. In this connection, it is worth noting Mandel's operationalization of this 'compound labour' to be a multiple of an hour of unskilled labour whereby the coefficient of multiplication cannot be taken as an arbitrary one but must be based on the cost of acquiring a given skill. As a corollary to this, quality of labour cannot be determined by its social usefulness as if to justify the enormous differences in income but has to be treated as a quality measurable quantitatively by means of a specific coefficient of multiplication. In the light of this qualification, the exchange value of commodities can also be refined: "The exchange value of a commodity, then, is determined by the quantity of labour socially necessary for its production, with skilled labour being taken as a multiple of simple labour and the coefficient of multiplication being reasonably measurable quantity." (17)

B-1 FORMS OF EXPLOITATION

Any organization of production not only produces commodities, value and surplus-value, but it also reproduces the social relations within any social totality. Performance of necessary labour can be claimed to afford the reproduction cost of direct producers while surplus labour is necessary for the reproduction of social totality. Accordingly, surplus product is not a measurable reality but it is the concept of a relationship embedded in the existing social structure of production. It refers to a relation of production between the agents of production process and the means of

15. Claude Meillassaux, "Historical Modalities of the Exploitation and Overexploitation of Labour," Critical Anthropology, Vol. 4, No. 13/14, French Issue, p. 16.

16. Marx, Wages, *op. cit.*, p. 56.

17. Mandel, Introduction, *op. cit.*, p. 20.

production. Similarly, the central relations of production are the relations of exploitation which govern the distribution of the value newly produced. As the new value created in the process of production is distributed amongst the various owners of the factors of production; such distribution establishes the mechanism through which the relations of production are also reproduced. Thus, all labour is not remunerated and/or rewarded.

Exploitation denotes the appropriation of a portion of total output of direct producers by non-producers regardless of the form this social surplus product may assume. Therefore, exploitation may take various forms around which one can define the fundamental classes in a given social/historical context. It implies the existence of unpaid labour, that is, labour which is not remunerated. In this respect, form of exploitation is a static concept, crystallized within the social structure at one point in time. Here, what is at stake is the mechanism of surplus appropriation.

The mechanisms through which appropriation of part of the product of direct producers by other social groups are realized within different relations of production operate either through rents that result from land-ownership or through market or as tax. Nevertheless in all cases, the relation of real appropriation, in societies divided into classes, depends on the extent to which the labourer is separated (alienated) from the means of production. In one extreme, in the case of 'precapitalist' modes of production, history witnesses a union of the labourer with the means of production. At the other extreme, there is an entire alienation of the labourer from these means as in the case of capitalist mode of production.

The following will outline the fundamental possible avenues of distribution of surplus product when various forms of surplus labour extraction within different moments of production process are elucidated. At this point, it has to be underlined that the distribution of the newly produced value also takes place "amongst those agents who ensure the circulation of commodities through their distribution, marketing and sale; the banking system has a claim on the surplus value through its function of ensuring the circulation of monetary capital; the state intervenes to abstract surplus value for its own use, etc." (18)

RENTS

Rents constitute a return from land incorporated into production process which in turn may take various forms. Rent in labour services is a characteristic modality of exploitation of a serf through the division of serf's working time between the labour time necessary for his upkeep and reproduction and the surplus labour time supplied to the lord, that is, provision of corvee service. On the other hand, in compensation for use by the direct producers of subsistence plots on the landlord's estate and/or for use of leased land; rent in kind may be paid which is composed, in particular, means of subsistence in fixed annual quantities. Parallel to this, the serf is born, lives, breeds and dies on the master's land on which his reproduction occurs.

However, at a given (and/or constant) rate of agricultural productivity and the risks of random agricultural production which stem from "uncontrollable" natural factors, over-exploitation can only be realized through pushing the level of serf consumption below the existing limits of simple reproduction. This obviously leads to the limitation of the demographic growth of the productive domestic cell, if not "to expand the demesne at the cost of small peasant production and to increase the volume of disposable serf labour time both directly by imposing heavier work obligations and indirectly by a policy of cutting the size of the peasant plot." (19)

Accordingly, the requirement of constant food in order for the reproduction of an individual necessitates reserves of food to be constituted in quantities large enough to even out long periods of disaster and/or crisis. Independently of the fluctuations due to climatic risks; by tapping a

18. Taylor, *op. cit.*, p. 114.

19. Jairus Banaji, "Modes of Production in a Materialist Conception of History," *Capital and Class*, Vol. 3, 1977, p.26.

fixed quantity of social product from the production of the serf, the lord may not allow the serf to constitute reserves for assuring his survival and that of his family especially when his subsistence plot is only enough for himself.

To the extent that the lord monopolizes the reserves of the means of subsistence and the reserves of seed; the long term management of reproduction of community escapes the productive class to benefit the dominant class. Indeed, the lord disposes of at least four means of acting on the development of the serf's family. Similarly, 'over-exploitation' may be realized through:

- (a) the tapping of means of subsistence
- (b) the aid which is arbitrarily given in periods of crisis and which permits the continuity of supply on which survival of the coming generation depends
- (c) the allocation of lands to the young serfs coming to adulthood
- (d) the employment of some of the serf's offsprings as servants who are fed off the product of serfdom but whose labour-power is mobilized to the benefit of the lord. (20)

Rentals that are paid in cash marks the full development of money economy which leads a shift of production and price risks from the non-producer to the direct producer. Because, once the rents are paid in a fixed volume of output, both the level of commodity prices as well as inflation would necessitate continuous readjustments of the rents. At this connection, the institution of share-cropping has to be mentioned whereby in exchange for access to land and occasionally to some means of work, share-croppers pay rentals either in kind or in cash.

MARKETS

The simplest expression of commodity circulation assumes that the commodities are sold in order to buy and bought in order to consume. The basic circuit (C-M-C) is in fact one of a series of transactions. Nevertheless, while money is originally developed to facilitate circulation, it can become the object of exchange itself whereby commodities are bought in order to sell. "It is through this circuit, in which more money is withdrawn at the end of the process than was present at the beginning, thus creating 'surplus value' or profit, that money is converted to capital." (21) Similarly, in the process of circulation, surplus value is captured and capital is accumulated. But, while profit is realized, surplus value is not necessarily created or produced.

Parallel to this, in the formula M-C-M', when M denotes merchantile capital, there is no necessary relationship between capital and production other than the fact that the commodity has to be produced somehow. A merchant may accumulate capital on the basis of non-capitalist production relations, as the producer is constrained somehow (e.g. slavery, feudal relations etc.), even if producers who place commodities in circulation are producing primarily use-values. Or, he may even realize an accidental profit (and accumulate capital) by buying cheap and selling dear.

In pre-capitalist modes of production, interest bearing capital take the form of usury and interest that may either constitute a portion of surplus product extracted or form the entire surplus product. Still, usurer's capital is quite similar to merchant capital in that;

- 1) both require no presupposition for its existence other than commodity circulation
- 2) both may be externally related to a mode of production and claim a portion of surplus product appropriated by other means. To put it differently, both may impoverish a mode of production without necessarily affecting its structural dynamics
- 3) both presume the accumulation of money wealth

20. Meillassoux, *op. cit.*, p.13.

21. William Roseberry, 'Peasants as Proletarians', *Critique of Anthropology*, 1978, Vol. 11, p.5.

Nonetheless, merchant capital has to be kept distinct from usurer's capital in the sense that it is not limited to the sphere of circulation and may also enter into the sphere of production. This is because, there are two alternative purposes for which usury is allocated.

When usury takes the form of lending money to extravagant members of the upper classes, particularly land-owners; interest becomes an external relation to another mode of production. "As feudal consumption inevitably lost its patriarchal character, as the lure of old models of consumption ceased or the civilizing influences of an established nobility exerted a pressure of sophistication on the consumption needs of cruder barbarian aristocracies; and as the monetary share of feudal consumption progressively expanded to a point where "internal consumption" was of scarcely any importance-the thirst for cash became the dominant motive force of feudal production."(22)

On the other hand, usury may take the form of lending money to small producers who possess their own conditions of labour. This active involvement of usurer's capital in production also fore - shadows how merchant capital penetrates into the production sphere. "Where interest is the primary method of extracting surplus value from the direct producers the usurer has imperfect control over production not unlike the control exercised by the landlord who rents out a portion of his land." (23)

In capitalist mode of production, social division of labour separates the producer from his means of production (especially, from the means of production of the means of subsistence) and obliges him to sell his labour-power. Accordingly, he resorts to the market to earn money in order to supply himself with the necessities of life. From another point of view, in the circulation process, capital buys a particular commodity (labour-power) at its exchange value. In the production process, labour-power is converted into other commodities within which the use-value of labour-power creates more value. And through further transaction when commodities are sold at their value, the surplus value is realized.

Indeed, the concept of capital (or rather, industrial capital) implies a precise relationship with labour, or labour-power as a commodity. For labour-power to be a commodity, two conditions must be met: Firstly, the labourer must have the power to sell his labour-power freely as a commodity. Secondly, the labourer must not be able to sell freely the commodities in which his own labour is embodied. In other words, the labourer should have no control of means of production and the product of his own labour and is thus forced to sell his own labour-power as a commodity, in order to survive.

In buying the labouring power of the workman and paying its value the capitalist, like every other purchaser, has acquired the right to use or make that labouring power work during the whole day and/or week and/or month. Albeit, the use of that labouring power is limited by the active energies and physical strength of the labourer. On the other hand, the whole value or produce created by the labourer belongs to the capitalist.

Capitalist production and/or wage system is founded upon this sort of exchange between capital and labour in which the employing capitalist immediately extracts the surplus value. The rate of surplus value will depend on the proportion between the time necessary for the reconstitution of the labourer as producer of labour-power and there is an extra time, or surplus time or surplus labour performed for the capitalist. However, unlike serfdom, the paid and unpaid parts of labour are not separated in time and space as if the price of labouring power equals to value of labour itself.

Since the value of a commodity is determined by the total quantity of labour contained in it,

22. Banaji, *op. cit.*, p.28

23. Roseberry, *op. cit.*, p. 8.

a part of it is constituted by labour that is not remunerated, that is, unpaid labour. "By selling therefore, the commodity at its value, that is, as the crystallization of the total quantity of labour bestowed upon it, the capitalist must necessarily sell it at a profit." (24) As so apparent in the definition of surplus labour, then, to the extent that the capitalist does not pay an equivalent in the form of wages, he sells also what has cost him nothing, although it has cost his workman labour. Parallel to this, normal and average profits are made by selling commodities not above but at their real values.

In fact, the source of rent, interest and industrial capital is the social surplus product created within the labour process, that is, the unpaid labour enclosed in the product of human labour. Surplus value, in this sense, resolves itself into different fractions while bearing three different names. Similarly, the magnitude of surplus value constitutes the limit of the value which the employing capitalist may divide in whatever proportions among the land-lord and/or the money-lender if they are distinct agents of production, of course.

"But it would be quite the reverse of the truth to say that its value is composed of, or formed by, the addition of the independent values of these three constituents." (25) Therefore, any claim that the value of a commodity is based on the addition of three independent values of rent, profit and interest do not represent somewhat 'arbitrary' magnitudes but derived from and/or delimited by amount of surplus value created in the labouring process. "The will of the capitalist is certainly to take as much as possible, what we have to do is not to talk about his will, but to inquire into his power, the limits of that power, and the character of those limits" (26)

TAXATION

This form of surplus extraction not only creates a major source of fiscal revenue for the central political authority but it is also the most important direct means at the disposal for redistributing wealth. Accordingly, taxes may assume various forms; head, land, export, market and income taxes.

Taxation is crucial at two levels. Firstly, it demonstrates the efficacy of the central political institution in coopting and/or incorporating different levels of social totality in coherence. Secondly, it shows the balance of power among different sections of owners of means of production as the 'state' has to sustain its sameness and otherness vis-à-vis them.

Through national incomes policy, the government limits the respective shares of the cake, the latter being in the form of national production of wealth. However, to legitimize this right, the government also has to ensure that the cake gets bigger every year. Hence, a wider policy of economic planning for growth. Economic growth will require capital accumulation for 'necessary' investments in productive activity, for the creation of a sound economic infrastructure, for the provision of various forms of community services (e.g. hospitals, schools etc.) and for the maintenance of a state apparatus which will organize these undertakings. Thus, the government has to take part of the cake by promising that it will share it out again in the form of social benefits.

With respect to these, the government can influence the rate of capital accumulation by taxation policy in three ways:

1) It may increase taxation and invest the proceeds itself in nationalized undertakings and/or in the economic infrastructure. The latter will obviously increase the share of land-owners and merchants.

24. Marx, Wages, *op. cit.*, p.61.

25. Marx, Wages, *ibid.*, p.62.

26. *Ibid.*, p.33.

2) It may stimulate private industry to expand, by taxing profits heavily when they are paid out and lightly when they are retained for 'development'. Hence, the 'backing' of industrial capital.

3) All investment implies savings which will always represent a reduction in current consumption. As they usually find their way into the banks and other financial institutions, government may regulate these through monetary and fiscal measures within the entire taxation system, to 'subsidise' financial capital, in effect.

B-2 FAIR RENUMERATION

Incomes represent the standard of living of persons (what they can purchase in goods and services), and to some extent the wealth they can accumulate and the prestige they can command. Besides people's occupations are generally regarded as the most important indicator of their positions in the social structure. Occupations provide income, social status and personal satisfaction. In this respect, what is 'fair' remuneration of labour performance always preoccupies social analysts. They have put forth various models of income determination and distribution and theorized about the occupational structure of the society. (27) These different theories have divergent and incommensurable axioms as well as common grounds which will be briefly treated in the following pages.

The orthodox (neo-classical) paradigm (28) assumes a perfectly competitive market that retains relatively high elasticities of substitution among different kinds of productive factors and among different kinds of labour productivity, at least in the long-run. They tacitly seem to suggest a kind of technological determinacy about the definition of job structure and job design. The profit advantage of one factor declines when demand is concentrated on a single factor. This is because both the price of that factor rises and as more of it used, its marginal productivity declines. Due to this equimarginal rule of maximizing, factor prices get stabilized and all factors will now be equally sought by productive enterprises. In order to maximize efficiency in production, employers will adjust their labour recruitment in response to changes in wages and productivity. Thus, "... capital-labour ratio will vary with shifts in the price of either factor and that the relationship of technology and capital to labour may change in response to shifts in the supply or price of labour." (29) In this model, then, if the marginal revenue product (30) of a factor is greater than its cost, the factor is hired. Accordingly, the relative rewards for each factor of production, including remuneration of labour performance, mirror their relative marginal productivities.

In this theory of income determination, with perfect competition and market equilibrium, wages will vary with variations in the worker's ability (talent) and work experience. The

27. Paul D. Montagna, Occupations and Society, John Wiley and Sons, New York, 1977.

28. Conventionally, theories of income "determination" and income "distribution" are separated. Theories of income distribution attempt to explain observed patterns in the market distribution of income (e.g. see, J. Mincer, "Labour Force Participation and Unemployment" in R.A. and M.S. Gordon, eds., Prosperity and Unemployment, John Wiley and Sons, New York, 1966). Theories of income determination, on the other hand, seeks to explain the processes through which income is generated (e.g. see, John R. Hicks, The Theory of Wages, St. Martins, London, 1964). Nevertheless, as their main theoretical convictions outweigh their internal differences with other conceptual frameworks, both approaches will be treated uniformly under orthodox theories in this exposition.

29. Gordon, op. cit., p. 89.

30. Marginal revenue product is simply the physical increase in output from the additional factor, multiplied by the price at which the commodity is sold.

discontinuities and/or imperfections refer to departures from the conditions of perfect competition that will tend to erode over time as a result of endogenous competitive pressures. The competition in one sector will generate competition throughout the system while improving the quality of labour productivity.

If there are barriers to obstruct labour mobility, these walls are erected artificially among groups of workers. As all persons are influenced 'equally' by social institutions, the behaviour of workers in any given sector can be explained by the same set of behavioural hypotheses as that of workers in any stratum. The characteristics, attitudes and personality traits of workers remain constant among sectors whereby different degrees of individual success are the result of personality characteristics such as the motivation to complete education and the rationality while deciding on monetary investment and the like.

Along with Saint Simon's dictum; "From each according to his abilities, to each according to his efforts," the distribution of rewards in a society is conceived to be "a function of the distribution of system needs." These efforts or contributions are rewarded unequally to those persons with superior qualities according to what is of value to the society. Therefore, it is claimed that social roles, specifically occupational ones, are rewarded in proportion to their contribution to the common good. And those roles which have the greatest importance for society that require the greatest training and talent were remunerated more. (31)

Within this structuralist-functionalist sociological approach, occupation becomes the single most important indicator of social stratification with a strong emphasis on prestige. Accordingly, the person's social status depends very much on his/her occupation as the result of training and talent. As an extension of Weber's initial formulation, social status derives from one's occupational prestige and 'style of life' whereby social stratum refers to a group of individuals with the same level of prestige. (32) In a conceptual muddle, social class, social status and prestige are interchangeably used.

This, in turn, supports a pluralist view of politics whereby several competing interest groups, including the working class, are conceived to be active representatives in politics. Worker's living standards will be improved by increased labour productivity and lead to class harmony instead of class conflict. Trade unions are the entities organized by the workers to improve their working conditions within a context of industrial democracy.

As another model of income determination and distribution, dual labour market theorists, (33) assert that imperfections and discontinuities in labour markets are structured. Institutional barriers to labour mobility are constituted by rules both formal and informal and these can be more specifically defined at any moment of time and have endurable dimensions over time.

The totality of employment relationships are divided into more or less distinct compartments with respect to the source of their potential transformation:

- 1) the preferences of individual workers
- 2) the preferences of individual employers
- 3) the actions of the community of workers

31. Kingsley Davis and Wilbert E. Moore, "Some Principles of Stratification" American Sociological Review, Vol. 10, (April, 1945) pp. 242-249.

32. Max Weber, 'Class, Status, Party', in From Max Weber, trans and eds. by H.H. Gerth and C.W. Mills, Routledge and Kegan Paul, London, 1977, pp. 184-195.

33. The dual labour market theory arose gradually out of a series of relatively casual, qualitative impressions of local labour markets and individual establishments. The outstanding proponents of this paradigm are mainly, Peter B. Doeringer and Michael J. Piore (see, Internal Labour Markets and Manpower Analysis, Heath Lexington Books, Mass. 1971).

- 4) the actions of the community of employers
- 5) the actions of government

As regards to these, they tend to argue that " employer interests, employees and technologies interact simultaneously in the long run to determine the characteristics of both jobs and people, defining the nature of the jobs and the behaviour of the workers who pass through them". (34)

No matter whether they are written or merely 'understood', the last three of the above cited variables comprise the institutional rules which restrict the 'economic labour market. These imply that, there is enough uniformity of behaviour among certain workers and/or among certain employers to warrant generalizations about the actions of each group.

These theorists, mainly depict two largely separate work forces in any labour market in which each has its own occupational distribution, institutional procedures for recruitment, promotion and training. A basic dichotomy has been further developed to elucidate the formal barriers that workers faced in a highly structured labour market. Primary sector is defined by chances of advancement, jobs with relatively high wages, good working conditions, equity and due participation in the administration of work rules, and above all employment stability. In contrast to this, the jobs in the secondary sector tend to be low-paying with poorer working conditions and little chance of advancement. There exists a highly personalized relationship between workers and supervisors which leaves wide latitude for favouritism and is conducive to harsh and capricious work discipline. Consequently, the secondary labour market is characterized by considerable instability in jobs and a high turnover among the labour force.

Upon considering these, labour market stratification denotes a "difference between markets such that the fundamental character of worker behaviour and attitudes differs between markets where both employees and employers in a given market expect and operate by completely different behavioral rules and develop completely different attitudes from those in another market." (35) Moreover, dual labour market theorists try to elaborate empirically on several different labour market segments within any stratum that may co-exist, resistant to the forces of competition, suggesting evidence of persistent wage differentials and little intersectoral mobility. Thus, structure enters the market when different treatment is accorded to the 'ins' and to the 'outs' as well as discrimination is enforced among the 'ins', even without any formal institutional rules (e.g. skills restrict the occupational area by limiting the supply to the employer, workers and employers form attachments for each other; the same work is differently remunerated even by the same employer etc.).

Parallel to this, in the structured market, there exist an internal as well as an external market. The former may be any productive undertaking and/or line of economic activity. Preference (discrimination) within it may be a prejudice or merit in inequality of opportunity or seniority or some combination of these. The external market consists of clusters of workers actively or passively available for new jobs lying within some meaningful geographical and occupational boundaries and of the port or ports of entry which are open or potentially open to them. It will follow that the more structured the market, the more precise will be the rules of allocation of opportunity within the internal market. Moreover, the fewer will be the ports of entry and the more rigid will be the requirements of admission. (36)

34. Gordon, *op. cit.*, p. 89.

35. Gordon, *op. cit.*, p.133.

36. Clark Kerr, "The Balkanization of Labor Markets" in *Readings in Labor Economics and Labor Relations*, Lloyd G. Reynolds et. al eds., Prentice-Hall, New Jersey, 1978, pp. 62-71.

Yet, at another level, any discriminator can essentially have three sorts of power basis to enforce the barriers which will impede labour mobility. Firstly, he may have formal institutional power, that is, authority, vis-à-vis the discriminatee in the form of support for 'legitimate' discrimination (trade-union, state support etc.). Secondly, he may enjoy power in the form of control over some complementary factor of production. Lastly, he may have a 'taste' for discrimination in which he is reluctant to associate with the discriminatee even in a 'formal' relationship.

In this respect, unlike orthodox theory, which tends to assume a considerable fixity in occupational structure over time, dual market analysts anticipate that the structural and behavioural characteristics of different jobs will change quite apparently over time. The source of these changes are traced back to the 'interactions' among technologies, customs, market forces, and employee characteristics. Accordingly, they set out to pose a variety of measures of labour market discontinuity in terms of occupation, industry, establishment, job stability characteristics, region, intra-metropolitan location, unionization, race, sex, age, and so on.

As another major tenet, the Marxist (radical) theories (37) reinterpret the objections of dual market theorists to orthodox models of income distribution. Although radicals agree with neo-classical economists that employers will seek to develop the most efficient combination of job definitions, they further locate such decisions about the organization of work by 'class' criteria. 'With a given state of technology and the general availability of worker skills, they plainly claim that many comparably 'efficient' organizations of work and definitions of job structure would be possible. Yet, they emphasize that the choice among those alternatives will be governed in part by class considerations.

Both the dual market and the radical theories attempt to examine the relative shares of capital and of different groups of labour. "More specifically, radical theory would argue that increasing competition among different labouring classes has recently helped protect capital's share from united labour demands; it would therefore expect some important variations in the relative shares of different working classes over time with respect to changes in occupational and labour force composition and the intensity of competition among the strata." (38)

For the Marxists, people create their own social existence by developing tools and organizing work activities to meet their collective needs. In the process of production, human labour is transformed into a commodity to be bought and sold on the market as any piece of merchandise. The surplus labour of workers is used to expand capital. Hence, the accumulation of wealth of the owners of capital at the expense of workers. This exploitation and the resulting alienation of workers end in the latter's forming a proletariat as they are divorced of means of production. The proletariat becomes a 'class for itself' while acting consciously in its own interests to overthrow the capitalist or bourgeoisie class by revolutionary action.

If their differential methodological commitments are left aside, these three models of income distribution have quite different policy implications. For the orthodox economists, individuals respond to the price parameters of the labour market. The imperfections in the labour market, which tend to prevent an individual worker from realizing his full marginal product, can be overcome by adjusting the price parameters to which individual workers and employers respond. Similarly, as they assume that individual incomes reflect marginal productivities under nearly

37. Although radical economic theory has not yet been pulled together into a full-fledged theoretical system, it draws heavily on a precedent Marxist tradition by concentrating on an application of it toward an understanding of current social and economic problems. As they initially began to develop and shape it through the Union for Radical Political Economics, they endeavour to establish the connections between the "specifications" of dual market theorists and the broader context of Marx's central methodological framework. (The present research can be conceived as one of the modest attempts for this end).

38. Gordon, *op.cit.*, pp.103-104.

all conditions, *ceteris paribus*, only an increase in marginal productivity will bring a corresponding increase in individual income. Therefore, emphasis is placed on education and job training to constitute the major components of individual productivity (or "human capital"). (39)

This marginal productivity theory of income distribution assumes, therefore, that there exists no difference in innate and acquired abilities. Furthermore, since the physical productivity curve ties together marginal cost and marginal revenue product, the determination of the latter can be altered in three circumstances which all stand above and beyond each individual worker. These are: a rise and/or fall in the cost of factor; a rise and/or fall in the price of output; an increase in productivity in which the physical output of each man is raised so as to alter the margin of profitable factor use. Since these theories do not permit judgement about 'non market' forces and institutions, their model can not suggest how to overcome discrimination unless price adjustments have the intended effects.

Ironically, the Law of Diminishing Returns dictates that the more men were employed, the less would the last man produce. Since there is perfect competition; the last man is going to be paid as much the same as other men. Hence the larger the number of men employed, the lower the average wage.

In contrast to these views, the radical analysis essentially argues that the dynamics of class division and class conflict have an overriding influence on the determination of income and individual productivity. Radical economic theory do not expect relative worker 'productivities' to change very much in response to marginal investments in their productivities. The working class can only improve their relative incomes through heightened class consciousness and more determined class action.

Although they somewhat inescapably assume that classes defined by the relations of production correspond more or less to classes defined by income, for the sake of empirical operationalization; the radicals anticipate changes in the income size distribution to correspond both to changes in relative productivities and to changes in the relative strength among stratified workers. Moreover, they postulate "...that recent stratifications of the labour market and the increasing predominance of minority groups, women and teenagers within the secondary labour markets serve some critical economic functions both for individual employers and for the capitalist class as a whole." (40)

The central thesis of radicals is that, poverty and inequality are embedded in a class system that is determined by the way in which the means of production are owned and the social relations between men which result from their connections within the process of production. Thus, neither poverty nor inequality can be viewed as mere aberrations which can be remedied by minor adjustments to the system.

On the other hand, for the adherents of dual market theory the two markets are so firmly entrenched that, under most circumstances, marginal improvements in the 'capacities' or 'human capital' of secondary workers will not suffice to move them into primary jobs. Although they repudiate the neo-classical argument about worker behaviour, attitudes and personality characteristics; their model does not link the distinction between primary and secondary markets to other potential class divisions.

Within this conceptual framework, given a fixed level of technology, different social circumstances can influence the choice among at least several alternative organizations of production. As regards to this, their analysis is either constructed to anticipate the influence of custom and attitudes on work requirements and organization. Then, they stand in favour of indirect mecha-

39. Lester C. Thurow, Poverty, and Discrimination, the Brookings Institution, Washington, D.C., 1969.

40. Gordon, op.cit., p. 95.

nisms which do not threaten the vested interests of those in current arrangements. Or, they sometimes seem to place too great an emphasis on the mutual delight of all parties with the emerging trends out of the social situation, as if harmony of interest would drive the evolution of a dual structure. And, this time, their policy recommendations are oriented towards the provision of high-paying stable public service employment to secondary workers as the likeliest attack on their poverty and underemployment within the context of 'welfare state.' (41)

Consequently, the dualists can be placed on the same platform with Durkheim who portrays the industrial society as one with the potential for high moral achievements. For Durkheim, the social division of labour does not automatically bring about societal integration but neither does it produce dispersion and incoherence. (42) Society wide codes of ethics can be developed through occupational groups which will act as a moral force to counteract the power of the corporate business economy. In line with this, the dual labour market theorists are quite consistent in their advocates for an 'indicative planning', with a strong central planning board to control public and private organizations.

As social stratification refers to structured inequalities, it is "...an arrangement of positions in a graded social hierarchy of socially superior and inferior ranks on the basis of wealth, prestige and power. " (43) And, conflict theorists in sociological theory emphasize power as the most significant factor affecting social stratification. Social inequality emerges as the result of domination, exploitation and constraint of one or more groups by other groups.

In contrast to the structural functionalist paradigm, the conflict theorists visualize a distributive mechanism along with Marx's dictum: From each according to his abilities to each according to his needs. They posit that native ability and education depend on the extent of exercised and/or potential power of the groups and/or individuals within social totality. Accordingly, the distribution of rewards in a society is the result of the distribution of power and not the distribution of system needs.

When this notion is further developed by Marxist theorists, wage labour is stratified with respect to three major social forces. Firstly, through the process of socialization, stratification takes place with the development of personality through public education supported by the capitalist class. Secondly, a stratified labour market is also developed by maintaining a hierarchy fetishism among workers which engenders a 'level consciousness' instead of 'class consciousness'. And, finally there exist structural elements of the society which lie beyond the individual's control but reproduce such inequalities within the labour market. These are specifically industrial and local labour market characteristics in which the individuals are involved (e.g. the rate of employment of the local labour market and profit rates, the degree of market concentration of an industry, the political power of the trade union, the relation of industry to the state etc.). (44)

41. Gordon, *ibid.*, pp. 92-96.

42. Emile Durkheim, *Division of Labour in Society*, The Free Press, 1964.

43. Celia S. Heller, 'General Introduction', in *Structured Social Inequality*, ed. by C.S. Heller, Collier-Macmillan, London, 1969, p.4.

44. Howard M. Wachtel, "Capitalism and Poverty in America: Paradox or Contradiction?" *Monthly Review*, Vol. 24 (June, 1972).

B-3 REPRODUCTION OF LABOUR-POWER

As in capitalist relations of production labour-power is a commodity, its value is the quantity of labour socially necessary to produce and reproduce it, like the value of any other commodity. To put it in common parlance, the value of labour-power equals the living costs of the worker in the wide meaning of the term and cannot be a physiologically rigid one. To the extent that surplus value is the difference between this living cost and the value created by labour-power; there can be no social surplus product if the sum total of product goes to the reproduction of labourers.

Nevertheless, the capitalist buys labour-power for the time it is supplied to him at a wage rate which stipulates a given amount of labour-time performance independent of any other consideration. Independent, in the sense that, neither the number of children the labourer has, nor the number of days of illness, nor the days of unemployment etc., are taken into consideration when determining a labourer's wage rate. "In other words, the hourly wage permits the reproduction of labour-power only in such hypothetical conditions which rule out the acted conditions of life and which would entail its exhaustion." (45) At this point, it is worth mentioning Meillassoux's hypothetical case of the 'smicard' which refers to the man who draws as income a minimum hourly wage calculated on the basis of social criteria which indicate its economic context. (46)

But how can labour-power be reproduced when individuals receive only their reproduction cost?

Indeed, there are several feasible 'solutions' to this which finally depend on:

- a) the degree to which capitalism is implanted
- b) the degree of the division of labour
- c) the degree of land expropriation

When labourers are totally divorced of all the means of production, then, the hourly wage must be completed by an indirect wage. While being based on the precise needs of upkeep and reproduction, this 'indirect' wage takes the form of social security, that is, family allowances, unemployment benefit, sickness benefits, etc. But this mechanism can only be available for a limited section of the labourers, namely, those who work in the 'developed' capitalist sectors.

In a social totality, the complete integration of labourers to the capitalist relations of production cannot be achieved immediately. On the other hand, when individuals collect only an hourly wage, they must look elsewhere for the means of reproduction of themselves as well as for reproduction of their dependents; if not to be supported by an 'indirect wage'. In this case, the reproduction of labourers are tied to a system of production which is located outside the capitalist sphere from which they seem to derive their earnings. With respect to this, capitalist accumulation encompasses not only any addition of surplus value at the sphere of production but also a labour rent which contributes to the cost of reproduction of the labourer derived from his original environment.

Labour rent takes several forms which marks the most striking symptoms of over-exploitation of labour by capital:

In the countryside, a joint ownership of land and other productive assets may render a system feasible to entitle each member of this joint family to receive some income from family assets. When one enjoys a share of the joint family income whether one works or not, then, that share, obviously, should not be covered by the income aspect of employment.

45. Meillassoux, *op. cit.*, p. 14.

46. Each smicard receives 'le salaire minimum interprofessionnel de croissance (S.M.I.C.)', that is, the minimum wage as officially computed in France.

Accordingly, when a part of the kin breaks away (via migration and/or marriage) the already established ties may loosen; yet, still continues. In the process of migrating to the town; the nuclear family may still receive a share of the joint family income, and in fact may live on it, even though the migrating members no more contribute in the net to the joint family output. One may contrast this with the case of a man who is supported only on condition that he helps in the family work and who would not receive any income if he should leave. Even then, through rural exodus and/or migration, foreign individuals represent a contribution as 'ready-made labourers' for capitalism. "In many traditional economies, to be entitled to the implicit rent from land and other agricultural property, one has to be on the farm and work in it. By going away, one forfeits one's right to a part of the family's joint income."(47)

Similarly, if the immigrant is a single individual worker but not a nuclear family, he is more likely to work in the industrial sector for short successive periods but not throughout his total life span. No matter what duration his urban employment continues, he would have left his dependents in the countryside where children had to be brought up and looked after when they fell ill, infirm, unemployed and/or grew old.

Certain consequences follow from the process of reproduction of labour-power which will bear on several levels.

At the empirical and/or theoretical level, a double level of exploitation can be claimed to exist between capital and labour, in diverse forms which all have the property of adding a labour rent to surplus value. With regard to this, the capitalist system seems to realize a double advantage which permits accumulation in favour of the 'importing' sector. This double level of exploitation will delineate the exploitation by one population of another one, that is, exploitation of rural/agricultural sector by urban /industrial sector; and class exploitation, between capitalists and labourers.

The dichotomy between income aspect and production aspect of employment is also relevant in terms of public policy which mainly focuses on employment as a vehicle of income distribution.

Firstly, finding an outside job for a person who was previously employed in terms of income approach; but was unemployed in terms of production approach will have a different significance. His new and/or extra job will have an impact not only on his own well-being but also on those left behind in the farm, since they now get what he used to 'earn' while on farm.

Secondly, the determination of the supply price of labour to outside enterprises will also depend on whether a person is unemployed only from the production point of view. If a labourer (or a nuclear family) is unemployed in 'disguise' from production point of view though employed from income point of view; his wage rate has to cover at least the loss of his share of income from the joint family enterprise. In this respect, the opportunity cost of his taking up job elsewhere may be quite high if he decides to migrate.

If, on the other hand, a labourer is unemployed from both aspects the migrating members do not have to seek compensation for an income loss, and therefore, the supply price of labour will be lower to that extent. This supply price of labour also seems to be related to the survival and success of the so-called 'informal sector.' Its actual and/or effective labour cost is going to be less than that of organized urban sector which operates, at least theoretically, outside the family orbit.

"By extracting subsidies (including labour) from the 'non-capitalist', 'traditional', 'informal' or 'backward' sectors, and by combining this with overworking the human labour-power at its disposal, sometimes temporarily beyond the limits of individual physical reproduction, capital, can, within certain limits, transform the workers "necessary fund for consumption...into a fund for accumulation of capital." (48) To put it plainly, it can be quite the case that reproduction of peasant family unit provides the site for the capitalist sector proper to externalize the cost of the reproduction of the work force to a great extent.

Indeed, once production of exchange values becomes an economic exigency for the reproduction of peasant households, the question of how much of its resources (in terms of labour-time and of land) are devoted to production of use-value and of commodities is important especially from the production aspect of employment. However, an exclusive emphasis on it will be quite "misleading if they imply that the household is still basically a 'subsistence' unit (in the narrow sense), only marginally involved with commodity relations and therefore easily able to withdraw from them." (49) Parallel to this, the degree of commodity production depends largely on the geographical location of the peasant community as well as transportation facilities and the size of land-holding. In this respect, it is well the case that the state of poorer peasants principally produces a special commodity, that is, the labour-power itself.

48. Fröbel, et. al., op. cit., p. 30.

49. Bernstein, op. cit., p. 63.

C. RECOGNITION ASPECT

"Most gulls don't bother to learn more than the simplest facts of flight-how to get from shore to food and back again. For most gulls, it is not flying that matters, but eating. For this gull though, it was not eating that mattered, but flight. More than anything else, Jonathan Livingston Seagull loved to fly".
(Jonathan Livingston Seagull, Bach).

Labour-power is embodied in human beings who are part of the community in which they work. Accordingly, they are motivated by aspirations for themselves and their families and may also group together to advance their interests. As a corollary, labour displays a dual and/or trans-historical nature insofar as it is both an individual and social (collective) entity.

Recognition aspect of employment refers to individual's self-conception about his labour performance: whether he/she expends labour-power or not as well as to what extent he/she fulfills the expectations from labour performance. Therefore, it is a reflection about the labouring process which serves as a rationalization to be within and/or a justification to be out of it. With regard to these, "employment gives a person the recognition of being engaged in something worth his while" (50) The question of employment, then, is not only one of having a gainful engagement but one which also satisfies some of the minimum expectations of self-fulfillment.

However, individuals are transformed into subjects partly by their interactions with others who attribute 'significance' to their relations to the lived world. In this respect, employment can be a factor in self-esteem and in esteem by others. Thus, recognition aspect of employment also concerns with the 'living' conceptions and/or attitudes of individuals toward performing labour activity in a social formation. Above all, only Crusoe on his island can judge the point at which the effort of knocking down another coconut or catching another fish would outweigh the satisfaction from eating it. However, real life does not revolve around his 'rosy' island.

C-1 FRUITFUL EFFORT

The perception of fruitfulness of work bears upon individual's self-esteem which in turn, is reflected upon an individual's allocation of time among consumption, leisure and production. When performing these humanly essential activities, each individual is subject to a time constraint, that is, the more time is devoted to one line of activity, the less time is spent on other activities. Therefore, it is meaningful to take into consideration the opportunity cost of time in elaborating individual choices in their allocation of their time among production, consumption and leisure. In other words, the cost of any economic activity (and/or productive undertaking) to any individual is the need to forego some other activity which he/she might have otherwise carried on (51) Recognition aspect of employment, thus, is closely related to consumption of

50. Sen, *op. cit.*, p. 5.

51. B.J. McCormick, *Wages*, Penguin Books Ltd., Harmondsworth, Middlesex, England, 1969, pp. 20-21.

time. And just like consumption of commodities it has determinants that can be located within the broader social totality. Crucial as it sounds, this point needs further elaboration.

At the outset, as the technical capacities of production render definite means of consumption; the value of time - as a resource - varies according to the extent of division of labour within a society. Consequently, social roles differ in expectations and possibilities for the use of time while cultures vary pertaining to the relative emphasis placed on 'being' and 'becoming'.

When 'being', that is, permanence and/or essence is highly valued time may be conceived in such large units as a life-time, a century, eternity. While it possesses little value in and of itself, can only be perceived in its own sake. On the contrary, when the culture emphasizes, 'becoming', then, time is liable to be conceived in finite intervals. Thus a higher value is attributed to time, since it is interchangeable for a variety of purposes. (52)

Thus, from individual's point of view, within any given social and economic system a demarcation between unemployment and non-employment exists. It separates the time a man might be expected to make available for economic pursuits (e.i. earning a living) and the time normally given to other activities (sleep, leisure, recreation). And this entails all three basic activities to have a potential as well as a realized magnitude in time units and may be taken as determined by social custom though the pattern may itself can change over time.

When a standard of working day - the potential working time - is determined, it constitutes a fixed sum under which different realized magnitudes of employment and/or unemployment can be subsumed. And such an endeavour immediately unables one to bring part-time employment into the agenda. In this context, it is possible to differentiate between full-time job seekers and part-time job seekers. Moreover, it renders possible the specification of whether or not part-time employment is a matter of preference. Accordingly, people who are involuntarily on part-time work schedules but desire full-time employment differ from those who are voluntarily half-time employed. Still, a third category is, at least theoretically, possible which will include those who are involuntarily overemployed (some of the employed would want to work fewer hours).

Indeed, a preference for work of short duration may be a distinguishing characteristic of 'voluntarily' unemployed, though it may have a straight forward shortcoming: When reference to the standard working-day and/or working week is changed, this will arbitrarily transfer some job seekers from being involuntarily to voluntarily unemployed or vice versa. As a corollary to this, such statistical discrepancies invalidate comparisons of unemployment within or across countries. "For example, students seeking part-time jobs are sometimes classified as economically inactive and sometimes as in Turkey, as unemployed even if studying full-time." (53)

The conceptual distinction between those seeking "full-time" and those seeking 'part-time' employment is quite relevant in terms of rate of labour underutilization. Yet, any work duration figure is neither acceptable nor valid in defining voluntary unemployment. Above all, it is not easy to distinguish conceptually and empirically between voluntary and involuntary unemployment. Still, if time is to be used as the yardstick, certain qualifications have to be specified.

1) Should the desired duration of employment be compared with some over-all average working day and/or working week or with the prevailing standard in a particular job or range of jobs for which the worker is qualified or the 'average' worked by some demographic social group to which he/she supposedly belongs?

52. Max Heinrich, "The Use of Time in the Study of Social Change", *American Sociological Review*, Vol. 29, No. 3, June 1964, pp. 386 - 397.

53. Standing, *Voluntary*, op. cit., p. 570.

2) Would a man who is seeking part-time work accept full-time work if he was offered or if he had time to adjust his other commitments?

In this connection, an interesting case, at least logically, may arise where the own-account occupation generates only part-time employment. The situation may occur while there is no other part-time work available, there is other full-time employment open to man. The remainder of his/herself-employment time can be classified as voluntary unemployment if (a) the alternative full-time employment would give him a greater total income than his present part-time occupation; (b) he were not willing to take another part-time job to supplement his own account earnings. (54)

As production also gives 'content' and/or 'meaning' to the products, it generates a wish for these products as well as differential modes of consumption that both bear on individual's status. Accordingly, for an 'upper class' member, being unemployed may be a source of pride as it evidences that one does not 'have to work' for one's living. If one has sufficient sources of income to consume his/her time on leisure, this provides a justification to be out of labour process.

Moreover, a strand of this rationalization also leads to the concept of psychic income insofar as work brings not only disutilities but positive enjoyments. Working activity relieves boredom; provides spatial and psychological proximity to generate friendships; paves the path towards power and/or prestige. At this point, it can be claimed that individuals seek to 'maximize' their psychic incomes rather than their money incomes. They try to combine the utilities derived from their earnings and the quite separate utilities from their work and then try to balance these gains against the disutilities that work also involves.

But, will a man who is starving substitute food for diamonds or money income for pleasant working conditions? For those who have to work for a living, lack of employment is not only a denial of income. It can also be a source of individual shame and even can engender nepotism on the part of the community (contempt, non-eligibly for marriage etc.). (55)

A specific aspect of the recognition question is tied to the social position of women. Jobs done by women at home have typically not been regarded as employment at all. But, paradoxically, particularly in the higher strata of society, non-participation of women in 'economic life' is linked with status and prestige. (56)

On the other hand, while a woman in one society may be convinced that the type of household work makes herself fully employed; in another society, a woman may realize that she is totally wasting her time with housework. The latter is more likely to be in a situation to look for an outside job. Thus, the perception of fruitfulness of work from the stand-point of the individual at micro level, is, to a large extent, a result of social conditioning. Each economic system seems to produce its own ideology, its own values and its own illusions. There are not only different economic and hence social structures. But also, there are different structures of thought which may even exist side by side in the same social totality.

Indeed, the surge of women into the labour market reflects several changing factors on the part of the society. Some of which are as follows:

- 1) the growth of non manual, as contrasted with manual jobs
- 2) widening cultural approval of working women and working wives

54. W.F. Maunder, *Employment in An Underdeveloped Area: A Sample Survey of Kingston, Jamaica*, Yale University Press, New Haven, 1960, p. 10.

55. Ferhunde Özbay, 'Housewives', *Economic Approach*, Vol. 3, No. 7, (Spring, 1982) pp. 209-225.

56. If women are to be conceived as 'secondary citizens' it is rather linked with the status and prestige of their husband and/or their father.

3) technological improvements as they gradually released them from household work

4) the economic stringencies exerting pressure to raise living standards by having a supplementary income within the household

Similarly, the influx of women into the labour market is a part of economic phenomenon whose roots can be traced back to the monetization of work. Accordingly, increase in female participation rate evidences a large amount of paid labour but does not imply an increasing amount of labour within society. In line with this, it mirrors "the transfer of these unpaid jobs onto the market place where the 'same' labour is now performed in an economically visible way." (57)

It may be claimed that as women are not involved in 'any gainful activity' they reduce the national income as well as the incomes of employed. Hence, an economic scandal. From another aspect, it may be asserted that "since they are more likely to be labour force entrants or re-entrants, women have higher unemployment rates because they search for jobs longer and less intensely than men!" (58)

But, apart from this, even if a woman is involved in a 'gainful' activity, albeit casually, she may suffer from wage discrimination. To put it differently, although men and women do the same work, the latter earn less than men in some, if not all, occupations. In this sense, demographical mobility does not, at all, imply any 'biological' mobility, but a desired abolishment of sexist discrimination in the remuneration of labour-power.

A portion of this income differential is supposed to stem from the 'marginal' status of women within the labour force since they withdraw from working to have children and to nurture them in their early years. However, at the outset this logic leads one to an explanation of all the pay differentials between men and women in terms of labour commitment, as if the worker's labour force attachment is remunerated rather than his/her labour-power.

Any analysis of job opportunities reveals the tremendous importance of economic structure on the demand side. But, what can the national economies enjoying a slow growth rate do when further threatened by an aggrandized female labour supply actively seeking for work on the market?.

"The stagnation in the supply of female labour is projected to occur through a decline in the female employment in agriculture which would be barely matched by a modest increase in non-agricultural female jobs. This assumption itself reflects a sacrifice by women labour force in the form of waiting for some extended period for the economy first to provide enough number of jobs to male entrants to the labour market ." (59) One needs not be a fanatic feminist to quote these words, is she?.

Similarly, any concentration unduly on worker behaviour in analysing 'structural unemployment' will be implicitly to put the blame and/or responsibility for unemployment on the unemployed. If the seller of labour-power is a woman, and paid below her marginal productivity, is she to distort factor prices because she is born as a female? Can it be claimed that she 'fails' or is 'unable' to adapt to the labour market conditions? On the other hand, it is the employers and/or the segmented, obstructed labour market that make the discrimination while she is remunerated less, but not the 'invisible' labour market.

57. Robert L. Heilbroner, Understanding Macro-economics, Prentice Hall Inc., Englewood Cliffs, N.J. 1965 p. 387.

58. G. Standing, Structural, op. cit., p. 142.

59. Council of Europe, 'Imperatives of Employment Creation and Economic Growth, Turkish Case, 1983-88' Second Conference of European Ministers of Labour on Employment, Paris, 3-5 May, 1983, p. 3.

C-2 JOB-SEEKING ACTIVITY

Whether a person recognizes himself employed or not is the precondition for 'job seeking' activity, if it ever takes place. Therefore, recognition aspect of employment is necessarily circumscribed in the operationalizations devoted to quantify the demographic characteristics of the social totality as well as to determine unemployment rates, in conventional statistical procedures. Nevertheless, such aggregation should not obscure the fact that collective supply of labour displays qualitatively different characteristics from individual supply of labour.

Certain actual behaviour patterns may be expected to follow as to whether the person in question regards himself as employed or not. However, the distinction between formal (and/or observable) categories and subjective ones is mostly sharpened in the recognition aspect of employment. Parallel to this, in the simplest sense, unemployment is identified with 'job seeking activity' expressed by individuals and is related to want fulfillment. To put it differently, unemployment is assumed to crystalize in the search for work opportunities in order to increase income, which, in turn, provides a source to realize people's desires. With respect to this, the concept of unemployment is supposed to combine a condition (being without employment); a need (for work); an attitude (desire for work); an activity (searching for work).

However, the objective category of 'joblessness' cannot be the only way of viewing unemployment. This is because 'having a job or involved in a gainful activity' does not necessarily reflect people's matching employment opportunities and expectations. Due to this, a person may be forced by unemployment to take a job that he thinks is not adequate for his purpose or is not commensurate with his training. Accordingly, he may continue to feel unfulfilled and indeed may not regard himself as 'employed'. On the other hand, if a person do not have a regular job offering security and some sort of steady income he may regard himself unemployed.

True, levels of employment normally fluctuates in the short-run. Full employment is an abstraction which implies an overall balance between supply and demand of labour. Nevertheless, compatible with the notion of full employment, at least at the theoretical level, at any moment in any society, there will be some people who are in between jobs. Because of imperfections in the labour market, " ... even though a vacancy exists, it remains unfilled for a considerable time; while somewhere in the country there is an unemployed man looking for a job." (60) In this respect, frictional unemployment exists because the unemployed men and the unfilled jobs do not match each other. People may have resigned from their older positions in order to obtain more 'promising' employment opportunities.

On the other hand, the act of 'resigning' does not entail that the previously employed 'voluntarily quit' jobs and that the resultant unemployment is in effect 'chosen'. Firstly, leaving a job 'for economic reasons' does not signify that they wanted to leave. Secondly, when the situation is reviewed in terms of labour turnover, the latter combines quits, dismissals and job completions. Thirdly, a man may be given the option of resigning rather than being sacked and that he may quit under extreme pressure to do so. Lastly, it can also be the case that an employed person anticipates being laid off to leave in search for a longer-term job.

After this necessary parenthesis filled with qualifications on frictional unemployment both in its actual or potential manifestations, it becomes somewhat more apparent that 'being employed' does not necessarily exclude job-seeking activity.

It is quite obvious that both population growth and labour participation rates constitute the most 'easily' measurable elements in the rapid expansion of labour force supply. Nonetheless, the tremendous spread and influence of mass communications and consequently, the automatic

60. D.J. Iles and C.A. Tucker, Problems of Full Employment, Routledge and Kegan Paul, London, 1960 p. 15.

quickenings of political change also crucially affect the job expectations of the labour force and not merely its aggregate. In brief, it can be argued that it is important to get to grips with the structural imbalance between work opportunities and expectations as well as with disparities in their aggregate rates of growth though job aspirations and expectations are not so easily measured.

Although 'seeking employment' seems a necessary condition for being considered 'unemployed' in censuses, its relevance is greatly reduced unless some other specifications are introduced. Parallel to this, it is somewhat pointless to ask a self-employed worker in the urban sector whether he is looking for employment, since the concept of job search implies that there is a demand for manpower which has already been channelled. In fact, if the marketers of labour-power do not have all the relevant information this will cause several imperfections in the labour market which will obstruct labour mobility. Hence, the markets will fail to bring about a level of earnings supposedly corresponding to relative marginal productives.

As decision - units, households have two-fold participation in the economy. In the market for goods and services which is the central locus where the production decisions of society is determined; households are consumption units, constituting the demand side. Then the major elements in demand, that is, crucial determinants of taste and willingness to buy are operative through households. In the market for factors of production, where the distribution of income takes place, households are suppliers of labour-power. This time, households are also acquainted with the laws of production to the extent that technical decisions indirectly affect labour supply.

When the supply of labour is at stake, it is possible to talk about increasing marginal disutility of labour. The bother and toil of work mounts after a time so that people are not willing to labour long hours unless the reward per hour rises enough to compensate them for their added pains. Similarly, the labour function of a single worker is derived from his offer curve for work and it indicates the number of hours he will work at various levels of remuneration. To put it differently, in order to maximize his utility an individual allocates his available time (the length of the period for which the utility is defined) between work and leisure.

In line with this, diminishing marginal utility of labour refers to unwillingness to expend an extra unit of more labour unless its remuneration increases. However, after a certain point of work performance, the falling marginal utility of reward itself - no matter whether it is pecuniary or non-pecuniary- is added to the marginal disutility of labour. Thus, individual supply curve of labour has a backward bending shape which demonstrates that an individual prefers leisure to income, above a certain point.

However, the supply curve of individual labour has to be distinguished from that of the labour force as a whole. In other words, collective supply of labour expressed through labour participation rates of population has different social determinants when compared to the 'aggregated' individual supply schedules.

At the macro level, although every social totality has to distribute the quota of 'necessary' work among its members, it also 'justifies' unemployment on the basis of certain conditions. Indeed, a certain minimum development of the productive forces is necessary for familial reproduction with temporarily non-productive family members. But for the social totality as a whole, reproduction also circumscribes the maintenance of non-productive sections of the population; shamans, chieftains, warriors, landlords, imperial courts and administrators, capitalists and so forth, throughout history. Accordingly, these social categories presuppose the existence of surplus labour though it assumes an antagonistic form manifested by complete idleness of a stratum of society.

".....the concept of the relations of production designates the way in which men's necessary labour and surplus labour (where the latter exists) are related. This is determined by the distribution of the means of production, by the objective of production which most directly concerns the objective of surplus labour, but also has to do with the utilization and division of men's working capacity into necessary and surplus labour (the amount and rate of exploitation) and thirdly, by the social relationships in production between the immediate producers and those appropriate their surplus labour." (61)

Leaving aside the social categories which lean on the surplus product of immediate producers, (the peasants and the workers of various kinds) a given social totality does not usually 'expect' from some individuals to make any contribution to economic activity at all. With respect to this, it will be convenient to separate unemployables from the employables though the latter is of major interest within the scope of this work. Nevertheless, in conventional survey procedures unemployables constitute a subgroup within economically inactive population. Indeed, 'unemployability' is an extreme form of 'skill mismatch'. If it refers to lack of attributes suitable for employment, it can even be linked to the notion of structural unemployment.

Although, the evidence typically confirms that the number of hardcore unemployables is small, the notion of unemployability is subjective and at best a matter of degree. Quite problematically, person's age, lack of skill ill health, physical disability and an 'extreme unwillingness to work' are cited as 'criteria' of unemployability. Consequently, those who are seriously sick (inmates of institutions), who are bodily or mentally disabled and a group of poor general ability which will vary in realized size from one situation to another, depending on the strength of labour demand are mostly included in the 'unemployable' category.

Yet, one wonders as to what extent unemployables are victims of unemployment. Long spells of unemployment may generate traits inimical to productive employment and the circumstances may make originally employable people, unemployable. "Loss of skill and dexterity, resort to alcohol or drugs, loss of confidence and related forms of anomie are the lot of the long-term unemployed throughout the world. This makes them increasingly unemployable unless given time to readjust." (62)

Another subgroup of people within the economically inactive population consists of the so-called 'discouraged workers' "... the situation of discouraged workers is essentially the same as that of the unemployed - they are jobless, want work and presumably are available for work." (63) However, they do not actively seek for a job since they believe no work is available for them. These may have given up searching jobs either because they have repeatedly failed to find any work suitable for their aptitudes or skills or because there is no formal mechanism for jobseeking in the area. Accordingly, a sound analysis of these 'inactively unemployed' can only be possible on the basis of data regarding their work history and prior job search activity which may reflect their casual interest in the labour market or their unrealistic desires for a prestigious job. Above all, will it ever be 'reasonable' to anticipate from workers to expend energy, morale and money in search for jobs known to be unavailable?

However, labour statisticians usually base their discouraged worker group estimates on the unemployment level and a reference period is utilized. These surveys aim at ascertaining respondents 'main activity' in the past week, and consequently those who last sought work eight days or more before the survey are included in the unemployment count. Those who have

61. Therborn, *Science*, op. cit., p. 386.

62. Standing, *Structural*, op. cit., p. 148.

63. J. Shiskin, "Employment and Unemployment: The Doughnut or The Hole", in L.G. Reynolds et al. eds. op. cit., p. 90.

not sought work merges into the category of 'economically inactive population.' Thus, at the very least, it can be recommended that such surveys should lengthen the reference period so as to determine when the unemployed last sought work.

In addition to this, the 'economically inactive population' category also encompasses 'marginal' workers in the sense that they have weak labour force attachment. These group of people defer entering the labour market for some period of time and leave on others and/or community. In other words, some individuals are in such a position that they either do not seek or try to find jobs which will be more closely suited to their desires. And their reluctance to perform 'paid' labour can be attributed to the following factors:

1) Family responsibilities (wives with children; people who help with the household work and do not feel the need to seek or to accept an extra job which could add to the family income).

2) School attendance (young people who wish to continue their studies beyond the official school leaving age or school drop-outs).

3) Sufficient earnings (workers who earn enough from a part-time job to support themselves; self-employed in agriculture, in informal sectors).

4) Age (workers who are able to retire before their time). (64)

As a consequence, these group of people are said to be prone to drop out of economic activity and typically dependent on the income of "primary" labour force participants. It is further asserted that labour force participation of this group is voluntary; unemployment rates only influence the 'timing' of their participation and when the share of these groups in the labour force has risen, the social cost of unemployment has fallen. (65)

Indeed, short-run changes in national income (GNP) bring about short-run changes in the labour participation rates. Paradoxically, employment and unemployment may both rise, that is, a rising Gross National Product can produce more jobs and more unemployment. "As the price of labour rises, some persons will be tempted to enter the labour market because the opportunity cost of remaining 'leisured' is now too great". (66) In contrast to this, a declining rate of economic growth may discourage participation. Some part of the available force will withdraw from the job market and stop searching for work and thereby some unemployment will be 'abolished'. Accordingly, the collectively supply of labour is probably upward sloping rather than backward bending. From another aspect, if dependency ratio encompasses inactive population, unless income per capita increases simultaneously with the proportion of casual workers, this will obstruct national development strategies.

When inflation and unemployment put severe financial pressure on many families an unusually large number of family members may be induced to seek jobs. To put it differently, some family members may change the 'timing' of their labour force participation and voluntarily join the ranks of the unemployed. But, in case they cannot find work, they are involuntarily unemployed, this time. And, therefore, the possibility of the active labour force to expand or contract, itself, in response to changes in the pace of economic activity has repercussions on two fundamental levels.

At the outset, how the shortfalls in employment creation is closely related to the whole question of income distribution, especially the levels of income of the poorest sections of the population, becomes plainly recognizable. In line with this, many of the problems related to provision of work opportunities can be endorsed for raising the incomes of the poor. In short, this delineates a situation in which a large fraction of the labour force, both urban and rural

64. All sorts of physical disability and illness are excluded in the following exposition.

65. Standing, *Voluntary*, op. cit., p. 571.

66. Heilbroner, *op. cit.*, p. 230.

lacks a source of reliable income that is adequate for the basic needs of themselves as well as their dependents. After all, "... in the last resort, the real tragedy of those without jobs is the poverty into which they slip and which they share with all those with very low incomes". (67)

On the other hand, though the desired object of policy is to provide jobs which can render simultaneously socially productive work feasible and an income for a reasonable standard of living, only to some extent to achieve one is to achieve the other. For, at times, they may be incompatible, and that, the higher the wages, the more difficult it may be to increase the number of jobs. Higher rates of open unemployment may lead to lower rates of participation in the labour force, though there are a multitude of factors operative in determining individual's decision to seek work. Nonetheless, lower participation rates demonstrate an inadequate level of income in the families of the 'unemployed' under scrutiny, in some cases.

In addition to this, a considerable volume of unemployed and/or underemployed people forms a potential productive resource on the part of national economy. And the employment of this labour reserve should rather be considered as a means of raising output level and thus providing the resources for abolishing poverty and improving income distribution. It has to be conceded that emphasis on the dimensions of employment and/or unemployment problem does not tell how to handle the inmate dilemmas. And, sometimes it becomes inevitable to choose one at the expense of the other. However, any preoccupation with only one limited facet of it will be quite misleading albeit each concrete situation needs to be analysed separately.

Turning to marginal workers, their discouraged and/or delayed entry may not signify a choice of 'timing'. Firstly, it is no guarantee that who do not enter the market now, will have a chance to do so later. Quite the contrary, the experience of prolonged unemployment is likely to produce demoralization, passivity and in the extreme, anomie which may in turn lead to unemployability. Similarly, remaining unemployed does not necessarily improve the worker's probability of finding employment. Interruptions of labour force participation may well reduce the probability of subsequent participation as well as the future income earned; if these 'marginal' workers do return.

Moreover, it can be argued that these group of people are 'marginalized' as they are unfairly pushed into unstable 'secondary' jobs with poor promotion prospects, low status and income and, on the whole, find themselves in poor working conditions. In this respect, their job instability and 'unwillingness' to work with little or no commitment may be due to persistent discrimination against workers from the group to which they belong rather than to some personal characteristics. Thus, only detailed industry and occupational classifications can capture the characteristics of the work the various groups have been doing if they are 'occasionally' given the opportunity to work.

In addition to this, for policy makers, unemployment is not necessarily considered a 'burden' but it can be looked upon as a potential asset, a 'liability', so to speak. This is because the production aspect of employment is exclusively concerned with the economic potential of labour not used to the full. With regard to this, human consequences of lack of work as well as lack of income are entirely neglected. And their task is supposed to mobilize this reserve of human resources, that is, to augment the proportion of economically active population available for national development, if only the will and the way could be found.

Nevertheless, although treatment of 'unemployed' as a liability demonstrates how one's values become distorted during a period of large scale unemployment; this conception obviously

67. International Labour Office, 'The Nature and Extent of Employment Problem', in Richard Jolly et. al, eds, *op.cit.*, p. 29.

has its own logic. What would have happened if there were neither spare labour, nor spare land and capital to be brought into production? Certainly, the long-term outlook for reaching high living standards would be in some ways more bleak.

C-3 SUITABLE JOBS FOR APPROPRIATE PEOPLE

The perception of fruitfulness of work also bears upon individual's self fulfilment which is expressed in terms of 'preference' for a particular type of work and/or a particular mode of employment. Nevertheless, for the sake of scientific scrutiny, a distinction should be made as to what an individual would like to do and what he/she is actually prepared to do. Similarly, it has to be emphasized that when a person looks for a 'suitable' work, it includes his aspirations as well as his capabilities. With regard to this, an unskilled worker may express a preference for white-collar skilled work while he is also seeking unskilled manual jobs.

When labour-power as a factor of production is at stake, anything that impedes labour mobility will necessarily obstruct movement from lower paid to higher paid occupations. These barriers create and/or perpetuate economic inequalities and constitute sources of discrimination that lower the earnings of those who are discriminated against. Consequently, an employed person's marginal productivity in his present job can be either less than identical jobs somewhere else or less than other jobs for which he/she possesses suitable training and skill.

All these barriers which give rise to shelters behind which economic rents flourish lead to an excess supply of labour in some occupations and/or lines of economic activity, on the part of the social totality. From the individual's perspective however, he/she is tempted to look for a 'suitable' job that will correspond to his/her skill level with the 'deserved' level of remuneration. Their present work supposedly necessitates less than the highest current level of skill of individuals and remuneration is less than those to which their skills, if fully utilized, would normally entitle them.

Indeed, when one probes deep into the recognition aspect it unfolds that it is possible to talk about underutilization of manpower at the micro level. Accordingly, emphasis is put on people's well being and the full utilization of their labour power turns out as a means of enabling them to earn an income capable of procuring a reasonable standard of living, at their skill level.

Two lines of analysis stem from this: at the supply side, the personal characteristics that prevent someone from obtaining a higher income are scrutinized. At the demand side, the employment conditions that are responsible for his low income are elaborated. "Studies of this nature produce recommendations for policies aimed at improving personal aptitudes and/or conditions of employment." (68)

On the part of the individual, nonetheless, neither the attempts to increase productivity nor growth in total output "in the national economy even in his workplace is 'tangible' for him to make himself preoccupied. In this respect, the worker's primary drive is toward security of employment, of income, of residence. 'Progress' will only have a limited and concrete meaning to individual worker. It may mean shifting to a better employer or a higher status job with the same employer. It may even be conceived as an improvement in the conditions of his present job - a wage increase, a reduction of hours, a more agreeable foreman, a slower pace of work, better physical conditions and so on.

With regard to this, although ultimately results in job seeking activity, the kind of job being done as well as a multitude of personal characteristics influence the employee's perception of his problems. Still, despite the worker's own temperament and experience, few generalizations can

be made in order to group these 'personal' labour problems. These involve: 1) relations with one's immediate supervisor including protection against arbitrary treatment; 2) the nature of work itself including the strenuousness and speed of the work, physical working conditions, hours and shift arrangements; 3) the level of wage rates and weekly earnings. (69)

Economists may speak of 'the labour market' in order to refer to the 'free choice' market or the 'natural market'. Such a labour market is merely an area, with indistinct geographical and occupational limits. Each worker competes with all other workers for jobs and each employer with all other employers for workers.

However, definite specifications of the sellers and buyers of labour can be made as certain workers customarily seek to offer their labour and certain employers to purchase them. In that sense, a worker wishes to be employed in a certain area and a certain type of job. An employer wants employees drawn from certain groups, possessing certain characteristics.

Quite apparently, the described condition is above and beyond mere 'preferences'. Social mobility over time will permit, if not all, at least many individuals or their descendants to prepare themselves for some specific line of work. But while this is so in the 'ideal' long-run, the average workman, from whatever rank he be taken, finds his power of competition limited to a certain range of activities for practical purposes. Accordingly, there are barriers which generate frictions in the labour market and subsequently obstruct labour mobility and some 'immobile' individuals are excluded from participation in 'every' market.

Although frictional unemployment may stem from imperfections in labour market and/or from barriers which obstruct labour mobility, it circumscribes the condition of being unemployed, that is, joblessness. On the other hand, one form of underemployment refers to people who are seemingly employed but anxious to shift to other positions and/or jobs because of previous market imperfections. Therefore, one may even define the phenomenon as of 'frictional under-employment'.

In line with this, the worker's previous job may not have been suitable for his skills and aptitudes. As shortages also imply opportunities, these may be both undertaken by workers and by employers, though in different disguises. To cite some of them, people may be able to handle a higher level of work under extreme pressure. People may work below a professional level either because no lower hierarchical level employee can be found below them or they themselves are not capable of working on a professional level. And, finally men especially trained for one field may work in another. (70)

Still, 'suitability' is also a consideration of employers when they seek appropriate people to fill the jobs. In this respect, education, age, and sex provide yardsticks for such selection and hence market imperfections. The following will briefly elaborate the factors of education and age as sources of discrimination since to what extent the sex of the worker bears on his/her employment status has already been discussed.

EDUCATION

An excess supply of skills in particular labour markets and their consequent low remuneration may be due to a changing demand of the community. It can be claimed that, in this case, a time lag necessarily occurs before the actual distribution of income accords with the marginal productivity of those in various occupations in the long-run.

Nevertheless, even if this axiom holds true, people do not enter schools and select fields of

69. Lloyd G. Reynolds, Labor Economics and Labor Relations, Prentice-Hall Inc., New Jersey, 1964, pp. 3-21.

70. Eli Ginzberg and Herbert A. Smith, Manpower Strategy for Developing Countries, Columbia University Press, New York, 1967.

training by taking labour market conditions into consideration. Choice in the fields of education is usually determined by non-economic factors such as aptitudes, intellectual capacity and social status. In line with this, the ordering of occupations in accordance with the social esteem attached to them does not necessarily correlate perfectly with the ranking in terms of income. Thus, not only the acquired level of skill through education but also the level of income may not be determinate in motivating the individual to shift to another job. A person in a job might like to shift to another job carrying higher social esteem but lower income.

Another form of barrier which harnesses labour mobility is human capital discrimination. In this case, individuals are not allowed to acquire certain types of human capital such as education and training. Even if the training required is limited and of short duration, the 'unskilled' job seeker might legitimately argue that being denied access to such jobs, he is denied the opportunity to obtain the skills in question.

The concept of 'human capital' is based on the core idea that people's expenses may take different forms; consumption may not be for the sake of present enjoyments but for the future pecuniary and non-pecuniary returns. "They may purchase health care; they may voluntarily acquire additional education; they may spend time searching for a job with the highest possible rate of pay instead of accepting the first offer that comes along; they may purchase information about job opportunities; they may migrate to take advantage of better employment opportunities and they may choose jobs with low pay but high learning potential in preference to dead-end jobs with high pay." (71). Within the framework of human capital theory, then, health, education, job search, information retrieval, migration and in-service training may be all viewed as investments rather than consumption because the decision-maker (72) looks forward to the future for the justification of his present actions. What is meant by human capital discrimination will be therefore preselection of workers on the basis of their acquired skills, irrespective of any concern about his/her past possibilities of making such an 'investment'.

On the other hand, not only sellers of labour-power but also purchasers look for 'suitability' in their potential workers. All the desirable attributes (e.g. self-reliance, achievement-drive and compliance with organizational rules) cannot be known with certainty at the time of hiring. With regard to this, given the difficulties of accurately predicting the future performance of job applicants, both the potential employee's educational level and his previous job experience serve as signals to orient employer's preferences. This theory of 'signaling'; the 'screening hypothesis' or 'credentialism' is, then, aims at explaining the behaviour of the 'discriminator' to enforce labourer's social immobility. Is not that the capitalist has no guarantee to sell whole of his appropriated products? Is not that realization of surplus value uncertain?

And what is more, education does not automatically bring forth higher productivity in all occupations when a distinction between mental and manual labour is introduced. When the job is non-clerical and blue-collar jobs' are at stake, the potential productivity of 'educated' may be low and "their time in school may have even made them incapable of holding down a physically

71. Blaug, Mark, 'The Status of Human Capital Theory', in Reynolds, et. al. eds., *op cit.* p. 32.

72. When originally formulated by Schultz, Becker and Mincer, human capital theory was characterized by 'philosophical/methodological individualism' reflecting the view that all social phenomena should be traced back to their foundation in individual behaviour. Thus, human capital formation is typically carried out by individuals acting on their own interests. However, it later took on an additional assumption that the decision-maker is a household rather than a single person, to extend the analogy to family-planning as well as to the decision to marry. True, one should not fall victim to 'naive falsificationism' by giving up scientific research programs on the basis of a single refutation. Yet, this shift in the unit of analysis as an embarrassing proliferation of ad hoc adjustments to avoid refutations may well be quite a legitimate reason for such elimination.

demanding job." (73) Accordingly, in all jobs the 'educated' could not do better the jobs of the less educated.

Parallel to this, employers may defer from hiring educated workers to do routine and 'narrow' jobs as the 'educated' will likely to suffer from 'status frustration'. But, more important than this, the 'educated' will be less easily directed. Knowledge usually serves as a power basis which can be reactivated against the employer. Is not there a truth in saying that 'there are no labour problems - only management problems?' With regard to this, rules pertaining to the maintenance of continuity in the work process (so intimately related to the maintenance of stability in the society), the minimization of attempted individual or organized revolt; the provision of views of the world, of ideological orientations, of beliefs; the introduction of some checks on the individual insecurity inherent in the capitalist system necessitate matching out the 'suitable' people with 'appropriate' jobs.

AGE

Obstructions to labour mobility may be based on age which in turn leads to concentration of employment in a preselected group as well as low turnover of older workers. New labour force entrants, irrespective of their scholastic achievements are not regarded by employers as substitutes of older workers. This may be attributable to the latter's higher productivity by virtue of on-the-job experience and training.

Nonetheless, on the part of the community, even more important than the 'low' productivity of the 'aged' workers who have secured encumbancy is the further reverberations of this phenomenon since there are in fact very limited job opportunities. In fact, a major feature of open unemployment in 'developing' countries is its concentration among the young (persons aged 15 to 20). In this respect, it may be claimed that developing countries witness a dialectical relationship in their marrows; how the frictional underemployment of the old workers gives way to the frictional unemployment of the young 'potential' workers.

This concentration may partially stem from the disproportionate number of younger persons within the whole population which is, in turn, the result of rapid rates of population growth and hence the growth of labour force. From another aspect, it also reflects the rapid expansion of education especially in urban areas. Since average schooling levels tend to rise over successive generations the phenomenon of youth unemployment turns out to be educated unemployment.

These educated but unemployed young at best is doomed to experience a 'demoralizing delay' by relying on relatives before they are able to adjust to the realities of the job. Accordingly, two alternative modes of action will be undertaken: either taking what is going in the way of wage earning job, that is, to accept a less preferred and lower paying jobs. Or alternatively, making what they can of self-employment.

And, what is more, it has to be noted that persons under 25 often comprise a high proportion of the literate and go-ahead sections of the total population. This potential characteristic of the young can be a real menace to the 'status-quo' when the families do not provide a 'calming-nest' for the 'frustrated' urban ambitions. To sum up, irrespective of the causes of the concentration of unemployment among the younger age groups, its significance is beyond any doubts. In terms of future economic development, it shows underutilization of potential manpower and in terms of social and/or political stability it forms a potential 'threat'.

5. PECULIARITIES OF EMPLOYMENT IN TRANSITIONAL RURAL FORMATIONS

"Thus analytic categories are seen not as value-free tools developed for universal use but rather as tied to a particular intellectual stance, a particular political position or a user belonging to a specified delimited social group. If one group uses an analytical scheme as part of the means whereby it rationalizes and justifies its exploitation of another group, then the oppressed group must develop its own analytic scheme as part of its attempt to understand its exploitation and to liberate itself. When these propositions are held widely, the notion of universalistic social science disappears."

(Who Should Know What? Barnes)

As any social formation is constituted by a combination of different modes of production social analysis has to encompass two lines of scrutiny. The first step will be the elucidation of internal structures of each mode of production by positing the relevant causal structure and mechanisms. The second proceeding theoretical activity will be the analysis of the ways in which different modes of production are co-present within a given society and the political-ideological consequences that follow. When the theoretical object is more specified to be the transitional formations of Third World; this entails an inquiry into the effects of different forms of capitalist penetration as well as the ways through which such penetration structures the other instances of the social formation.

Turning to the problem of employment/unemployment to be the theoretical subject of this research, it has become such an acute predicament that it also engenders serious predictions of social disintegration and political unrest in the Third World. It has become one of the striking symptoms of 'transition' in a social formation that reveals the contrast between the 'core' and 'peripheral' countries of the world with the latter's due sustained and comparative prosperity. Consequently, it is no surprise that as a problem, unemployment receives close attention not only from political authorities of nation states but also from international agencies and private foundations. World Employment Programme has been formulated under the auspices of International Labour Organization; several seminars have been organized by Ford Foundation, the World Bank has also dramatically publicized its interest in the problem.

Indeed, it is meaningless to expect a duplication of the historical experience of the core countries in the transitional social formations of the Third World. As employment phenomenon has determinants at different levels of social reality, the underlying causes of unemployment inevitably generate different configurations within the areas of the Third World. Upon considering these, in this chapter, the three different aspects of employment will be discussed within a transitional social formation, and more specifically, within a transitional rural formation. Since history foreshadows the main lines of development and the central relationships in any social formation, the following elaboration will constitute the historical part of the attempted model and theory of employment. Thus, the rather partial and one sided formulations of the previous chapter will to a certain extent be reconstituted as more complex combinations of many determinants through the introduction of this time dimension.

Any analysis of the determinants of various forms of capitalist penetration is excluded from the present theoretical work. Still, a schematic framework will be needed in order to analyse the possibilities of the major forms of capitalist penetration of non-capitalist formations which previously structured the transitional Third World formations. Accordingly, this practice will be fruitful to situate the basis for the tendential development of the latter. -

As regards to this, imperialism as a specific form of capitalist penetration can be characterized by five basic features:

- 1) The concentration of production and capital in the form of monopolies.
- 2) The merger of banking and industrial capital to form financial capital.
- 3) The dominance of capital export over commodity export.
- 4) The formation of industrial monopolist associations.
- 5) The territorial division of the world amongst the most advanced capitalist social formations.(1)

In line with this, such penetration can only occur as a result of the operation of the counter-effects to the tendency for the rate of profit to fall within the dynamics of capitalist mode of production. A perpetual increase in the productivity of labour generates a tendency for the rate of profit to fall in order to meet the requirements of extended reproduction of capital. Hence the productive forces are increasingly subsumed under capitalist relations of production.

Yet the development of this tendency can be weakened and/or checked by various 'counter-balancing forces'. These counter-effects which act against the operation of falling average rates of profit in all the major spheres of production determine the 'rhythms' of production. These can be cited as follows:

- (a) an increase in the intensity of exploitation (through a prolongation of the working day or an increase in relative surplus value by improvements in production methods without any concomitant alteration in the magnitude of capital invested)
- (b) the depression of wages below the value of labour-power
- (c) the cheapening of the elements of constant capital which will prevent its value increasing in the same proportions as its material volume
- (d) the utilization of labour-power that was displaced by mechanization to open up new sectors of production
- (e) the increase of stock capital and foreign trade

In this connection, it has to be emphasized that various forms of capitalist penetration can only be analyzed as a necessary effect of the capitalist mode at a particular stage in its development. Therefore, the material basis of one particular form of capitalist penetration can only be located within a conjunctural analysis. In this case, the relevant points of reference will be the relations existing between the source of international capital and the relative (economic, political and ideological) development of its advanced capitalist competitor nations. On the other side, the nature of non-capitalist modes of production and the social formations that capital attempts to penetrate are also of fundamental importance. This is because the concrete conjunctural situation prevailing in the Third World formations at the moment of various forms of capitalist penetration establishes the possibility (or otherwise) of creating the prerequisites for capitalist production. In this respect, different forms of capitalist penetration have different effects upon non-capitalist modes of production. However, the concrete outcome of such penetration depends on the solidity and internal structures of the latter that circumscribe their process of reproduction and peculiar dynamics.

As regards to these, the place and function of agricultural production while providing a site

1. Taylor, *op. cit.*, p. 125. For a more extensive treatment of the subject, see pp. 124 - 138.

for employment can only be understood in terms of domination by capital within the structure of the capitalist mode. Nevertheless, the peculiarities of transitional rural formations call for close scrutiny as they establish different connections with capital and contribute differently to the reproduction of capital as well as to the social totality.

A. SUBSUMPTION OF PEASANT PRODUCTION

The conceptual issues involved in the study of peasants mainly emphasize two distinguishing characteristics of them. Firstly, some degree of control over the means of production is underlined while the stress is laid on the family labour unit. Secondly, through a series of rights and obligations, participation of peasants in a larger nonpeasant economy is put forth; both suffering from various problems.

At the outset, the emphasis on the family labour unit implies homogeneous self-sufficient productive units that neglects differentiation within the peasant community. However, there exists differentiations in access to land and resources such as processing equipment and transport. This means that processes of production and circulation bring peasants into asymmetric contact even within the local community. Given the dynamics of both of peasant groups and of the larger economic system, the network of complex social relations characterize particular social formations. Larger (non peasant) system (s) incorporate and/or transform the prevailing differentiation within peasant formations.

Peasants participate in the larger social totality in several ways:

(A) The surplus product produced by peasants in the form of agricultural commodities and appropriated by the larger system is ultimately sold on the world market (within the capitalist economic system).

(B) The penetration of natural economy, which is fundamentally devoted to production of use-values and subsistence, by capital necessitates certain exchange relations so that the reproduction requirements of the productive units are met. Thus, either indebtedness and/or intensification of production of exchange-values can be observed. In both cases, the pre-existing production system is undermined by the withdrawal of labour from use-value production whether in agriculture animal husbandry, hunting or fishing and/or in branches of craft activity (such as house building, the manufacture of tools, weapons and other artifacts). In consequence, this may lead to disqualifications of many traditional production skills.

(C) As peasants participate in the wider society, new needs come to develop, and besides the needs of mere reproduction, these will go beyond the consumption of commodities which are previously produced as use-values locally and/or acquired through simple exchange.

With regard to these, peasantry has to be analyzed within capitalist relations of production, that is, in its relations with capital and state. These relations are mediated through two mechanisms. One of them is realized within the capital/wage labour relation while the other assumes "various forms of household production by producers who are not fully expropriated but who are engaged in a struggle with capital/state for effective possession and control of the conditions of production." (2)

In this respect, the development of wage labour/capital relation as well as the development of forces of production are only particular means, albeit decisive ones under specific conditions,

2. Henry Bernstein, "Notes on Capital and Peasantry", Review of African Political Economics, Vol. 10, 1977, p. 60.

which exist alongside others for ensuring the valorisation and accumulation of capital. If the restraints (often extra economic ones) which impede the further development of wage labour and the productive forces cannot be overcome, or if greater profits cannot be made in doing so; capital will not develop the wage labour/capital relation and productive forces.

In harmony with these determinant forces, there exists the prime mover of capitalist development; it is the valorisation and accumulation of capital as have assumed and can assume different forms. "These forms base themselves on different modes of production preserving them, dissolving them, adopting and combining them according to the requirements, possibilities and obstacles which apply to the valorisation of capital under given or self-generated circumstances." (3) On this assertion, it becomes possible to show how the pursuit of self-interests by individual actors or simply the sheer necessity for survival under specific conditions (above all, under conditions of a politically non-unified world economy as opposed to an economically unified world capitalist system) entails the permanent search for surplus profits which is to result in the extended reproduction of capital. Then, besides the wage labour system, it is possible to talk about non-wage labour relations of subsumption to capital. These are established and preserved which enable the capitalist class to appropriate part or most of the surplus product of the direct producers on a permanent basis.

"In economic terminology there is a well-known term, subsumption, which signifies the subordination of some forms of economic activity in the economic system to principles determining the functioning of the economy as a whole. The peasant farm, under the conditions of the capitalistic order, is usually cited as an example of a subsumed system. This implies that -1- the peasant farm lacks the basic characteristics of a capitalist enterprise, -2- changes in the mode of peasant farming are determined by the laws governing the capitalist system as a whole, and -3- the peasant farm is acquiring certain features specific to the capitalist enterprise."(4)

Nevertheless, this should not imply a simple domination of peasant "communities" by the larger society. Accordingly, the 'traditional' sectors manage to sustain their precarious existence because they are "...non-capitalist only in that their material reproduction including the production of the labour forces and a part of its means of subsistence which are for the benefit of the capitalist sector proper, is not carried out within the specifically capitalist mode of production or is based on a low capital intensity (relative to the level of world wide capitalist development) combined with a high physical exploitation of its work force (long working day, high intensity of labour, child labour and generalized poverty)." (5)

At this connection, it is worth underlying that the following manner of analysis concedes that the peasantry reproduce themselves through their own labour but neither capital nor imperialism are the reproductive agents. In other words, capital does not reproduce the peasantry in the pursuit of its interests; but rather, the peasantry while reproducing itself, simultaneously reproduces capital as well as itself being transformed. Accordingly, "the question is how the conditions of production and reproduction are determined by the operations of capital (in particular social formations and at the level of world economy) and the state." (6)

Indeed, peasantry vis-à-vis capital is subsumed as capital alters the basis of peasant production. However, the production form is maintained because peasants for the most part

3. Fröbel, et. al., *op.cit.*, p.25.

4. B. Galeski, *Basic Concepts of Rural Sociology*, Manchester: Manchester University Press, 1972, quoted in William Roseberry, "Rent Differentiation and the Development of Capitalism among Peasants", *American Anthropologist*, Vol.78, 1976, pp. 48-49.

5. Fröbel, et al., *op.cit.* p. 30.

6. Bernstein, *op.cit.*, p. 62.

control their own productive activities by owning or controlling land and/or other factors of production while they may occasionally engage in wage labour and others may hire labour. With respect to this, peasant communities have their own internal dynamics which cannot be determined by the capitalist system, and quite possibly, are in contradiction to it.

The simple commodity producer is different from the proleterian for he retains some control over the organization of production though they occupy a similar structural position comparable to that of proleterians. On the other hand, household production occupies a definite place in the social division of labour internal to the production process like that of capitalist production enterprises. However, the spatial concentration of peasants differs from the social concentration of workers in capitalist production where the sphere of economic activity is totally isolated from other domains of life.

The producer peasant inevitably enjoys 'autonomy' in the sense that the immediate organization of the production process remains in his hands while commodity relations determine to a large extent his productive activity as well as his reproduction. Obviously, the claimants of peasant surplus will obviously attempt to capture as much of it as possible. However, they are restricted by the direct producers who maintain their control over some, if not all, means of production. These claimants are unable to control the total product which renders the exploitation relationship inefficient.

B. RURAL INCOMES AND EMPLOYMENT

The long-time lags between decisions involving production and the ultimate sale of output engenders instability in agricultural markets. To the extent that everyone must make his production decisions at the same time, the individual farmer is always doomed to be a price-taker. Furthermore, the prevailing farm prices do not accurately depict the direction to be taken by future equilibrium price-quantity relations. With regard to these, cobwebs refer to the erroneous decisions of agricultural producers when they plan future production on the basis of current prices leading to sharp fluctuations both in prices and quantities sold.

In this respect; government support prices allegedly aim at raising farm incomes although they do not necessarily stabilize farm production. If support prices were set at a level higher than equilibrium market prices, surplus emerge. Unless, these are ex-nation distributed, the result would be a transfer of income from consumer to the farmer which may stimulate politically unwanted and unwelcome effects.

On the other hand, agricultural products are homogeneous in the sense that they can only be differentiated after the producer supplies the market but before they reach the ultimate consumption unit. However, this precondition for perfect competition does not hold for the monopolization of manufacturing and marketing of agricultural products insofar as they are differentiating agents.

Last, but not least, farm output is also peculiar in that it can serve both as capital input and as a final good for sale. Similarly, the multiplicity of joint products especially in husbandry leads to further complications in the production chain which all negatively effect adaptation to changing price levels in the entire agro-sector (e.g. the farmer must cut back current production in one sphere of agricultural activity to increase future production in another). Indeed, the famous agricultural dilemma labelled 'corn hog cycle' refers to such duality. To some extent, technological superiority may outweigh this phenomenon, though simultaneously it may trigger monopolistic tendencies in the manufacturing and marketing of farm products.

When approached from the demand side, agricultural sector also displays certain peculiarities. At first sight, agricultural output meets basic human needs for their physical reproduction. Nevertheless, consumption level cannot be augmented after a certain limit, while, neither it can be totally abandoned. This physiological reality has repercussions at various levels which have to be elucidated.

As regards to price elasticity (7), since every individual's consumption capacity cannot get beyond his 'saturation' point; when over-all farm output increases with a resultant decline of food prices, people do not tend to increase their actual consumption. In other words, demand is inelastic. And, when reproached from the side of income elasticity; sales of farm products rise less than proportionately with any increase in individual incomes. To put it differently, albeit the indispensability of consumption, income elasticity of farm products is less than one.

Thus, any rise in farm productivity, even it keeps pace with that of the nation, does not necessarily rise farm incomes; which would mean larger cash receipts for the farmer. On the contrary, the farmer usually falls further behind the city-dweller in terms of relative well-being. Accordingly, it is no surprise that the relative share of agriculture in national income gradually decreases as the nations 'advance'.

Peasants produce agricultural commodities which are ultimately sold on the world market within the capitalist system. As regards to this, the surplus product produced by peasants and appropriated by the non-producers is processed and circulated within the capitalist system. This relation entails the incorporation of non-capitalist modes of production within the capitalist economic system which, in turn, effects both modes.

Parallel to this, production of agricultural commodities can be realized in two different modes (and/or forms). Capitalist commodity production is based on the logic of accumulation regulated at the enterprise level by the operation of prices in production, that is, realization of an average rate of profit. However, in the household economy where peasants continue to produce use-values (agricultural and/or non-agricultural) for their direct consumption, 'specialized' commodity production takes place within a labour process based on needs of reproduction and/or subsistence.

In both forms, nevertheless, falling prices are experienced as a deterioration of the terms of exchange of the commodities produced relative to those primarily needed for reproduction 'entertained' at the level of circulation. Such deterioration raises the costs of production both directly (increased costs of means of production) and indirectly (increased costs of reproducing peasant producers). Still, besides a fall in price of agricultural products, rural production costs can also be raised owing to vulnerability of peasant farming. This vulnerability of household production mainly stems from:

1) the vagaries of climate

2) deterioration in soils which cannot easily be substitutable either because of competition for land or of costs of clearing new land. Even if the intensification of production occurs (more labour-time on poorer or more distant soils), it can only increase cost of production in terms of labour-time and reduces the return to labour.

3) the incidence of crop diseases, especially of crops which represent a major investment of labour-time (e.g. cucumber).

4) the incidence of animal diseases that affect draught animals and/or those animals with other functions in terms of utility or exchange (e.g. chicken).

5) finally, from diseases or death or infertility in the household which reduce the supply of labour.

Thus, the precariousness of the material and technical basis of peasant production combines

7. The underlying cause of elasticity is the substitutability of products for another.

with the pressures exerted by commodity relations. The latter are mediated in the pressures exerted by commodity relations experienced in monetary terms, as peasants replace their means of production or acquire new means of production in the attempt to increase yields.

Reduced prices for agricultural products, on the other hand, stimulate different behaviour patterns in peasant form of production. The capitalist undertaking will continue production as long as the price is as high as marginal cost though its profit margin inevitably shrinks. Yet, in the household production, it may lead to reduction in levels of consumption or an intensification of commodity production and/or both. Nevertheless in both ways, supply of commodities may be raised by mechanisms of intensifying the labour of the household at the expense of simple reproduction 'squeeze', without incurring any costs to management. (8)

Indeed, the rural 'sector' gets specialized in production of one commodity which is production of labour-power if not it produces agricultural products to be sold in the world market. In Marx's terminology, latent relative surplus population exists in rural districts whose volume varies depending on the penetration of capitalist relations of production in agriculture.

As capitalist relations of production are consolidated in agriculture with due dispossession and proletarianization of peasants, the old problem of 'output versus employment' has to be recalled in analysing the social dynamics of countryside. Since capitalist agriculture flourishes at the expense of subsistence family farming, increased movement into the urban sectors demonstrates a push from the bottom of the iceberg of unemployed still hidden in agriculture. And increased wage employment in agriculture is likely to accelerate urban employment, not necessarily in the formal organized sector though. The cause of the reservoir of labour at the disposal of industry "...must be looked for in the modernization of agriculture which can only attain its declared goal of increasing food production by the destruction of small subsistence farming, the traditional modest basis of survival for large sections of the rural population who are then forced to migrate to the cities where they are not usually able to obtain an income sufficient to provide them with a decent living." (9)

Similarly, unless the inducements in the form of higher urban wages and the high probability of obtaining a job in the urban areas are neutralized, rural/urban migration will not stop. Promoting agriculture on the assumption that any attempts to do anything in the cities to solve unemployment will be also self-defeating. "In the industrial sectors of the third world the problems of "wrong technology", maldistribution of the means of production and bi-furcation of the production processes have emerged and the same pattern is repeating itself in the rural areas." (10)

Thus, forms of exploitation can only describe the institutionalized and yet contradictory relationships between classes and a range of possible patterns for the reproduction of these relationships. This is because once these different class structures, specifically property relations or surplus extraction relations are established; they tend to impose rather strict limits and possibilities on the differentiation and transformation of them, and hence the social totality. However, the actual pattern which is undertaken for the reproduction of the 'economy' results in simultaneous differentiation (11), and ultimately, the transformation of the reproduced structure and/or relationship. Here, the concern is distribution and/or utilization of surplus which will determine the direction of differentiation and/or transformation of social structures.

The global development of the capitalist form of society has essentially been determined by

8. Bernstein, *op. cit.*, pp. 64 – 65.

9. Mkandawire, *op. cit.*, p. 38.

10. Fröbel, et al., *op. cit.*, p. 5.

11. In this context differentiation refers to a change in the reproduction requirements of the reproduced structure.

the movement of capital. In this respect, the valorisation and accumulation of capital together constitute the basis of the movement of capital as they refer to the unlimited appropriation of abstract wealth (e.i. surplus value) in the form of money. Thus, the crucial points of inquiry will be to analyse the requirements, possibilities and obstacles of this movement.

Within all these possible forms of capital valorisation and accumulation, capitalists, inasmuch as they function as the 'conscious' representatives of this movement, strive to withhold the surplus product from the direct producers to as great an extent as possible. Provided that realization of surplus value is successfully accomplished, will recapitalize it for the most part. But, how 'effective' they can ever be is determined in the final redistribution of the abstract wealth which has already been produced, somewhere and somehow. As regards to this, the production of abstract wealth has to be clearly distinguished from the final redistribution of it.

"Such forms of redistribution include enrichment by fraud, robbery, commercial overpricing, speculation and usury, all the redistributive measures carried out by the state, premia paid in order to guarantee the conditions for further exploitation, and all forms of monopoly rent (which accrue to capital through the holding of patents, through natural monopolies, and monopolies created through the sheer size of capital)" (12) Nevertheless, as it paves the path for further exploitation, these redistributive patterns of realized surplus value is of paramount importance. Ultimately, they render how effective the various forms of surplus extraction relationships can be.

Turning to the established patterns of exploitation in transitional rural formations, usurer's capital form a particular relationship. It enters into direct relations with producers when the economy is based on small scale production units with means of production under the partial control of direct producers themselves. Doubtlessly, several repercussions follow from this particular relationship.

Firstly, merchant capital does not subordinate labour to itself, like the operation of industrial capital. The producer is not completely separated from means of production, yet identified with them, though he is alienated from them to a certain extent. This alienation may result in complete separation if the creditor forecloses or if the land-lord expropriates. Secondly, since the producer possesses his own conditions of labour, it does not alter the form of existing mode of production. However, it is likely to paralyze the productive forces instead of developing them. For, it perpetuates the miserable conditions in which the social productivity of labour is not developed at the expense of labour itself. Hence, impoverishes the mode of production.

Though separated conceptually in practice, the 'bearer' of usurer's capital and merchant capital may be the same person and merchant capital may move beyond circulation sphere in two ways. One qualification is due, however, on the possible bearer of usurer's capital. Since usury presupposes an accumulated wealth, a usurer may be or at once used to be an agricultural cultivator who owns 'adequate' land, who has possible opportunities with surplus product to dispose. He may have options of increased consumption and/or extra ceremonial expenses, of increased investment in agricultural activities. And finally, as a peasant just beginning to accumulate a surplus, he may take the opportunity of becoming a 'broker' between peasant producers and the capitalist system. "The peasant would first invest in commodities produced by other peasants, buying up agricultural and artisan commodities for sale to other peasants and middlemen. The peasant would then be able to buy goods from the middlemen to sell to other peasants. Here the peasant is investing the surplus product in the buying and selling of commodities, becoming a petty trader". (13)

12. Fröbel, et. al., *op.cit.*, p. 31.

13. Roseberry, *Rent*, *op. cit.*, p. 53.

However, the merchant and/or money-lender may use credit and interest relations to buy cheap and sell dear by attempting to control the production of scattered producers who own or control means of production and are producing commodities. In this respect, the merchant enters into direct relations with the producers as he loans money for the production and/or consumption expenses of the production unit, that is, he 'aids' the reproduction of direct producers. Crucially, this can only take place in the destruction process of natural economy, whereby the latter refers to the production of use-values dominantly, which does not exclude simple circulation process in the form of exchanges of material surpluses between producers at a rudimentary level of social division of labour.

Indeed, natural economy within any social formation can be destructed in various forms depending on:

- (a) the character of pre-existing social formations
- (b) the character of destructive force
- (c) its historical context.

But, regardless of the operative mechanism in the destruction of natural economy, all of them are directed to break in the reproduction cycle of systems of natural economy, within the process of commoditization of household production. The process of commoditization, moreover, is not a uniform one, as it reflects the extreme unevenness both between social formations and within them (e.g. regional differentiation). This unevenness, in turn, stems from the concrete conditions in which various capitals confront and penetrate different pre-capitalist and/or non-capitalist productive activities. "...simple commodity production is a form of production that can exist in different historical periods and in variant relations with other forms of production." (14) Therefore, both the various forms and the extent of commoditization contribute to the analysis of social formations in their specificity, yet, at the expense of any general theoretical formulation. Then, the issue is to determine how capitalist mode of production (e.i. capitalist relations of production) provides the conditions of existence of this 'household' form of production and reproduces it.

The objective of this form of production is subsistence of producers and the maintenance of production unit (e.i. household). Its reproductive needs, are constituted by several elements which have to be met via commodity relations, that entail:

- (A) production of commodities as means of exchange to acquire elements of necessary individual consumption (e.g. food, clothing, building materials, kerosene, domestic utensiles).
- (B) incorporation of commodities in the cycle of reproduction as items of productive consumption (e.g. tools, seeds, fertilizers).
- (C) as a special element, monetization of bride-price and ceremonial symbols. (15)

As regards to these, commodity production is internalized in the reproduction cycle of the peasant household, to the extent that it cannot take place outside the commodity relations. To meet its needs for cash, commodity production becomes an exigency because through the circuit of exchange, material elements of constant capital (raw materials) and variable capital (food) can be supplied. Moreover, to the extent that acquisition of cash income, and therefore the consolidation of commodity relations, become conditions of reproduction; any shortfalls in production and/or income can lead to a cycle of indebtedness. This situation may take several forms through which three possible patterns can be observed pertaining to the operation of peasant economy in a broader capitalist formation.

14. Bernstein, *op. cit.*, p. 62.

15. These, in themselves "... would most likely arise, however, because there is no other outlet (e.g. productive investment) for the surplus product within the social unit." Roseberry, *Rent, op. cit.*, p. 53.

(1) Payment of 'starvation rents' by the poorer peasants of higher than average rents to secure a plot of land for minimal reproduction needs.

(2) Sell of food crop immediately after the harvest in order to meet urgent cash needs and consequently having to buy food at higher prices.

(3) The practice of crop mortgaging to richer peasants, local traders and/or larger scale merchant's in order to acquire cash in the case of emergencies.

Still, leaving aside these 'abnormal' cases of indebtedness, when the merchant and/or money lender enters into direct relationship with the direct producers, the initially disbursed loan will be repaid in the form of commodities by two methods. Either the loan comprises a pre-sale of the commodity that is, the producer 'sells' a fixed quantity (e.g. of wheat) before it has been produced. The producer, in this case, accepts the 'payment' in advance of the production and delivers the wheat at a later date. Within this relationship interest is hidden in the commodity price received by the merchant when he sells the commodity on the open market, as he will be inevitably be a price-taker. On the other hand, any adverse climatic condition on the production of output has to be born by the direct producer.

Or, the loan is repaid at interest in the form of the commodity produced at a price to be determined on the date of delivery. Nevertheless, in either form, any identification of merchant and usurer's capital results in the approximation of the method of exploitation of industrial capital in relation to capital accumulation: The loan is necessary to meet the reproduction cost of the production unit and is therefore necessary to set labour-power in motion. While the original purchase of the commodity can only be formal; with the initial outlay of money, the merchant can be claimed to purchase labour-power and later receives another commodity, i.e. the product of labour-power. Consequently, subsistence production is no more an independent simple commodity enterprise. But it proves to be a quasi enterprise both fulfilling the specific function of wage labour (value-producing labour) and the specific form of reproduction of labour-power within a capitalist process of production. (16)

C. UNDEREMPLOYMENT

Until now, it is quite obvious that a lot of academic ink has been spent on underemployment. However, both the concepts and attempts to measure it are perplexing, since the same terminology has been applied to different and often inconsistent situations. Leaving aside the distinct attributions to causes of such unemployment, all revolve around the notion that labourers are employed 'below' their productivities and/or less than a conventional standard working day.

As far as productivity is concerned, any economy always presents a whole range of varying average and marginal productivities over different lines of activity. But all encounter the constraint imposed by nature upon any human undertaking which has initially set out to transform the nature. This inevitability is expressed through the law of variable proportions and/or diminishing returns and/or changing physical productivity of factors. To put it plainly, successive units of labour cooperated in the production activity, after a certain point, will yield successively diminishing additions to output, whose effect can be mitigated to a certain extent by the scale of economic operation.

However, as productivity of labour depends partly upon the factors of production with which labour is associated, the circumstances surrounding the supply of other factors of production need to be scrutinized. With respect to this, even if with an assumption of an adequa-

te level of aggregate demand, two structural features and/or configurations have to be distinguished.

The first configuration displays no excessive supply of labour relative to the supplies of land and capital. On assuming perfect competition and price flexibility in both factor and product markets and a sufficiency of aggregate demand, full employment equilibrium envisages the elimination of differential marginal products (or wage rates) of homogeneous labour inputs in the different sectors of the economy with perfect mobility.

However, when there is a deficiency in aggregate demand, a number of hired workers are laid off as the down-swing of the business cycle is coupled with a downward inflexibility of wages in the short-run. Then, the laid-off worker either suffers from deflationary unemployment or engages himself in less productive work. If he manages to proceed on the second route he experiences a 'demotion' to an inferior occupation in which his marginal product may be lowered but still positive. Supposedly, he is no longer working with the same co-operating factors (which are assumed to be idle) and furthermore, the worker ceases to use certain skills he possesses. However, "such a person is aware of his state of underemployment and when he is able, will resume work suited to his training and skill". (17)

On the other hand, every economy in the world capitalist system has certain structural characteristics with regard to the dependence on exports and/or imports; to the type of land tenure; to the size and characteristics of government and service sector, to agriculture and industry and to the extent of foreign control. Accordingly, even if no unfavourable factor proportions exist, market imperfections foster a range of problems that prevents the 'market' from bringing about the results that marginal productivity theory of distribution would predict. Thus, frictions (18) may exist in such a way that excess supplies of labour impede labour mobility. Similarly, the marginal revenue product of a particular type of labour might not be equalized in all sectors of the economy which employ that type of labour. As regards to this, underemployment is due to several factors which reduce the worker's mobility (in terms of homogeneous labour inputs) and will engender inequalities between the marginal revenue products in alternative occupations.

Nevertheless, the corollary configuration will be whereby aggregate labour supply is so great relative to aggregate supplies of land and capital that even in the absence of any adjustment frictions, the final equilibrium cannot yield full employment at any reasonable wage rate. As first propounded by Eckhaus labour abundance, capital and land-shortage describe the unfavourable factor endowment position of transitional social formations. Even when factor proportions are less rigid, as in agriculture, an excess supply of labour inevitably leads to low labour productivity. But, these low productive labourers do not usually recognize their state of 'underemployment' and seek for a suitable work.

When these outlined features combine with lack of organizations of labour force (and if they exist at all, their weakness, impermanence and poor finance) and apart from political channels to get minimum wage legislation and social security legislation, there can be various meanings imputed to the concept of suitability in transitional formations. In such an atmosphere of instability and insecurity, on the part of the employed, seeking a better job can easily be identified with chasing an opportunity. But dissatisfaction will not stem from being less-efficiently used or overemployment and/or any experience of personal failure.

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17. J.S. Uppal, *Disguised Unemployment in an Underdeveloped Economy; Its Nature and Measurement*, Asia Publishing House, New York, 1973.
 18. Monopolies, as economic institutions, may introduce voluntarily market imperfections and that, they deliberately seek to set factor prices above or below equilibrium prices (e.g. one landowner controls virtually all the real estate, a single controls the availability of local capital etc.). However, these will be excluded from the present exposition for all practical purposes.

On the other hand, from the standpoint of the broader social totality, these Third World transitional formations lack not only efficiently used trained manpower to retard economic and/or social expansion. They are likely to be handicapped in varying degrees along each of the capital markets and infrastructure fronts. Then, there exists a continuous pressure on the scale and scope of possible action by private and/or public employers, which in turn foster their 'selectivity' in employing the appropriate people.

Moreover, in transitional social formations of the Third World whereby it is often almost impossible to redistribute income through tax, subsidy, social services and price policy; production aspect of employment can be totally divorced from income aspect. To put it differently, the 'welfare states' consider to provide as much as employment in state bureaucracy and/or state economic enterprises, to be their 'social' duty. In this event, the worker would be properly conceived as rendering a direct 'personal service' to his employer than aiding the productive enterprise. (19) And, on the part of the employer, the alleged reason for permission of such employment relation can only be 'social prestige' rather than the 'ineffectiveness of state' in redistributing incomes. Thus, it worths once more emphasizing that the evaluation and analysis of disguised unemployment and/or underemployment gets far beyond the question of identifying the 'idlers' that contribute nothing to output. Above all, underutilization reflects the attitudes and institutions of the social totality and therefore can not be treated as a source of its transformation.

Indeed the whole question of underemployment and/or disguised unemployment raises a series of difficult conceptual and empirical issues. Still, the issue is of paramount importance as together with unemployment they are different manifestations of manpower underutilization.

At the macro level, underutilization underlines a problem in as much as a fraction of the population are not contributing their full production potential to national development. It becomes one of the subjects of public policies whose target is the full integration of these people into the production process. After all, any concern with the transfer of excess (and/or surplus) labour from agriculture to industry has to investigate the impact of such 'transfer' on the level of output.

Nonetheless, disguised unemployment and/or underemployment in agriculture denotes a situation whereby under certain circumstances withdrawal of a part of the labour force from the production sector would leave the level of output unchanged. However, exponents of this view differ among themselves as to what 'precisely' these circumstances are. One of these perspectives technically expressed the phenomenon as being "the marginal productivity of labour over a wide range zero." (20) As usual, it is possible to question the existence of a zero marginal product of labour on various grounds.

To start with, even at a low level of technology, an increase in labour inputs will bring about some increase in agricultural output. With respect to this, it can be argued that some addition to the crop by using additional labour (for a more careful selection and planting of the seed, more intensive weeding cultivation, thinning and mulcting, more painstaking harvesting, gleaning and clearing of the crop) is always possible and that marginal product of labour can hardly fall to zero. (21).

On the other hand, if such a situation exists, it certainly depicts something unnatural and/or irrational in workers' behaviour in terms of their 'fruitless' performance. It will imply that people

19. Maunder, *op. cit.*, p. 11.

20. Ragnar Nurkse, "Problems of Capital Formation in Underdeveloped Countries", Blackwell, Oxford, 1953, p. 33.

21. J. Viner, "Some Reflections on the Concept of Disguised Unemployment", *Contribucoes a Analise do Desenvolvimento Economico*, 1957, cited in Sen, *op. cit.*, p. 33.

perform such labour because they either are ignorant of the fact or positively enjoy work as such. At this connection, an analytical counterargument reads: "Even if the marginal product of labour could fall to zero for some total amount of labour, that would not be a point of work equilibrium unless the peasants had no disutility from work whatsoever" (22).

An answer was attempted by Sen (23), pertaining to this question which rests on a distinction between the stock of men (labourers) in agriculture and flow of man-hours (labour and/or effort) to agricultural work. Accordingly, when labour time is distinguished from number of labourers no 'unnecessary' work appears to be done. However, the necessary work has been extended over more people than are needed to get the 'same' work done. It follows that, unless those who remain at "home" work longer hours than before, the previous level of output will not necessarily remain the same. Therefore, the actual outcome will depend on the choice of hours of work especially by the farm families from which some members leave, as well as the reduced volume of 'hirable' workers.

This inevitably turns attention to agricultural workers' pattern of substitution between income and leisure (e.i. increasing disutility of labour). Labour will be applied up to the point where extra disutility of another unit of labour will just balance the extra utility to be derived from the income gained by another unit of labour. Parallel to this, it can be argued that the level of income in the traditional agricultural sector is usually so low that marginal utility of income is likely to be unchanged as income rises until a certain minimum standard of living is reached. Moreover, because of high man-land ratio and low work intensity for most of the year (seasonality in employment), the marginal utility of leisure may also be insensitive to hours worked up to a point.

If Sen's assertion is extended, it is likely that, the withdrawal of part of the labour force will generate a new work equilibrium among those remaining in agriculture. The marginal product of labour will increase as they now put in on average more hours of work per day. Nevertheless, since total effort increases, the marginal product will fall after a certain point till it again becomes equal to the marginal rate of substitution between leisure and income. It seems that when viewed from this angle, only in the special case where the marginal disutility of labour is zero will labour be applied to the point where its marginal products is zero. This, in turn, implies that so much leisure is available for agricultural workers that it can be regarded as a free good. Can ever the peasants be so irrational then?

This stance is not exempt from any criticism pertaining to its assumptions. It presupposes that the schedules of the marginal utility of income and of the marginal disutility of labour are flat in the relevant region. This does not seem to be directly testable, though theoretically feasible. Moreover, those remaining in agriculture may not be able to work more hours even if they wish to do. This can be due to some institutional (e.i. customary) restrictions on variations in hours of work. But this possibility, or rather impossibility, is relevant mostly for hired labour because in the case of family labour an increase in the number of hours worked above the existing level seems quite practicable. (24)

However, even in the case of family labour, there is clearly a maximum amount of worktime per person over a given period of time not necessarily and exclusively devoted to agricultural work. Once that point is reached, the work level of those who left behind inevitably gets fixed. Consequently, after this limit, a reduction of the work force may reduce output. With regard to all of these, the main limitation of such a model of disguised unemployment lies in the

22. Sen, *ibid.*, p. 33.

23. *ibid.*, pp. 32-36.

24. Ajit. K. Dasgupta, Economic Theories and the Developing Countries, St. Martin's Press, New York, 1974, p. 18.

supply price of labour effort. To the extent that this price is an increasing function of worktime any withdrawal of a part of the work force will likely to reduce output. Otherwise, it will not.

It is still possible to approach to the phenomenon of disguised unemployment and/or under-employment on conceding that there has been a change in organization and the form of equipment (involving little or no addition to capital equipment). It is claimed that when the marginal product of labour is negligible, a 'slight' reorganization of agriculture will not result in diminution of output even if a section of labour force is withdrawn from work. In line with this, the exact nature and extent of the contemplated reorganization of agricultural production has to be elaborated before evaluating the extent of surplus labour. And, this will entail to probe deeper to the structures and processes at work to reproduce not only the households but the community as a whole, with accompanying social relations. Above all, when faced with increasing population growth, maintenance of subsistence level can only be secured either by increasing output or by outmigration or by involution.

When the population pressure on the land is relatively low: continuous adaptation of methods and patterns of land utilization in the direction of increasing labour requirements is possible. This process will have reverberations at various levels, when the primary productive activity is agriculture.

Firstly, a historical process of absorption of population increase into traditional production may take place. Secondly, steady increase of labour intensification is likely to create employment opportunities without reducing per worker output. Thirdly the negative impact of population increase on inequality will probably be marginal, for incomes will remain low but static, if not to reflect a fall in the average standard of living in the long-run.

These adaptations may take several forms. A shift may be made from the less labour-intensive crops to those which require more labour. Another change will be the successive subdivision of holdings which may render the adoption of more intensive labour techniques not only more profitable but even necessary. A third alternative will be to extend the area under cultivation to include less fertile land and land with more difficult access to the supply of waters. Obviously, the less favourable the land for cultivation the higher are the labour requirements per unit of area.⁽²⁵⁾ When approached from another angle, after a certain point, dictated by nature's Law of Diminishing Returns, labour requirements in agriculture cannot be raised any further. The limits of involution is approached and that the size of farm operations by an average rural family is so small that the income it provides is often not enough to provide a minimum subsistence.

But even disregarding natural, topographic and climatic considerations which will render these alterations feasible, there remain historical forces which precondition and reproduce the patterns of land ownership and land use.

Accordingly, when labour overcrowds capital and/or land, diametrically opposite mechanisms have to be adopted so that a withdrawal of agricultural population without any reduction in output can take place. If scattered holdings are consolidated and/or holdings are pooled together for co-operative farming, this will reduce labour requirements and that no labour time will be wasted in going back and forth between plots. However, as eminently pronounced by Nurkse, although excessive subdivision and fragmentation of land are responsible for much unproductive labour time, removal of excess labour has often been prevented by those interested in maintaining the existing structure of property rights in the land.

Another contemplated reorganization of agriculture has to presuppose that those who remain on the farm will work longer hours or with a greater intensity and therefore the effective supply of productive effort may remain unchanged. This point is also raised when

25. International Labour Office, Action Against Unemployment, Studies and Reports, New Series No. 20 Geneva 1950.

exposing Sen's argument. However, underemployment and/or disguised unemployment in Third World does not always represent the negative problem of avoiding the waste of non-utilization of existing capacities. It is more of a problem of raising the whole level of capacities. Parallel to this, "many experts believe that an increase in agricultural output hinges on reforms that will assure the tenants sufficiently large share of any additional output to stimulate their making the extra effort!" (26)

Even leaving these crucial factors aside, a change in the existing equipment to employ less labour but to produce the same volume of output is in effect a change in the technique of cultivation. Whether this end can be accomplished without an extra investment is doubtful. On the other hand, once an additional investment is allowed, a new production function is created. Accordingly, the range of alternatives widens and the possible magnitude of surplus labour becomes conditional upon the exact specification of changes in these variables.

In sum, it seems that the relevant issue is the determination of the volume of surplus labour if present and its variation in time and space matrix as well as the quantitative impact of labour withdrawal on output. Concentrating on debates in order to elaborate whether the marginal product of labour is zero or not is theoretically futile if not empirically shallow or sterile.

D. LABOUR RESERVE

The continuous secular growth of rural population gives rise to certain historical tendencies pertaining both to the level and to the unit of analysis in transitional rural formations. When the concern is on the reproduction of the social totality and/or of the households two alternative routes exist. Total output will be increased either by technological changes or certain shifting operations is likely to take place. Or, excess labour - surplus agricultural population - will outmigrate.

From the point of view of households, migration can be conceived even from the kin group. In the case of those who own small holdings, it demonstrates a 'demotion' from self-employment. The inadequacy of income received from the owned land may trigger the search for supplementary incomes (employment opportunities) in or out of the rural formation. In its extreme, it may take the form of landless agricultural workers seeking intermittent employment on other's farms at extremely low wages. This may in turn reduce the incentive for the employer to use his labour force more efficiently while adoption of technological innovations constitutes the most desirable option.

With respect to land tenure, shortage of land is likely to result in an increase in value of land, and hence rents will rise. As a concurrent tendency, concentration of land ownership, increasing tenancy and chronic indebtedness at exorbitant interest rates can be observed. Nevertheless, such tendencies asks for concrete empirical investigations of particular situations.

At the outset, it can be claimed that rural situation varies sharply from area to area in terms of patterns of land ownership, crops, marketing and communication facilities which all bear upon productivity. Therefore, taking into account this dissimilarities between different parts of the same country, generalizations about 'the rural situation' are doomed to be quite broad. This becomes especially important when empirical research is devoted to measurement of the extent of unemployment and/or underemployment.

Seasonal fluctuations in the demand for labour mark the distinctive characteristics of rural employment. Accordingly, the demand varies considerably over the year with respect to agricultural production cycle. While at peak seasons almost any additional labour (longer hours and/or

more people) can add to the yield, much less labour, is needed during slack seasons.

It can be argued that to the extent that the peaks and troughs occur at different times for different crops, the aggregate demand for agricultural labour shows less seasonal variations but this cannot be a valid argument for separate regions. Thus, despite the preoccupation of theoretical literature on surplus labour, a period of labour scarcity at peak seasons of planting and harvesting is not only theoretically feasible but has to be empirically falsified for an appropriate conception and volume of disguised unemployment and/or unemployment.

Nevertheless 'seasonality' is closely related to weather, crop patterns, mechanization, the type of seed cultivated and the institutional structure of land-holding. With regard to this, changes in land ownership, crop patterns and mechanization are crucial for changing the pattern of labour demand throughout the production year. Moreover, these factors constitute the preconditions for permanently withdrawing labour without a reduction in output.

Although quite insufficient to remove seasonal fluctuations in the rural employment pattern, small scale handicrafts and local industry also may provide work for some people during the slack periods in agriculture. Accordingly, local specialization may lead to temporary migration from one area to another which mitigates the sharp imbalance between the supply and demand for rural labour over the year.

At this connection, the importance of the pattern of landholding has to be underlined not only owing to its theoretical and/or analytical relevance but also owing to its bearing upon empirical research. Indeed, the pattern of land tenure is crucial because it determines:

(i) what crops can and will be possibly grown

(ii) how the product is distributed as it effects both incentives for production and the extent of and the place at where surplus is reinvested, that is, where the realized surplus value goes.

In addition to this, a rather long parenthesis on the nature of 'crops' is due. This is because the commoditization of agriculture and the penetration of capitalist relations of production become more apparent in the production of cash crops. Producers of commercial crops may occupy a privileged position in the local economy in comparison with farmers who simply produce minor crops. On the other hand, cash crop is an object of investment thus the exploitation through merchant capital easily becomes structural rather than accidental.

Irrespective of its volume, production of commercial crop is useless unless it is sold on the market. In transitional formations of the world capitalist system where isolation of rural communities from urban centers is a well-known fact, agricultural cultivators can only realize surplus value by the 'help' of a small group of merchants who will likely to enjoy oligopolistic privileges. The family farmers, in the process of investing in commercial production "may be forced to enter into a relation with capital which meant they could no longer be considered peasants. While some, as entrepreneurs, might prosper and accumulate resources, most had embarked on a process of proletarianization." (27)

Parallel to these, there are various interests involved in the production of cash crops. Firstly, some industries in the advanced capitalist formations consume the crops as elements of constant capital. Secondly, there exist large trading companies which organize both the collection of cash crops (directly or through intermediaries) and the subsequent exports circulating within the world market. Moreover, the state also has an interest in the extension of commodity relations via production of cash crops. The state has to increase its sources of revenue to meet the cost of administrative apparatus and of infrastructural development as well as to augment the state investment funds, if possible. At another level, it has to ensure the supply of raw materials to the domestic industry.

Parallel to these, at the ideological level, it has to turn peasants into 'economic men' (producers and consumers of commodities) as a part of the programme of the civilizing mission of capital.

These various interests, therefore, have to warrant supply of agricultural products in sufficient quantities and of sufficient quality. Nevertheless, there, certainly, is peasant resistance against the accomplishment of this end in terms of the notorious so-called backward sloping supply curve of labour effort as well as the reluctance to new cultivation practices. In this respect, producer peasants inevitably enjoy 'autonomy' as the immediate organization of the production process remains in the hands of them while such commodity relations determine to a large extent the production of their households. And its through the latter, "the industrial interests, the trading companies and the state combine to attempt to regulate what was grown, how it was grown, the quality of the produce as well as to establish monopolistic pricing and marketing arrangements" (28) And despite the merchantile form of trading companies and the politico-administrative form of the state, their formal organizations have to perform certain functions associated with industrial (productive) capital.

On the other hand, the primary (agricultural) products which constitute a remarkable portion of the total export goods of transitional social formations are doomed to be the 'underdogs' with regard to their position vis-à-vis industrial goods. Accordingly, surplus appropriation of agricultural commodity producers, can take place as they are the disadvantaged side in terms of trade. It mainly refers to unfavourable prices on the part of peasantry for the commodities sold relative to commodities bought and derives from the price difference between agricultural and manufactured goods.

Depressed product price may be related to four factors, most important of which can be cited as follows:

- (a) monopolistic merchants, acting as intermediaries
- (b) international transmission of prices whereby transitional social formations as the primary product exporters seldom have much influence in determining terms of trade
- (c) cheap food policies on the part of governments
- (d) competition within a capitalist market. "The international market on which the primary products are sold is unstable; yet production cannot readily respond to the forces of that market." (29)

The pattern of land-holding is also closely associated with the pattern of work-sharing. In other words, it delimits spatially the labour process as well as changing the nature of division of labour between direct producers whether it takes place within the family; the large estate; the capitalist enterprise; the commune and/or the cooperative. Moreover, the rigidity of land tenure limits adjustments to the rapid growth of population often leaving the poorest sections of the population to eke out an income on an ever decreasing plots of land.

On the other hand, when approached from the supply side, at any one date, how much surplus labour there exists differs from one district to another according to the local crop patterns and the movement of migrant labour. Keeping these in mind, the population - land ratio and the population growth rate can only delineate the potential size of labour reserve. But the actual size of labour reserve in every concrete situation depends on:

- 1) relative mobility of labour
- 2) average length of engagements
- 3) number of separate employers (A separate center implies that no man working for one employer works for any other employer in that industry)

28. Bernstein, *op. cit.*, p. 64.

29. Roseberry, *Rent, op. cit.*, p. 47.

4) the irregularities of their separate business and of the industry as a whole

5) the extent to which chance prevails in the hiring of workers (Use of unskilled labour may imply absence of selection in employment given that no other institution predetermines this selection.)

The accumulation of labour reserves exist in varying degrees of strength whose size may be increased by the interaction of any or all of the other factors. "Though all the members of labour reserve are subject to irregularity of employment, it is only that element which is called on 'often enough to be prevented from drifting away elsewhere but not often enough to obtain a decent leaving' which constitute the underemployed!" (30)

When the same phenomenon is approached from another aspect, it is possible to differentiate the total reserve of agricultural surplus labour with respect to labourers' attachment to labour force.

(A) Those 'employed' men who only represent fluctuations in the total volume of work within the industry.

(B) Those men who represent the element of friction in the labour market with their casual interest and job seeking endeavours.

(C) Those men who are 'attracted' and 'retained' by the perpetual chance of work. (31)

E. OVER-RENUMERATION OF LABOUR

All entrepreneurs in a given industry will normally discover that one factor is more profitable than any other at a given time and will concentrate their demand on that factor. The size of the respective returns from each factor will depend on the relative costs of the various factors and on their different productivity. Accordingly, if the marginal revenue product of a factor is greater than its cost, the factor is hired. Nevertheless, imperfections and/or discontinuities in labour markets also result in over-remuneration of labour. If there exist workers who are remunerated less than identical jobs somewhere else or less than other jobs which they possess suitable training and skill, this means that some workers are remunerated more than they 'deserve'.

In industrial sector, under certain circumstances, the employer is better off by paying wages higher than the minimum at which he can recruit labour. This is because the costs of rapid labour turnover can be very high for the firm in terms of work disruption and frequent rearrangements. Similarly, the industrialist may have an incentive to offer higher wages to discourage the employee's inclination to move to another job.

Parallel to this, fear of discontent and potential labour strife is another reason for offering higher wages and for aiming at a loyal labour force. Since some industrial firms use rather heavily mechanized techniques, the share of labour cost even at a comparatively high wage may be quite low while the loss from strife and discontent in reducing the effectiveness of the machines may be relatively much higher.

Turning to agriculture, it proves almost impossible to calculate the marginal revenue product of any factor especially that of labour-power. In this regard, certain universal characteristics of agriculture have to be put forth which specify agricultural production irrespective of the level of

30. Frederick C. Mills, Contemporary Theories of Unemployment and of Unemployment Relief, AMS Press, New York, 1968, p. 88.

31. Given that unemployment insurance system is of a very recent origin as in Turkey, an occasionally higher wage level than subsistence, as well as, elastically of working hours may well do away with the potential distress of excess labour force.

economic development and the prevailing economic system in which it is undertaken.

When this is approached from the supply side of agricultural products; there exist technological and natural barriers which simultaneously hinder and limit the growth of agricultural output. (32) These can be briefly summarized as follows:

(A) Dependence of production cycle to nature: The impact of natural conditions as exogenous factors on the production function introduce uncertainty into the input-output relationship. Therefore, unit cost of production varies with natural conditions although the latter together with land are both given for every economic unit.

(B) Synchronization of production decisions: Nature synchronizes not only production process but also production decisions. Production process in agriculture is very long and regular compared to most industries. Accordingly, unlike all prices in markets where production decisions can be quickly changed, nature in some cases limits and in some case renders impossible the rapid and continuous adaptation of production process to changing price levels.

In addition to this, all production decisions must be made at approximately the same time, so that no farmer can be in a position to adjust his production in the light of his neighbours' production decisions. Thus, natural bounties (e.g. a bumper crop) may prove self destructive to agricultural sector because of the inability of such a vast and highly competitive industry to limit its own output. Moreover, because of the seasonal character of production, the yearly agricultural output is treated as a stock until the next year's yield. With regard to this, the perishable goods have a short period of stock and the intensity of agricultural activity changes on a yearly basis.

Due to these, permanent agricultural workers are employed at the beginning of the production cycle while the volume of output as well as the agricultural commodity prices are uncertain. Thus, marginal revenue product can not be known a priori to the act of hiring; the condition of equilibrium whereby marginal cost equals to marginal revenue can only be an invalid assumption. From another point of view, when the whole working year is considered, the marginal revenue products of seasonal workers are doomed to be low. Unless these workers are employed for the rest of the year, their contribution to output within three or four months will be extended over a whole year. (33)

Especially when there are no organized labour within the rural sector, it may be claimed that the traditional supply and demand analysis for the employment of wage labour in commercial agricultural enterprises cannot be applied. As a corollary, the local markets may comprise monopsony larger agricultural enterprises in terms of their demand for labour. (34)

Furthermore, the production undertaken within large-scale commercial units has to be kept distinct from production organized within large estates by subsequent division of land-holdings. Social and political considerations may prevail upon the land lord to employ a fixed proportion of total labour force. Accordingly, these institutional factors may result in a level of wage rate which is higher than the marginal product of labour in agriculture.

In this case, even when marginal productivity of labour is equalized to a subsistence wage, any increase of population on land will receive more than its contribution to output. As the land-lord has to 'feed' his fellow peasants, he may either pay a subsistence wage to workers and aim at maximization of output rather than his rent. Or, he may re-invest in production to

32. That is why the rapidly growing countries primarily owe their high level of national income to non-agricultural sectors. (Third Five Years' Development Plan, State Planning Organization, Ankara Publication No.1272).

33. Gülten Kazgan, Tarım ve Gelişme, İstanbul Üniversitesi, Yayın No: 2261, Fakülteler Matbaası, İstanbul, 1977, p.56.

34. In Turkey, especially in the South-Eastern Anatolia region few, big cotton farmers entertain monopsony power vis-à-vis agricultural workers who are quite numerous and unorganized.

increase labour productivity as well as volume of output. If the land-lord prefers to lease out land to share-croppers when there is heavy pressure on land instead of employing them in his own productive undertaking, he has to decrease the proportion of total share he gets from the total output. (35)

The social obligations of landlords as manifested through over-remuneration of labour worth to be dwelt upon as this phenomenon has repercussions on various levels. Firstly, working capital in the form of work-in-progress can only give an advantage to small family based units of production over large-scale farming in terms of labour cost component of the work-in-progress. "Since agriculture involves a substantial time-lag in the production process, work-in-progress can be very substantial." (36)

When peasant agriculture is based on own labour, no advance payment to wages need be involved. It follows that

a) real labour cost may be less for small scale peasant farming

b) the compensation for the cost is postponed in terms of consumption except insofar as more work involves greater immediate food consumption.

From another view, law of diminishing returns can only be alleviated to a certain extent, by economies of scale. Though large land-ownership can be an advantage in this respect; where the commodity produced entails the use of means of production which necessitate long range investments, provision of credits becomes an exigency. Indeed, credit cannot be forthcoming unless the producer can offer something alienable as a guarantee. Therefore, relatively small scale private property may simultaneously enable the accumulation of property by merchant money-lenders who accept these small-holdings as liens. Accordingly, a dynamic opposition is set up between merchants and small producers whose economic tie is based on credit, necessary for the small farmer to renew his production cycle.

Similarly, imperfections in the market for credit in transitional social formations is an institutional factor and the contrast between dependency on monopolistic money lenders and the availability of cheap institutional credit may be very significant for decisions affecting technology and employment. "The peasant farmer with cheap labour and dear credit has strong incentives to economize on the use of capital, whereas the capitalist farmer with dearer labour and cheaper credit may choose very different technological combinations of labour and capital goods." (37)

In line with these, there can be a tacit requirement that one must be a member of the political party in power; parties being the most important source of patronage through government in order to obtain credit. Thus, not only the over-remunerating large land-owners has a stake in the maintenance of the system, but also, they have an interest in the positions of people who dominate it. Besides, they have to ensure the 'dominators' of the loyalties of their clients, on the condition that they will be reproduced on a definite land. (38)

35. Kazgan, op.cit., p.66.

36. Sen, op. cit., p. 70.

37. Sen, op.cit., p.70.

38. May be politics can not be reduced to simple arithmetics, but in some cases, unfortunately, it is doomed to be so.

E.I. SHARE-CROPPING

When specifically, a cultivator leases in land, the type of his rental arrangements not only guides his production decision (including the intensity of labour performance) but also indicate the possible 'effectiveness' of surplus appropriation relationship. In this context, a sharp distinction between fixed rent contracts and share cropping arrangements (where the landlord gets a percentage - say 50 percent of the product) has to be drawn.

A fixed rent constitutes a subtraction of a constant value from the value of output, on the part of the peasant. Accordingly, the cultivator is guided to the 'appropriate' efforts by his own calculations, that is, once he can increase his output, his level of earnings may also rise depending on the price of his agricultural commodity, certainly.

However, in the share-cropping system; a part of the marginal product goes to the landlord: the value of the output is shared proportionately between the partners. Similarly, the share coming to the cultivator will be small in case the output increases when compared to a peasant involved in fixed-rent arrangement. Moreover, his distance to his object of production is also increased since the cultivator is likely to have less concern for landlord's income than for the income going to other members of his own family. Hence the reluctance to apply more labour, whereby real labour cost increases.

It can be claimed that, if the landlord himself takes the decisions as to how much labour will be put in by the share-cropping cultivator, 'efficiency' may rise. Parallel to this, three methods of enforcing the desired intensity of cultivation can be proposed. (39) The landlord may enter into a lease contract that will specify in detail what the tenant is required to do. This specification may encompass the amount of labour hours to be spent, though it is almost impossible to control the intensity of work per unit of labour time. Other factors that can be determined may be the type of crop, use of fertilizer, animal power and other non-labour inputs.

Another way of 'encouraging' the cultivator to do the right amount of work may be landlord's share in the payment of expenses to the same extent as in the sharing of the output. Nonetheless, although this may reduce the possible mislocation of non-labour factors; this cannot combat labour use distortion since labour costs are not a part of the sharing arrangement.

Finally, landlords may grant only a short-term lease which makes possible a periodic review of the performance of the tenant. Indeed, this aspect of share tenancy has increasingly come under special attack in proposals for land reform. In this respect, the threat of eviction of the tenant, (in the absence of security of tenure) may be a way of making the share-cropper do the right amount of work. Then inevitably, land reform may be beneficial from the point of view of the tenant's security but also it may move in the direction of inefficiency. Therefore, long-run efficiency (40) requirements would conflict with security of tenure, and that, land reforms may be humane but counter-productive. On the other hand, "... the very process of forcing the share-cropper to expend more labour on current production, by keeping him on tenterhooks would also reduce his incentive to put in effort for long-run improvements of the land he tills. " (41)

Briefly, it can be claimed that though it seems that inefficiency of labour use caused by share-cropping arrangements may not indeed be very easy to eliminate within the framework of the existing system, one has to account for the widespread existence of share-cropping system.

39. D. Gale Johnson, Resource Allocation Under Share Constraints, Journal of Political Economy, Vol. 58, 1950, quoted in Sen. op.cit., pp.67-69.

40. It seems that mere 'efficiency' is a very limited goal and the single-minded pursuit of it would not get us very far.

41. Sen, op. cit., p. 69.

In the case when the landlords do not take the production decisions, competitive mechanism may take hold in two possible conditions:

(A) When the marginal product of more land for a given share-cropper stays positive: No matter how much land he hires any sharecropper will do better and better by leasing in more and more land. For every rental share, the landlord will get a given fraction of the always positive marginal product of land. Therefore, the landlord has to ration his land among share-croppers since the demand for land to be leased in is indefinitely large and exceeds supply at all rental shares.

(B) When the marginal product of land to the share-cropper falls to zero: Demand for land may not exceed supply at every rental share. At the outset, the landlord strives to maximize his income independently of the actions of other landlords. Similarly, he may either fix a rental share so that he maximizes his income per acre. Or, he may cut down the rental share and try to create an excess demand, then, to ration it out.

Nevertheless, efficiency can not be an outcome of the competitive mechanism when it determines the rental shares either. In fact, rental shares are typically very sticky once they are historically determined. Moreover, regions vary widely in terms of labour and land supply conditions as well as the number of local landlords. An already given 1/2 1/2 sharing or 2/3:1/3 sharing demonstrate that the competitive determination of rental shares may not be even superficially plausible; let alone the 'social' obligations of landlords, to 'feed' people.

Parallel to these, marginal productivity doctrine of distribution not only treats product and factor prices independent of each other, but labour productivity is kept distinct from the remuneration of labour-power. Nevertheless, feedback relations may exist between the two. In this respect, level of wages is likely to bear upon the consumption pattern of workers and upon their morale, and hence the relation is established between labour productivity and/or efficiency and level of wages.

At this point, it will be worth noting Leibenstein's surplus labour thesis (42) based on the low consumption levels of rural population. He argues that low agricultural productivity in rural areas is due to poor consumption levels of farm families. Accordingly, low nutrition diets lead to low levels of energy and initiative and that in consequence the actual work content of a typical man-hour of labour service in agriculture tends to be sub-standard. Indeed, under conditions of wage employment, not only a number of institutional factors, but also a positive relationship between wages and efficiency of work may result in a level of wage rates which are higher than the marginal product of labour in agriculture. Thus, it is possible to talk about underemployment with a positive marginal product of labour and/or over-remuneration of labour-power.

With the very low level of per capita consumption prevalent in the Third World; the supply of 'work units' and/or productive effort per man may be presumed to increase with an increase in wages per man. When a fixed proportion of total labour force has to be employed; the only way to vary the supply of productive effort on land can be realized by a variation in the supply of work units per man in response to an increase in the wages so that total output increases.

If the landlord is not obliged to provide work for a definite group, he may maximize his profits by discharging his workers and spreading the wage bill over a smaller labour force. If not he resorts to the 'conventional' method of employment (i.e. employment of labour until the marginal product of labour per work unit is equal to the wage cost per work unit). As the wages increase per capita consumption and the efficiency of workers also go up. However, for profit maximiza-

42. H. Leibenstein, "The Theory of Underemployment in Backward Economies," Journal of Political Economy, April, 1957.

tion an increase in output owing to an increase in efficiency has to more than offset a decrease in output consequent on the employment of a smaller labour force.

Nevertheless, there are certain restrictions operative on the employers which may deter them from following such a course. Firstly, the redundant workers may compete in a free labour market to bring down wages. Due to this, the marginal productivity of labour is lowered to such an extent that the gain from a lower wage rate is more than offset by a fall in efficiency. And secondly, the unemployed workers, even if they do not bring down wages by competition in the labour market, may start sharing in the wages and the available wage goods of the employed labour force; and thus, prevent a rise in the per capita consumption of the latter.

Certainly, the situation mentioned in the first possible alternative condition may not materialize if the landlords and/or employees desist from hiring labour at lower wages. On the other hand, the second alternative is more viable pertaining to the social bonds of peasant families. Those who work are usually responsible for supporting the unemployed members of their households so that the per capita consumption of employed workers may remain the same at a higher rate. With respect to this, because of adverse repercussions of a lower wage on efficiency, it will be appropriate to employ a larger labour force at a wage higher than its marginal product." In point of fact, employers may conceivably be deterred even from experimenting with the indirect but favourable impact of higher wages on their total profitability because of a time lag between an increase in wages and an increase in efficiency. "(43)

Once a positive relationship is postulated between income and efficiency, the withdrawal of a segment of labour force from agricultural employment—be it wage employment or self-employment—may plausibly increase the efficiency of the remainder of the labour force. When a rise in their earnings and/or per capita consumption is ensured, this withdrawal either leaves the total output unchanged or even increase it. These consequences may follow from the hypothetical relationship that the lower the prevailing level of actual consumption of workers, the greater is the likelihood that a rise in wages will have a favourable impact on efficiency.

Indeed, the relationship between efficiency and wages, while it seems possible, needs to be investigated in the context of actual conditions prevailing in a particular agricultural community. What is at stake most in this context is the level of per capita consumption of the working population rather than of the whole rural population. This emphasis is necessary on the basis that the working members usually consume and/or eat more and have a large number of meals than the rest of the family, especially during busy seasons when the wage-efficiency relationship seems most relevant. On the other hand, any system of land tenure or 'form' of employment which relates income to the rigours of work narrows the scope for a further increase in efficiency through a rise in wages and in consumption.

Parallel to this, at the level of policy-making, this argument recommends the redistribution of the food supply back to fewer people in agriculture. This will lead to an increase in total effective brute force of the remaining labour-power on land. Accordingly, the exponents of 'surplus labour due to low consumption' stress the need for improved food, nutrition, health and sanitation in rural areas in order that the potential labour surplus can be tapped. (44) However, this will certainly entail a transfer of resources to agriculture from the rest of the economy which obviously depends on the power balances operating within the entire social totality.

43. Nurul Islam, "Concepts and Measurement of Unemployment and Underemployment in Developing Economies," *International Labour Review*, Vol. 89, no.3, March, 1964, p. 243.

44. Dasgupta, *op.cit.*, pp.19-20.

E.2. LEGITIMATE OVERPAY

Labour legislations as institutional factors may raise total labour costs and the cost of workers relative to others, since they influence the placing and retention of workers as well as the level of remuneration. Hence they constitute a source of 'over-remuneration' of labour. These are manifested through either non-labour costs and/or wage rigidities within the social totality. Accordingly, what mainly interests the labourers pertaining to wages is not the amount of money they receive but what they buy with it. And, in the face of inflation, the downwardstickiness of money wage rate cuts may result in sizeable cuts in real earnings of the employed.

It has to be cited that national production is not a constant but a variable magnitude. Apart from changes in population, the value and mass of production increase owing to an increase in the productive powers of labour and accumulation of capital. As a consequence of this, the amount of money necessary to circulate this increasing production also continuously changes. In addition to this, labour, being the only source of value, determines the limits of this increase. "If I have a given number, say eight, the absolute limits of this number do not prevent its parts from changing their relative limits. If profits were six and wages two, wages might increase to six and profits decrease to two, and still the total amount remain eight." (45) But, the possibility of reconciling certain forms of income distribution with the international character of capital can, in real world capitalist system, be based on redistributing the share of wages and other incomes more equitably while not adversely affecting the share of profits.

In transitional social formations of the Third World where capital resources are lacking and economies depend heavily upon their international trade and foreign aid, rising wages may increase demand for imported goods as well as home products. Moreover, if not balanced by increased output, higher wages may tend to raise the prices of the home industry and so weaken its competitive position in foreign markets." A country faced with a balance-of-payment deficit needs to discourage the purchase of imported goods and keep down the prices of its exports." (46). Ironically, within the context of international division of labour, it is possible to talk about an 'alien' capitalist sector within the domestic industrial structure of transitional countries. In addition to their malfunctioning in providing employment, this somewhat 'alien' sector leads to "a distribution of income in less developed countries which biases the structure of demand toward capital and skill intensive elite goods." (47)

Yet, one fact can not be obscured; that is, unless surplus value is realized and consequently re-invested, no extra-employment can be created. In the 'Third World' countries, a version of the 'underconsumptionist thesis' (48) argues that, in order for employment generation, the aggregate demand pattern must be biased towards those goods whose production is labour absorbing to the extent that such goods are often demanded by low income groups. Accordingly, 'technology' has to involve appropriate products as well as techniques. The products have to be designed so that they can appeal average incomes in these countries rather than consumers of advanced capitalist formations.

Though at first sight, it sounds reasonable, there can be several objections to this view from various levels. Firstly, there exists no definite and precise link between the techniques employed to produce such goods and the incomes of the 'prospective consumers.' Indeed, mass consump-

45. Marx, *Wages*, *op. cit.*, p. 32.

46. International Labour Office, *Wages: A Workers' Education Manual*, Geneva, 1968, p. 130.

47. Weeks, *op. cit.*, p. 64.

48. F. Stewart and Paul Streeten, 'Conflicts between Output and Employment Objectives in Developing Countries,' *Oxford Economic Papers*, July, 1971.

tion goods can be produced, and thus be sold, at lower costs with the most capital intensive techniques.

Moreover, effective demand by appropriate income distribution for mass consumption goods cannot be specified prior to the productive process which also comprises access to employment opportunities and/or form of employment. Above all, budget constraints of people are 'effective' on their ability to buy no matter whether they desire to buy a particular commodity or not. But, it is hardly realistic to find the optimal results by correctly choosing techniques and allocating labour to satisfy the 'wants' which are allegedly engendered by the more equitable income distribution. Quite the contrary, income distribution in a capitalist economy reflects to a large degree the wage profit confrontation. The 'effective' demand as expressed in the market, is filtered through the distributive effects of productive effort in order to satisfy the 'real' demand.

Neither this recommendation has to be taken as to imply that capitalists would produce goods to meet the needs of the masses. The laws of motion of the capitalist system reveal that demand (and not need) is what counts and the system produces for the sake of profit. Consumption by the masses is simply productive consumption accepted by labour to reproduce labour-power. The level of this consumption and its nature is not the result of philanthropic gestures by the state or capitalists but a result of a complex process of class struggle and technological changes acting on the biological requirements of human organism. In this respect, it is wrong, if not unnecessary, to suppose the agents of the capitalist production process consciously aimed, or aim, at the development of capitalism per se; and their subjective motives shaped this production. But, the important thing here, is the 'objective' function of their actions, in contributing to the valorisation and accumulation of capital.

On the other hand, expanded social welfare or 'transfer payments' may be advocated to generate demand for mass consumption goods. Nonetheless, such proposals have to encompass various mechanisms through which the government will obtain the massive funds to carry out such welfare programs. In the Third World, on the contrary, as opposed to paying doles or subsidies with the political difficulties accompanying them, government's expansion of employment is one of the policies of redistributing income between regions and/or communities. In this respect, income aspect of employment can be totally divorced from production aspect (e.g. wage payments for digging holes and then filling them up.).

Although the powers of governments are not absolute, they are vitally concerned with wage standards. Wages affect the social climate of the country as well as such important parts of the economy as employment, prices, and inflation, national productivity and the ability of the country to export enough goods to pay for its imports and so keep its international receipts and payments in balance.

In many Third World formations where government is the biggest employer, it has a 'responsibility' for setting standards; regardless of the weak bargaining position of workers when there is a surplus labour, in the form of statutory minimum wage regulations. In this connection, it has to be also noted that, in developing countries, average wages are higher than the average of all incomes; because of the low incomes of workers in the agricultural sector of the economy compared with the wages of workers in industry and government employment. Moreover, in these countries, a large part of the working population consists of rural and/or urban self-employed. Accordingly, minimum wage legislation provides a straightforward institutional explanation of the wage gap between organized and unorganized sectors. This is mainly because in most of the transitional social formations of the world capitalist system, unemployment insurance system lacks in the face of weak labour unions while employment protection legislation is confined to few lines of economic activity. Even if the number of people seeking such jobs far exceeds the number of jobs available, the wage rate will still not decline, owing to minimum wage legislation.

It is the common counterargument: "... 'minimum wage legislation' and 'premature trade union activities', push up wages; thus making labour more expensive than it would be in a competitive system where state interventionist or union pressures were absent." (49) Indeed, high wages (50) may be a healthy stimulus as they encourage the production of essentials rather than luxuries. On the other hand, they may compel 'managements' to use labour efficiently, and therefore, it may cause widespread employment in the face of over-supply of labour.

Similarly, income policies and centralized collective bargaining may reduce wage differentials based on age and skill; and thus, may increase youth and unskilled worker unemployment. It may be claimed, on these lines, that minimum wages for certain groups, notably youngs, make them unemployable and/or result in the substitution of other higher-productivity workers. On the other hand, if an inverse relation between wage rate and quitting is assumed, minimum wages may strengthen labour force commitment and reduce youth labour turnover as they will learn skills in the process. Accordingly, "the dynamics of labour market relationships make it dubious to accept the static thesis that minimum wages have a strong effect on youth and total unemployment." (51)

It is quite obvious that, in transitional social formations of the world capitalist system income policies prove to be a fragile weapon in combating unemployment. While workers already exist at a subsistence level and trade union movements are already brutally repressed, 'putting a crunch on wages', can only have draconian effects. The wages paid by key industries are higher than minimum wage and removal of such legislation may only promote employment in the informal sector.

At another level, to what extent income policies diminish wage differentials based on age and skill is dubious. It may be that reduced differentials induce behavioural changes on the part of the disadvantaged. In this sense, lessened job satisfaction, increased labour turnover and absenteeism may in themselves be responses to discrimination and low wages.

When the government sets a minimum wage in both agriculture and industry which, if paid to full-time workers, adds up to more than poor or middle level peasants can conceivably expect to gain from their farms the relative positions of peasants can be compared:

1) Peasant's returns are low and as the commodity they produce declines in importance in the national economy, their options are doomed to be severely restricted within that branch of economic activity.

2) Proletarian's returns may be low but they prove significantly higher than those who are self-employed in agriculture. Moreover, their options seem to be more numerous as they are linked to a form of capital which will be in the road of expansion.

As regards to these, when direct producers are controlled by merchants and big land-owners; that is, when peasants engage in a relationship with capital which impoverish them without turning them into wage workers, their aspired status may be to become a full-proletarian. The latter will represent a marked increase in their standard of living as well as a change in their position within the national social structure rather than representing the peasant's impoverishment through the robbery of means of livelihood.

When the minimum wage is above their level of earnings, 'peasants' who are neither fully proletarian nor fully 'independent' peasant may not perceive their liberation in terms of going beyond that type of society, acting with wage workers in a revolutionary movement. "A percep-

49. Mkandawire, *op. cit.* p. 32.

50. "Wages can only be said to be high or low as compared with a standard by which to measure their magnitude." Marx, *Wages*, *op.cit.*, p.44.

51. Standing, *Structural*, *op. cit.*, p.146.

tual distinction is made between workers and peasants, and workers are seen as more fortunate. (52) On the other hand, while some peasants who occasionally or seasonally work for others in return for wages, see themselves as peasants and most of them may prefer to find permanent work elsewhere in 'wage' employment. Therefore, they will be motivated to find permanent work in the rural region and/or will migrate to urban centers.

In structural terms, such peasants will have a stake in, and support the transition to, capitalistic relations of production whereby their wage labour aspirations will contribute to the *raison d'être* of the cooptation. Therefore, peasants will attempt to improve their position within the existing system rather than opposing to it, in which they live. And, this conception is particularly important when the government is the most important employer of wage labour, as in the case of most Third World formations.

It is not to say that, peasants will always be non-revolutionary; indeed, two social dynamics bear on this moot point:

a) peasantry may decline in economic importance

b) if the government is intimately related to capitalist power it may extend its control over the economy and fail to meet the expectations of peasants and proletarians for improved living standards. In this case, the system of patronage through the ruling party; as well as, in the most abstract conception, through the state, will represent a weaker hold on the loyalties of the clients of capitalism.

Above all, it has to be kept in mind that reward for labour and quantity of labour are quite disparate things. Since the value of a commodity is determined by the quantity of labour necessary for its production; nominal wages may deviate in all possible proportions from the values of commodities produced by workers. Moreover, wages can be only meaningful as they refer to the purchasing power of money wages pertaining to the goods and services, that is, real wages.

E.3 SELF-EMPLOYMENT

If over-remuneration of labour evidences how production and income aspect of employment can be 'independent' of each other, in the case of self-employment, the income aspect cannot be separated from production aspect so easily at the empirical level. In self-employment whether in urban informal sector or in rural sectors, income and production are so intertwined that contributing to the latter augments the former as well.

In contrast to advanced capitalist formations where opportunities for casual wage employment and self-employment are very scarce, if exist at all; a vast majority of the working population in transitional formations endeavours to provide an income from this form of employment. And to the extent that production and income aspects of employment merge, it would not be a surprise that a vast majority of urban dwellers work for long hours in debilitating working conditions as underemployment is so pervasive in the countryside, even to earn a marginal income.

It follows that, the actual 'wage' or reward received by self-employed labour may be greater than its marginal product. This can be attributed to:

a) the lack of alternative employment in the formal sectors due to the insufficient development of capitalist sector and/or public works;

b) the prevailing rules of income formation as the family income from work is divided equally among members.

Indeed, as a form of employment 'wage labour' is of comparatively recent origin. Therefore, both the existence and the extent of the prevalence of different forms of employment have to be taken into consideration when making any comparisons of international and/or inter-sectoral regulatives not only for the sake of empirical precision but for analytical and/or theoretical adequacy as well. In other words, remuneration of work performance does not always take the form of wages.

In the case of getting a share from family earnings (including direct consumption such as food and shelter, as well as the other emoluments) this can be attributed to sharing in some part of family work. However, both the earning received and the work performed are a 'social' right and/or obligation derived from kinship ties.

When the remuneration of labour is less than the cost of the reproduction of labour-power, it is possible to talk about 'over-exploitation.' In the domestic community, there is no exploitation by a dominant class. The social surplus product is bound to go in its entirety to the reproduction of the social organization of labour.

In the case of his active life, an individual produces a volume of means of subsistence equal to βB ; β , being his annual production; B, his life span. The decomposition of this social product can be written as follows;

$$\beta B = x \alpha A + 1/x \alpha C + \alpha B \quad \text{where,}$$

β – annual production of an active person

α – annual consumption of an individual

A – duration of the pre-productive period of the young

B – duration of the active life of a producer

C – duration of the post-productive period

x – number of children a producer must feed during his active period

1/x – the part kept for the old by each producer

In the domestic economy, it is the heads of the community who are responsible for managing the reserves which is to be allocated against the risk of a random agricultural production. Hence, for the policy of reproduction of the productive family unit. Circulation is effected here according to the institutional mechanism of advances and returns from the cadets to the elders and redistribution from the elders to the cadets. "...to deprive an individual of the means of his reproduction, that is, to deprive him of a wife, would be to succeed in recouping the part of his social product which would otherwise be allotted to his offspring." (53) In this respect, instead of assuring economic and social reproduction by permitting the individual to constitute a dependent productive cell, the exploited celibate's product is diverted to the advantage of a third party. It may even take the form of 'delayed' marriages on the part of the individual, though, in this case, the duration of over-exploitations is somewhat shortened.

However, this can only be a theoretical case; for domestic community functions within the framework of kinship relations. Distribution of social product is tied to kinship; to be someone's elders is to feed him and to marry him. To fail to meet these obligations will imply a denial of the kinship of an individual. Moreover, in consequence, this will also be an interference with the cycle of the reproduction of the community as a whole which will be weakened since one of its members is sterilized. On the other hand, a celibate would no longer be treated as an actual kin, and would, in fact, be excluded from his prerogatives as such, if he does not establish a new productive unit.

To summarize, in a domestic unit a potential exploitation can be geared up through an intervention at the reproductive level-by preventing the social reproduction of one of its members. Nevertheless, this may only occur erratically but not systematically. This is because such an intervention will confront a social obstacle, at the outset, in the form of denying kinship to a kin. Furthermore, it would have little economic and social bearing and mostly no possibility of generalization and/or institutionalization without leading ultimately to a liquidation of the commun-

ity. In contradistinction with this practice, in rural areas, the social obligations to be fulfilled in terms of the 'reproduction events' of kins increase the indebtedness of peasant families, though not to be considered the sole cause of it.

In self-employment in agriculture, the family income from work is divided equally among members; each member receiving the family's average product regardless of their contribution to these earnings. Under-employment in the production sense, presupposes that, the output produced by a peasant family will remain unaffected if one of them leaves. However, it is almost impossible to identify which particular person is in the state of disguised unemployment. Everybody is working and earns something in return. After all, law of variable proportions refers to changing physical productivity that result from combining different amounts of one factor with fixed amounts of the others. Hence, the productivity of each successive factor units is without any precision.

Parallel to this, the departure of an individual may leave the total joint family output unchanged, that is, he has been unemployed from the production aspect. Yet, he has been employed from the income point of view as he has been involved in a 'gainful' activity. Therefore, it is not a coincidence that unemployment estimates will vary depending on which aspect of employment they put emphasis.

And what is more, the distinction between work and/or idleness becomes blurred in traditional sectors marked with self-employment. In this context, idleness does not automatically imply availability as a manifestation of underemployment. As a corollary, supply of manpower estimations that take into consideration underutilization of available labour-time in the traditional sectors become doubtful.

In the case of a self-employed carpenter sitting at home and waiting for some possible clients, his state of working activity can only be described as enforced idleness. From another perspective, a small farmer may spend time clearing a patch of shrubs which do not even belong to him so that the view onto valley from his house is opened up while receiving no income. Similarly, if a peasant consumes part of his available work time to get rid of the mice which is infesting the place and threatening to eat the maize he has harvested, his efforts will not directly bear on his income. Therefore, there exist a number of activities in the traditional sectors which consume time but not yield income though they may promote well-being. (54)

F. RURAL ASPIRATIONS

It is undoubtedly the case that transitional social formations experience a rapid population expansion. Therefore, it is inevitable that unemployment will arise if the growth of work opportunities cannot keep up with the rapid rate at which the labour force has been growing.

Population growth operates primarily within a family unit and makes itself felt through all sorts of social relationships that the family gets involved. When attitudes towards fertility is at stake, the household seems to be the only decision-making unit. But to what extent, any family entertains its 'voluntarism' while deciding? Can ever absolute and limitless liberty exist?

At this connection, Marxist critique of conventional demography can be illuminating: overpopulation is not a matter of too many people, but of unequal distribution of resources. Accordingly, the effects of already existing inequalities on population growth should be kept distinct from those of population growth on the generation of inequality. (55) Every household

54. Klein, *op cit.*, p.185.

55. Gerry Rodgers, "Population Growth, Inequality and Poverty", *International Labour Review*, Vol. 122, No. 4, July-August, 1983, pp. 443-460.

has a definite stance in the social relations of production, giving it certain properties with respect to its imputed relative degree of inequality within the social totality. Due to this, perceptions of the benefits of high fertility will certainly be modified by the distribution of access to jobs and productive assets. Hence, differential population growths within different categories of households.

In terms of access to productive assets, higher fertility may be the result of the need for and use of family labour on the part of those who own sufficient land to ensure subdivision of their land. However, what makes a family into a family is not 'land ownership'. Therefore, high fertility rate cannot, in itself, be a primary cause of landlessness. The latter may be at the same time increasing for other reasons, albeit high fertility rate may facilitate such a process.

Accordingly, high fertility may be a response to the insecurity of families to maintain a subsistence level when job access is uncertain. With regard to this, the gap between the city and the countryside has to be underlined in terms of access to educational and other opportunities so characteristic of transitional social formations of the world capitalist system. Similarly, "a large number of sons may be needed to ensure that one or more will obtain some source of income, or will survive to provide some insurance against catastrophe." (56)

In addition to this, in low income social formations, employment and marital status seem so intertwined that they provide the ground for the claim that unemployment is a less serious situation. It is argued that since most men become heads of families only when they have employment and/or sufficient income, many of the 'non-family head' unemployed can indulge in prolonged job waiting.

Indeed, in transitional social formations, the only mechanism to support the unemployed is 'personal transfers' between kin, ethnic groups and/or workers. The other forms of income transfers (e.g. poor relief schemes; unemployment insurance, redundancy payment etc.) are lacking. Therefore many unemployed attach themselves to households for survival and subsistence if not compelled to resort to illegal activities and/or to ramble for months or even for years, scraping survival but scarcely doing anything that warrants being described as employment. Nonetheless, "transfers are a form of insurance not only having non-pecuniary psychic benefits, but often done on the basis of 'prospective reciprocity'".(57) Accordingly, the households who provide transfers have a financial interest in prodding the unemployed to find

Moreover, for the unemployed, the financial assistance also has costs. Apart from being seen as a 'failure' in the labour market and loaded with reciprocal obligations, this includes the 'disapprobation' cost of having to accept charity.

But, more important than this, it is further asserted that even the concept of 'unemployment' is analytically redundant in elaborating the employment situation in transitional Third World formations. (58) The term presupposes the job seeking activity within a formal labour market while the latter has to provide "information that participants in the market have about one another with the ways in which job seekers find jobs and employers find employees."(59) However, in transitional formations, a large part of the economically active population works outside such a formal market. "In most, the possibilities for casual and self-employment are extensive (indeed, such employment is the basis of the economy), and while the income derived

56. Rodgers, *ibid.*, p. 455.

57. Standing, *Voluntary, op. cit.*, p. 568.

58. Klein, *op. cit.*, p.187 and J. Weeks "Does Employment Matter?" in Richard Jolly et al. eds. *op. cit.*, pp.61-65.

59. Albert Rees, "Information Networks in Labor Markets" in L.G. Reynolds et al. eds. *op. cit.*, p. 72.

from these pursuits in many cases is less than that for wage jobs, it approximates to that earned by peasants on the land, where most population is." (60)

When rural employment is under scrutiny, the absence of 'hard statistics' is a profound predicament. This is because the nature of rural life is such that, it often makes non sense to apply over precise 'urban' concepts like 'inactive labour force' or even 'unemployment'. With regard to this, in many rural areas, as everyone knows whether or not the local large-scale farmers are offering jobs, there would really be no point in 'seeking work'. Above all, precisely because there is unemployment, people may prefer to stay on small holdings, if they own any, in which they work intensively for long hours. Would it not be irrational to look for something that does not exist? Then, the concept of employment / unemployment has to be viewed not only in the light of production and income but in terms of the perceptions of people about their own situation.

A preference for working oneself rather than for others pertains directly to the problem of recognition. It can be conceived both in terms of status and of one's reaction to being ordered around. This may manifest itself through the reluctance of peasants to accept wage employment elsewhere unless the wages are relatively high, though they have a very low intensity of work in their farms and even suffer from acute poverty. Parallel to this, small peasant landowners may not be prepared to do casual labour, and therefore remain 'voluntarily unemployed', because they consider that this is the province of a lower social class. And peasants in the better-regarded occupational strata may not be disposed to work in occupations with lower social prestige. (61)

Labourer's job preferences may be at stake when he also insists on in one sector rather than another and/or on in traditional form of employment rather than wage employment. As a corollary to this, it is possible to conceive of a peasant intensely preoccupied with his small plot of land which yields a very low income, who will refuse wage employment in a factory. Nevertheless, no 'irrationality' can be attributed to this peasant save for his "preference for being one's own master in one's own farm even at a lower income, rather than working as a 'wage slave' in some factory, or indeed in some other farm." (62)

Still, one point needs further elucidation about 'preferences' that will worth emphasis. These individual preferences do not occur 'out of the blue sky'. Individuals perpetuate their habits within their own way of life and in a location; and thus, preferences usually generate from one's past experience. Therefore any potential reluctance to move may not entail a perpetual dislike, though the permanence of 'dislike' depends on the extent his past habits are reproduced in his daily life. It may even be claimed that certain 'tastes' also very as a consequence of movement itself.

It follows that neither demographic nor physical availability can ever be regarded as guarantees of employment even if the work opportunities exist. Not only in assessing whether a person is employed or not, but also, in forecasting his future employment status, obviously his own views on the subject have to be given some weight.

On the other hand, the stringent conditions encountered by rural women as usually over-employed are more lamentable. Although they essentially perform two roles as housewives and mothers and as active agents of production, it is almost impossible for them to increase their share of the rewards for their additional effort (extra hours of work burden) since they have

60. Weeks, *op.cit.*, p.62.

61. Similar conclusions are derived in the studies of I.Ahmed, "Unemployment and Underemployment in Bangladesh Agriculture," in *World Development* (Elmsford, World Development Publishers), Nov.-Dec. 1978; and A.S. Mitchell "Prestige Among Peasant: A multidimensional Analysis of Preference Data," in *American Journal of Sociology*, Nov. 1977, pp. 632-652, quoted in Klein, *op.cit.*, p. 192.

62. Sen, *op.cit.*, pp.53-54.

almost no control over the additional output (or earnings) generated. This result basically stems from an interaction of intricacies of labour process as well as some socio-economic factors determining the status of female labour.(63)

Firstly, the sex-sequential nature of some of the production processes render any technological progress in vain in terms of its undoubted capacity to save time and effort. Secondly, despite their labour-input in household work and/or child rearing, wives and children in the small farming sector perform a multitude of activities (e.g. acting as human scarecrows to prevent the birds from eating crops), they may not consider themselves to be 'actively' employed. Nor the typical farmer, that is, the head of the household may regard this as constituting the real work though he is prepared to pay someone else to do it if the job has not been undertaken by members of the family.

With regard to these, it may even be claimed that barriers of labour mobility not only imply remuneration differentials of homogenous labour inputs. They also imply non-remuneration and non-recognition of human labour and that from the subjective viewpoint, work may be perceived by individuals in very different ways. Accordingly, the perception of 'work' and/or labour is governed by complex factors amongst which the wage paid and/or income received, de facto, constitutes one of them.

Moreover, with the expansion of education, especially in urban areas, the very meaning of 'seeking work' to some extent comes to reflect attitudes and ambitions for a particular type of working life, that is, a wage earning white-collar job, rather than the total lack of an alternative source of income and economic activity.' (64) This further casts doubts on the so-called human-capital theory as to what extent education can be necessarily conceived an investment with positive returns. It is somewhat inevitable that educated people will not have been prepared to accept manual work; yet rural people usually lack education opportunities.

As far as traditional family structures persist in most of the Third World countries, those seeking an 'appropriate' urban job can still rely on relatives for food and shelter. In the respect, education may not only reduce and/or delay labour force participation, but also its reverberations on the entire social totality, similarly, may be profound. "Wage differentials for unskilled, uneducated labour have also attracted considerable attention not because unemployment rates are correspondingly high, the poor being unable to finance a prolonged job search, but because of the implied misallocation of labour resources" (65)

It is a fact that the attitudes to work suitable for one who has enjoyed education is deeply rooted in the social totality. Accordingly, even if the demand exists in the labour market, ill-education "... cannot be eliminated by restoring 'equilibrium' between supply and demand, by changing curricula or by exhortation" (66) And what is more, if the state manages to bring educational services to the countryside, education both reflects and instills an entirely anti-rural bias. "...indeed the pressures for education arise from a desire on the part of parent to free their children from the miseries and hardships of rural life." (67)

At this connection, it has to be noted that in transitional Third World formations, majority of peasants and agricultural workers are, at least functionally, illiterate. "Educational attainment is defined by the survey as the highest level school from which the person graduated. As indicated

63. I. Ahmed, 'Technology and Rural Women in the Third World', *International Labour Review*, Vol 122, No. 4, July-August, 1983, pp. 493-506.

64. Jolly, et.al.eds, 'Introduction', *op. cit.*, p. 2.

65. Lyn Squire, *Employment Policy in Developing Countries (A Survey of Issues and Evidence)*, A World Bank Research Publication, Oxford University Press, London, 1981, p.4.

66. Streeten, *op.cit.*, p.58.

67. Streeten, *ibid.*, p.58.

in the definitions, if a village has a primary school which only includes grades one through three (as many of the survey villages have), the persons will probably be listed as having graduated from this school even though primary school is normally considered as grades one through five".(68)

As put forth quite obviously in the above quotation, it is too difficult to determine whether or not peasants are utilizing their aptitudes and potential skills properly. Additionally, an 'employed' peasant may prefer his current work to unemployment. Yet, in spite of working in the family based unit, he would rather have a job in the 'organized' sector. And no matter whether he likes or not the potential migrant is faced with a dilemma, especially if he is to forego the family income. Labour supply is indivisible. "In most cases the seller of a commodity can sell it or carry it from place to place and market to market with perfect ease. He need not be on the spot; he can generally send a sample; he usually treats by correspondence... It is totally otherwise with a day laborer.. He must himself be present at every market, which means costly personal locomotion. He cannot send a sample of his strength; nor do employers knock at his cottage door."(69)

On the part of the community, individual migration may take the form of a drift into the towns in search for other employment opportunities. Surplus agricultural labour provides an excessive supply of manual labour and is likely to depress wages to sufficiently low levels. In this context, an adequate level of industrialization is desired in order to absorb the growth in the agricultural labour force. As a corollary, a 'reasonable' volume of immigration may well raise per capita income by expanding internal markets and promoting techniques of mass production.

On the part of the individual labourer the decision to migrate involves an evaluation of rewards and costs which could also allow for non-pecuniary elements. With respect to these, the cost of migration circumscribes not only the possible differential earnings but transport, foregone earnings, if they exist, whilst travelling, possible loss of income from lack of employment with other members of the family as well as a physical remoteness from his childhood, so to speak.

Although not peculiar to transitional social formations, the barriers for peasant's geographical mobility may be greater in them for several reasons. Firstly, given the physical problems of location and organizational problems of the factory system, a peasant may not be able to afford high level of transportation costs albeit he prefers to work half-time in his farm and half-time in a factory. Quite the contrary, in order to take up a job in the factory he has to leave his farm at least for long stretches of time if not totally.

Secondly, because of the great differences in the 'pattern of living' in the urban and rural sectors of the economy, the peasant will be reluctant and discouraged to move to the city. For him, the monetary and psychological costs of setting in are persuasive to make this peasant to stick to his farm unless the reward elsewhere is very high.

And what is more, the family ties in the joint family system are very close which is the predominant form of family organization in rural societies." Besides providing food, shelter and the expectation of a share in the family's inheritance, the family also takes care of the emotional and psychological needs of the individual, especially the need for security".(70) Indeed, any

68. Vital Statistics, From The Turkish Demographic Survey, 1965-66, Republic of Turkey, Ministry of Health and Social Welfare, School of Public Health, Ankara, 1967, p.22.

69. F.A. Walker, The Wages Question, New York, 1886, pp.183-4, quoted in Frederick C. Mills, op.cit. p.92.

70. Uppal, op.cit. p.12.

movement away from one's farm may circumscribe the loss of one's share of the family income. Therefore, the individual might not be tempted to leave joint family to be employed in the city without a significant increase in his pecuniary conditions to compensate for both the loss of his psychic income and 'prospective' money income.

With regard to these, it is possible to split the earnings of the peasant into two parts; one pertains to the reward for labour, the other to the joint owner of family resources, in particular to the owned land. The distributional principles in a peasant society not only show how production and income aspects of employment may diverge from each other. They also evidence how a potential migrant has an economic incentive not to move while his marginal contribution to the family output is negligible or low. Accordingly, a drift to urban sectors may not necessarily lower wages to the subsistence requirements of labourers. (71)

This brief discussion inevitably bears on the determinants of supply price of agricultural surplus labour. It can be claimed that the exact distribution system in the rural set-up and the concern of the potential migrant for the welfare of the joint family as compared with his own welfare (or the welfare of the nuclear family) are determinate in the supply price of labour. "The grater his concern, the more willing he will be able to move, since his loss of implicit rent is a gain for the others in the joint family." (72)

71. Sen, A., *op. cit.* p. 55.

72. In his employment model W.A. Lewis focuses on both the process of transfer and the growth of employment in the modern sector. Nevertheless, originally, he assumes the level of wages constant until the point where surplus labour in rural sector disappears and fixed as a proportion of the subsistence level of wages in the traditional sector. However, the typical situation in developing countries indicate a considerable rise in urban wages both absolutely and relative to the rural living standards even in the presence of open unemployment.

6. INCIDENCE OF EMPLOYMENT

"It is impossible to escape the impression that people commonly use false standards of measurement that they seek power, success and wealth for themselves and admire them in others, and they underestimate what is of true value in life. And yet, in making general judgement of this sort, we are in danger of forgetting how varied the human world and its mental life are."
(Civilization and Its Discontents, Freud).

Together with the consumer price index, unemployment rate (an official measure representing total unemployed as a percent of civilian labour force) is one of the measures economic performance. Nevertheless, as true in the case of all statistical measures, there is no consensus among the developers and users of labour force statistics since no single unemployment measure can serve all the purposes for which such data are needed. Accordingly, there exists to single way of measuring unemployment which can satisfy all analytical and/or ideological interests.

Various concepts have been produced to render a definition of unemployment because each disciplinary matrix (1) accompanied by its commitments on different conceptualization of income distribution, tend to depict the nature of the phenomenon under investigation differently. As regards to this, chapter 4 was an attempt to frame a definition of employment as an overdetermined social process whereby dynamic interactions operate among its three fundamental aspects. Consequently, the constituent parts of employment, that is, production, income and recognition aspects have been elaborated separately as they refer to different analytical levels which introduce problems of a different 'order' depending on one's starting point.

On the other hand, it is inevitable that there exist great disparities in the experience of the employment problem and the interpretation of its causes not only between advanced capitalist and transitional social formations. But, also employment process displays a qualitative different nature amongst different regions and/or sectors within the same nation-state. Indeed, in tune with Myrdal's (2) attack, the meaningfulness of the estimates of unemployment and/or employment has recently been subjected to thundering criticisms. These criticisms mainly cluster around the following issues:

- (1) One dimensional magnitudes can be misleading.
- (2) Western categories often do not apply to developing countries.
- (3) Alternative estimates give widely divergent views of the magnitude of unemployment.

Consequently, for the contemporary researcher, it is all evident that different magnitudes of unemployment can be generated by differential emphasis on the constituent characteristics of employment. Similarly, when one sets out to scrutinize rural employment and/or unemployment the situation proves to be quite different from that of its counterpart in urban areas and urges even more conceptual precision and elaboration.

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1. A 'disciplinary matrix' transforms problems to puzzles so that they can be solved even in the absence of an adequate body of theory. It entails (a) the adoption of an epistemological stance, (b) identification of the nature of social phenomena under scrutiny in order to look for some patterned relationships between these defined entities.
 2. Gunnar Myrdal, *Asian Drama*, Pantheon, New York, 1968.

But, all these is not to say that rural employment and/or unemployment cannot be conceptualized, albeit it is to draw attention to the great difficulties in producing definitions. Accordingly, in the previous chapter the different aspects of employment have been further elaborated as they can be manifested in a transitional rural formation. Nevertheless, these conceptual qualifications have been introduced in order to provide a basis for the measurement of employment and/or unemployment that may take place in any transitional rural formation. Indeed, what the most 'meaningless' endeavour would be to try to separate problems of operationalization from conceptual ones since they are closely tied to each other. This is because "....the problem in measuring a phenomenon arises precisely from the fact that the concept itself has been ill-defined and does not fit the realities of the situation." (3)

While giving causal explanations of observable phenomena and of the regular relations that exist between them, many scientific theories are based upon or involve some reference to models and analogies. The latter link those theories to other types of phenomena or other areas of scientific and common-sense knowledge. As regards to this, the source of a model and the subject of a model must be kept distinct; for, models are of a subject and built on a source. A model is analogically related to its source which is an already understood phenomenon. But it is also an attempted representation of the nature of phenomenon under investigation which constitutes its subject.

As a model claims to describe structures and mechanisms which are often unavailable to observation, it involves various forms of abstraction and idealization of the actual features of its subjects. Thus, models render a hypothetical description of actually existing entities and relations whose further consequences can be stated in a manner open to empirical testing. However, it becomes possible to obtain more direct confirmation of these existential claims by the development and use of suitable scientific instruments. In other words, thought-concrete approaches to concrete-real as the observational consequences derived from the model are further confirmed. Otherwise, the concepts produced as thought-concrete in the model remain as a mere intellectual practice. Consequently, model construction refers to "a relatively early stage in the process of theory-building, in the use of sources for the construction of the model is of considerable importance, and the status of the model as a correct representation is still highly speculative."(4)

Parallel to this, in the present research overdetermination (and/or structural causality) provides the source of the model in the attempt to explain employment as a social process. As a corollary, a definition of employment is produced pertaining to its constituent aspects. Various moments of employment, namely, production, income and recognition, are conceived as the derivations from social practices. The latter, in turn, presuppose different levels of social reality that also constitute the possible determinants of unemployment.

Upon considering these, once the structural causal model is adopted and employment is conceived to be an overdetermined social phenomenon, both yield a range of possible consequences to identify the incidence of unemployment. However, since there are different moments and/or aspects and/or determinants of employment, a person may be identified differently with respect to his/her employment condition. Thus, the complementary equivalent of employment can only be unemployment when a person is simultaneously identified as unemployed in terms of these three different aspects of employment.

In this chapter, these various aspects of employment will be operationalized as they bear on the identification of individuals as employed or unemployed in a transitional rural formation.

3. Klein, *op cit.*, p. 187.

4. Russell Keat and John Urry, *Social Theory As Science*, Routledge and Kegan Paul, London, 1976, (1975), p. 36.

Nevertheless to accomplish this end, two rather broad qualifications are due.

Indeed, time is the most visible indicator in defining unemployment insofar as 'working' activity takes for an 'abnormally' short time over a 'given' period. Crucially, one of the fundamental assertions of this research is the impossibility of defining unemployment as a single magnitude, that is, as a 'number' denoting an absolute quantity of potentially unused labour time. Thus, the mere summation of hours not worked on various days in order to convert them into available man days for employment can only be a futile mathematical exercise. The following sub-chapter on 'time worked in agriculture' is designed to lay bare how conceptually identifying unemployment with availability can only render a false picture of the nature of both phenomena.

On the other hand, pertaining to the production aspect of employment, the fruitfulness of human labour under varying circumstances manifests itself through productivity. If employment is performing socially necessary labour and underemployment is expending socially unnecessary labour, this distinction can only be drawn with respect to average productivity of labour. Moreover, despite the impossibilities to obtain adequate evidence on the problem of underemployment and/or disguised unemployment, there exist various clues suggesting that the phenomenon is of growing importance in transitional rural formations. The sub-chapter on productivity is an inquiry into whether or not productivity and hence underemployment is at all measurable, and consequently, usable in any empirical context. Above all, the difficulties of measurement should not lead one to ignore the problem.

A. TIME-WORKED IN AGRICULTURE

Time is a reliable guide which makes it possible to distinguish between persons who are employed full-time or part-time and finally who are not employed at all. When time worked is under scrutiny, different forms of unemployment can be delineated.

If the total time worked is either continuously or sporadically insufficient when spread over the whole of the period under review, the form of such employment is said to be 'chronic'. Such situation will be particularly apparent if the time worked remains insufficient even during the busiest days or weeks of the sector concerned, namely, peak periods in agriculture. Seasonal unemployment refers to labour nonperformance, that is, spells of inactivity, which is confined to one or more periods of the year. If the period of inactivity only occurs during one period and has no relationship with the production cycle, then, the appropriate term utilized is 'accidental unemployment'.

However, when time is used as the sole guide in determining unemployment, it allows for the following shortcomings:

- 1) full-time employment may conceal underemployment
- 2) part-time employment may be a matter of preference
- 3) unemployed persons may have no desire to work.

In line with this, the manner of working and the way of life in the traditional sectors of the economy are such that they pose difficult problems for intersectoral comparisons. This is because the conventional analysis of employment problems usually initiate from a number of assumptions pertaining to manpower supply and demand variables that have to be applicable to any given situation. These assumptions can be related to both conceptual and methodological aspects of the problem. However, although this approach may fit to the realities of the labour market in the modern industrial sector, the same cannot be held adequate in the analysis of traditional sectors. Various reasons can be cited as counter-arguments:

In order to make inter-sectoral comparisons feasible, it is assumed that the supply of manpower, measured at a given point of time, can be extrapolated over a longer period. Accordingly, on the basis of information derived from censuses or surveys, manpower supply has to be quantified in terms of the actual or desired participation of individuals in the labour markets. Yet the assumption that both the demand and supply of manpower volume are constant and/or static has no validity in the agricultural market characterized by seasonal fluctuations.

But more crucial than this, it is assumed that hours of work are standardized both qualitatively and quantitatively. Hence the units of time are homogeneous. The standard of eight man-hours of work per day does not take into account both overemployment and the possibility that participation in the labour process can be in units of time smaller than one day.

Wage-earning employment usually entails full-time attendance at the workplace and does not have the flexibility which an intermittent supply of manpower requires. This condition holds especially for heads of households in urban sector who do not live at the place of work. Thus, in urban formal sector, the notion of eight hours working a day may be useful for assessing the supposedly productive contribution of individuals. Moreover, in this sector, the working of 'short time' in most jobs is rather limited, because the "employers are encouraged by labour legislation to employ their existing labour force for longer hours rather than to take on more people." (5)

In contrast to this, in the urban informal and rural sectors, that is, in self-employment, people may work more than eight hours a day and those in commerce may work seven days a week which render any intersectoral comparisons impossible on the basis of one fixed duration of employment. In self-employment generally, as income and production are intertwined, to obtain an income at all adequate for a modest living can only be feasible by working longer hours. This may be especially the case in the peak seasons in agriculture whereby small proprietor prefers to work longer but not to hire an additional or any worker.

Parallel to this, women and schoolchildren who are members of the families of small farmers or informal-sector workers may be capable of combining household task and/or studies with productive work in and around home. In other words, schoolchildren and housewives (in families running productive undertakings) both in the rural and in the urban informal sectors usually work on a casual basis for few hours or certain days in conjunction with other activities. Therefore, only ascertaining the total numbers of hours worked in a week may help to clarify the question of part-time and casual work, not without any difficulty, though. Quite paradoxically, when the distinction is made between agricultural and non-agricultural activities, utilization of female labour-power may extend the assumed 'working-day' not necessarily only during the harvesting months of the rural sector.

Another noteworthy assumption is based on the distinction between work and/or productive labour and/or idleness as if they are always clear-cut. True, in urban modern sectors jobs are institutionally defined in accordance with formal standards to which individuals have to adapt. In turn, they receive a wage for the work performed which is determined by these formal standards and norms. However, as discussed previously, the identification of a job as productive or otherwise is not so easy in the so-called 'unorganized' sectors as the income and production aspects merge into each other. Even if the criterion for a productive job is the time usefully employed in earning money, in many occupations (e.g. shining shoes) people are obliged to wait long intervals between opportunities of earning incomes. Similarly, this holds for the case of members of agricultural labour reserve waiting to be casually and hence occasionally hired.

When approached from another dimension, it becomes quite apparent that there can be,

5. I.L.O., "The Nature and Extent of the Employment Problem", in R. Jolly, et. al. eds., *op. cit.*, p. 32.

and usually are, certain restrictions and conditions which obstruct the 'availability' of people. Then, in reality, the analytical category of recognition aspect of employment comes to the fore. Even the members of the household remain idle for a larger part of a day or month, they may not feel that they are unemployed. Or, even if they are available for additional employment, they may like to work only within their households or only within the precincts of their own village. Thus, these peasants may not seek additional employment.

Secondly, there may be a demand for labour, but, people may be unable to reach the place of work because of mobility problems."It could be argued that if there were a demand for labour people would find a way to accept the employment offered, and consequently that everything depends on the 'going wage rate.' (6) But, in actual situation social forces operate quite on the contrary, such that;

(a) where labour markets are segmented and/or imperfect, the wage rates are purely nominal
 (b) within the reasonable limits of wage variations; labour supply is not very elastic.

(c) if wages are absurdly high, the supply would be total; if there were extremely low, it would be zero.

In addition to this, besides the tasks conventionally designated as 'productive', a considerable amount of time has to be spent in doing things that while not 'productive' are 'absolutely essential'. It is even possible to categorize these necessary activities into four:

(1) People living in poor areas which lack a certain basic infrastructure suffer from this deficiency in terms of their potential availability (e.g. lowgrade housing needs constant repair and maintenance; food preparation and wood collecting consume a great deal of time mainly done by females and children; peasants working outside their farms spend a great deal of time walking to their place of work or in search of employment simply because public transport is lacking).

(2) Associated with production, there are additional jobs which have to be undertaken in towns and cities can prove very time consuming. These essentially circumscribe the formalities that peasants have to go through with the bureaucracy when purchasing various inputs; marketing products and/or securing credits and loans and so on.

(3) There are also social and religious activities which have some effects on the way families living in the traditional sectors spend their time.

(4) Health also appears to be a factor that deserves consideration as it also restricts the effective availability of manpower. The number of sick workers in rural areas can arise from working conditions as well as the duration of sickness can extend because of inadequate sanitation services brought into the countryside. (7)

Therefore, when rural conditions in transitional rural formations are somewhat elaborated, it becomes quite certain that for reasons of poverty and underdevelopment in general as well as reasons of a structural nature, manpower may be simultaneously underutilized and would not be available for other work even if demand for it existed. Thus, unemployment and/or underemployment have to be both distinguished from 'availability'.

6. Klein, *op. cit.*, p. 189.

7. Two empirical studies on this subject worth noting; G. Etienne; Studies in Indian Agriculture; The Art of Possible, University of California Press, California, 1968 and J.H. Cleave: African Farmers: Labour Use in the Development of Small-Holder Agriculture, Praeger, New York, 1974.

B. MEASUREMENT OF PRODUCTIVITY

Once the unit of analysis is given, productivity is quantified when output is compared with the simple sum of all the hours of labour: 'man-hours' spent in production and is expressed as output per man hour or hourly productivity and/or labour productivity. (8) However, this ratio yields the fruitfulness of human labour under varying circumstances as it finally demonstrates how many units of output are produced from an hour of work done. Accordingly, any change in this ratio obscures certain other relationships whose only combined effects can be perceived. Above all, level of productive powers of labour is socio-historically determined and depends on various factors which have to be mentioned. These are, briefly, the natural conditions of labour (such as fertility of soil, weather, mines, and so forth), social powers of labour and quality of labour.

Progressive improvement of social powers of labour barely refers to the efficiency with which land, labour, capital are combined. As far as efficiency is concerned, technical efficiency has to be kept distinct from economic efficiency especially due to its implications on 'development' policies about resource allocation. Technical efficiency refers to a situation in which there is no alternative which would yield more output with no more input and/or yield no less output with less input. However, this concept may become an empty box for practical purposes unless differential prices of factor inputs are considered as well as peculiarities about the destination of production.

On the other hand, economic efficiency is related to individual welfare as so apparent with the so-called Pareto optimality. Then, the concept of economic efficiency refers to a situation in which there is no way of making someone better off without making somebody else worse off. Accordingly, 'economic efficiency' completely leaves out problems of income distribution in which inter-personal and inter-class conflicts of interest may arise.

In addition to this any improvement in the social powers of labour involves production on a grand scale; concentration of capital and its combination with labour; subdivision of labour; all accessory instruments; improved methods (e.g. appliance of chemical and other natural agencies); shortening of time and space by means of communication and transport as well as every other contrivance by which science presses natural agencies to the service of labour. These all entail a simultaneous organization and/or management of 'subject' with 'objects' that is, the instruments of labour with labour-power.

The quality of labour performed not only depends on natural energies of direct producers but also on certain underlying factors which are difficult to be quantified. Leaving aside the most commonly imputed relationship between education and training, that is, acquired working activities and labour quality; health (such as intestinal parasites, amoebas, onchocercias or schistosomiasis) also affect working activity.(9) Let alone the intensity of labour-power application is itself associated with morale, incentives and motivation.

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8. Another measurement of productivity is at least, theoretically feasible, when output is compared with total input - all the resources employed in production. Total input consists of the sums of weighted man hours and weighted machine hours. This time, it is expressed as output per unit of labour and capital or total productivity or total factor productivity. The sum takes into account wages and/or salaries and rental values to show whether efficiency in the conversion of labour and capital into output is rising or falling (Solomon Fabricant, A Premier on Productivity, Random House, New York, 1969, pp. 3 - 11).
 9. P.P. Streeten, "A Critique of Concepts of Employment and Unemployment", in Richard Joly et al. eds, Third World Employment Problems and Strategy, Penguin Books Ltd, Harmondsworth, Middlesex, England, 1973, p. 56.

At this connection two qualifications are due. Firstly, the measurement of productivity in service sector is more ambiguous when compared to its calculation in the goods sector. This is so, not only because, output per man-hour is difficult to identify but also any change in the quality of services provided by trade, education, law and medicine as well as domestic and personal services such as barbering or repair work or in government are difficult to quantify.

Secondly, when a single measure is used to describe the productivity of a country as a whole, it has to be an average of all sectors, each weighted by its share in the total number of hours worked. (10) Then, this implies that productivity can be automatically raised if 'all' other things remain constant either by transferring workers from low productivity to high productivity sectors or by raising productivity within sectors.

On the other hand, socially necessary and/or unnecessary labour have two determinants. One is the effective social demand to be satisfied by the products, and closely related to the consumption pattern of social totality. The other one is inside the production process which is average productivity of labour. Although, consumers' tastes are beyond the control of commodity producers the latter are effective to augment demand via reduction in prices. However, this endeavour can only bear fruit if costs of production diminish. "The determination of price by the cost of production is equivalent to the determination of price by the labour-time necessary for the manufacture of a commodity, for the cost of production consists of 1) raw materials and depreciation of instruments, that is, of industrial products the production of which has cost a certain amount of labour days and which, therefore represent a certain amount of labour-time, and 2) of direct labour, the measure of which is precisely time." (11)

Accordingly, unless commodities are sold, surplus-value remains locked, labour is wasted. Or, it may take more labour-time to produce a certain volume of commodity than the 'prevailing standard'. Consequently, a portion of the total amount of labour available to society will not only be unnecessarily expended by an enterprise but the latter will also receive nothing from the society to compensate it. More labour time implies higher production costs as well as an obsolete and backward technology.

To elucidate the activity of performing socially necessary labour further, the term prevailing 'standard' has to be refined. This is because, when employment is viewed from the point of social totality, it is identified with performing socially necessary labour which is directly related to constantly changing labour productivity.

Given a definite historical period, productivity itself refers to an exogeneous standard - an average - which is based on other realities used as approximations to what is 'potentially' obtainable so that comparisons can be feasible. Then, what matters is whose 'average' is taken as the yardstick. As a corollary to this, when employment and/or unemployment is conceived within the production based definition contrasting identifications can be reached between the individual and the family; and/or an enterprise and society; and/or a nation-state and the world economy. In fact, all will depend on the unit of analysis and on how to fill the empty (abstract) concept of 'social totality'.

Similarly, if employment is performing socially necessary labour and underemployment is expending socially unnecessary labour, this identification can only be drawn ex post facto. However, once the theoretical assumption that prices are determined at the world market are made, there are several feasible sets and/or lines of productivity comparisons. These can be stated as follows:

10. Let the sectors be 1, 2, 3, etc., and their shares in total working hours h_1, h_2, \dots etc. Then output /hours $h_1 Y_1/H_1 - h_2 Y_2/H_2 - \dots$

11. Marx, 'Wage Labour', op. cit., p. 158.

(A) One can take a productive enterprise as the unit of analysis and compare its productivity with other enterprises in the same industry and/or sector within a historically specified social totality, in a social formation so to speak.

(B) Or, alternatively one can shift the unit of analysis to an industry and/or a sector and compare its productivity with other industrial activities within a given social formation.

Once the unit of analysis is specified, at the outset, underemployment implies labour performance below some average standard. Indeed, any underemployment figure is possible as everything depends on the breadth of one's definition and the boldness of one's guesswork. Moot points usually stem from the predicaments in distinguishing 'low productivity' in agricultural sector due to;

- (1) shortage of complementary capital or land owing to surplus agricultural population
- (2) lack of motivation and/or ill health owing to low income levels of rural population.

As previously discussed, it is impossible to measure marginal productivity of labour in agriculture. Even if it were possible, any quantification of the respective factor prices and the labour productivity necessitates "an estimate of the amount by which labour productivity could be raised before it reached a ceiling set by the supply of the other factors of production." (12)

Nonetheless, there are various attempts to measure underemployment and/or the extent of withdrawable agricultural surplus labour. Two main approaches have been adopted to achieve this end, although both involve various assumptions and have many shortcomings. The first can be a 'direct' approach to the problem in which the task is to observe a withdrawal of a part of the labour force and to pursue its consequence on production.

With regard to this, Schultz's (13) attempt can be considered a serious application of this method when he examined the impact of the influenza epidemic of 1918-19 on Indian agricultural output. On the basis of inter-state data, he eventually concluded close to his prior expectation that epidemic had a negative impact on the output level. The elasticity of output with respect to the number of labourers was 0.4 and no surplus population existed.

Schultz's approach, though widely quoted, has been subject to severe criticisms at various levels. Its statistical basis is found tenuous and it has been suggested that he should have taken 'no change in agricultural output' as the null hypothesis. To see whether it can be rejected or not will be easier to do. Let alone, his figures are consistent at one percent level of significance. (14)

Secondly it is argued that the influenza epidemic continued into 1920 which had the debilitating effect on the survivors. Due to this, the effect of the reduction in the labour force was compounded and that the evidence is not sound and/or legitimate. Moreover, Kharif (summer) production which just followed the epidemic, was not in fact reduced but Schultz had failed to distinguish between the kharif and the rabi (winter) seasons of the post-epidemic agricultural year. (15)

There exist also theoretical counter-arguments clustering around two essential points. Firstly, in empirical reality, an actual case of a withdrawal of a part of the labour force cannot be found

12. In other words, before the marginal productivity of labour in all sectors become the same, see I.L.O., "The Nature and Extent of Employment Problem" in Richard Jolly et al. eds., *op. cit.*, p. 35.

13. T.W. Schultz, Transforming Traditional Agriculture, Yale University Press, New Haven, 1964.

14. M. Harwitz, The Significance of an Epidemic, Journal of Political Economy, (August, 1965).

15. S. Mehra "Surplus Labour in Indian Agriculture," Indian Economic Review, Vol. 1. April 1966, cited in Sen, *op. cit.*, pp. 128 - 131.

while keeping all other things constant. The usual case is that withdrawal would take place side by side with other changes. And, this is especially important if such a withdrawal is a reaction to some developments in agricultural production process.

In addition to this, it is impossible to control and/or select the labour force that is to be withdrawn. To apply this conceptual framework to empirical data, labour force has to be chosen from families with relatively more labour compared with land and other assets. Thus, the real problem lies in the difference between withdrawal of families with a high ratio of labour to other productive resources and withdrawal of labourers unrelated to resource ratios, when such an aggregation like Schultz's is made.

A different direct measurement of disguised unemployment uses questionnaires designed to ascertain from household information on the extent of labour utilization. Then, the measurement is based on labour - time actually worked as a proportion of total labour-time households were willing and able to supply..

Another alternative approach to measurement of underemployment can take an 'indirect' stance. With respect to this, measurement is conceived within the framework of a specific model. The assumptions of the model cannot be falsified, it is assumed that the model holds. To measure underemployment and/or unemployment the excess of labour availability in the agrarian population over labour requirement is taken as a measure of surplus labour. However, estimates about labour requirements are based on data from secondary sources such as census report, surveys on farm operations at the village or area level and occupational surveys, etc.

In order to estimate the extent of disguised unemployment in the so-called transitional rural economy, indirect methods of measurement can be classified under four headings:

(a) Time-worked norm: Using man-hours as the unit of labour input.

(b) Work and income norm: Using the amount of work done (e.g. amount of land cultivated or output produced) as a measure of labour input.

(c) Labour force approach: Worker's level of employment is determined on the basis of their willingness and ability to undertake additional work. The households are interviewed to obtain information on the amount of labour (in units of time or work) they are putting in, as compared with the amount of labour they would be able and willing to supply.

(d) Gainful Worker Approach: In this case, information on labour input, actually put in on the farms is obtained directly from the households. But to estimate the amount of labour input required to maintain the existing level of output, various criteria are formulated including:

- (1) employment pattern of the agricultural wage labourers
- (2) labour input required on the well-managed farms, and
- (3) production function method of fitting regression lines. (16)

In the direction of the fourth technique, the most impressive attempt is undertaken by Shakunta Mehra (17) who assumed at the outset the supply curve of labour effort in peasant families to be flat without checking it within the framework of her model. She had set out to calculate how many workers could be withdrawn from Indian agriculture without affecting the total output related to the time period 1956 - 7.

To accomplish this end, she controlled the size of the farms since she presumed that the intensity of work time would be greater in farms with a large amount of land per head and that there were considerable variations in the amount of work done per person. With regard to this, the largest farms were assumed to have no surplus labour at all which will set up the highest limit pertaining to the amount of work time per cultivator. And surplus population was calculated by

16. Uppal, *op.cit.*, p. 124.

17. Mehra, *Surplus*, cited in Sen, *op.cit.*, pp. 128 - 131.

the number of people in other farms who would be released if the cultivators there could work for the same amount of time per head as the cultivators in the non-surplus farms.

Mehra's methodology is based on the conception of output as a function of all factors of production (and obviously including labour time). Consequently, the withdrawal of labour is contemplated by keeping all factors (including labour-time) constant. Therefore, underemployment is treated as the shortage of productive work which takes the form a smaller amount of work per head extending the necessary labour time over the whole family. The maximal estimate of necessary labour force and therefore the minimal estimate of surplus labour is obtained by adding the number of farms to the size of the 'required' labour force. Accordingly, the actual surplus labour is claimed to lie somewhere within the range, whose upper limit is the uncorrected (maximal) estimates and lower limit is the minimal estimates.

It seems that Mehra's uncorrected estimates are the relevant figures if the focus is merely on a prospective expansion of output without expanding employment opportunities (e.g. by finding supplementary non-agricultural activities) involving migration in the same locality or to urban areas. On the other hand, if it is feasible to merge the farms together by the use of co-operatives, the fact of indivisibility of people which lowers the estimates will be alleviated. Accordingly, the number of people who can shift elsewhere would increase substantially without affecting the output. Thus, it can be claimed on stable grounds that the magnitude of unemployment and/or underemployment depends on social arrangements and land ownership. To the extent that, these social arrangements are peculiar to each village and to each country, the volume of phenomena under consideration will obviously show considerable variations within the whole country.

Another criticism to Mehra's methodology is oriented to her assumption that the relation of farm size to labour effort is uniform throughout the country. With regard to this, the highest work intensity is supposed to be manifested in the largest farm-size group in each region. In this respect, the activity norm, that is, the intensity of effort per person employed in the largest holding size class, may not necessarily reflect the highest intensity of activity. Nevertheless, the calculations are all based on size class averages. Due to this, all the problems accompanying the 'averaging' procedure hold for her methodology. To put it rather briefly, averages do soften the variations of work intensity and that a larger volume of disguised unemployment will naturally be detected if observations are made for each farm.

However, Mehra's methodology also raises doubts about over-estimation of these 'calculated' rates. When the prevailing conditions in the small farms are elaborated, it turns out that there exists a higher proportion of unpaid family labour. Then, it is the usual case that there are some household activities other than agriculture to be done also. These will certainly demand labour time if not full-time involvement. In addition to this, some people included in the smaller holding size group may in fact be working part of the time casually in the larger farmers. It follows that these workers in the small holdings who may appear to be 'surplus' may in fact already be employed in the large holding size groups if only temporarily.

From another point of view, these half-time casual workers constitute supplementary work force for the larger farms. This will lower the intensity of work per head of the work force of the larger farms as they share out the total work-time calculated from the Farm Management Data. (18) It follows that separate maximal work intensity among all size groups for all seasons has to be calculated to yield the bidding requirement for each land-holding category as separate working norms. To the extent that agricultural work is seasonal, 'average' labour requirements over the year and labour requirements at the peak season have to be distinguished so that the knowledge of 'seasonal' labour surplus as well as a surplus 'proper' becomes accessible. Therefore, the estimate

of the magnitude of surplus labour will vary with what is assumed to be 'normal' number of hours of work per day. However, a fairly reasonable norm can be worked out when the agricultural operations are pinned down patiently and when the local conditions are elaborated systematically.

Another aggregate and global estimates of surplus labour on land use the notion of 'standard holding'. With regard to this, an estimate of differential labour requirements per acre for different crops which will provide full employment for a cultivator with existing manual technique and supplementary capital such as cattles, are determined.

When re-considered even cursorily, this approach misses some vital aspects which bear upon agricultural surplus labour. Firstly, seasonal variations in agricultural employment may leave some parts of the agricultural labour force unemployed during slack seasons without being redundant. Hence, the phenomenon of labour shortage during the peak season and of unemployment during the slack seasons are lumped together.

Given the fertility of a piece of land and the nature of crops, labour requirements per acre are assumed to be fixed and invariant (e.g. an acre of land under rice use 500 man hours of work). Nonetheless, unless the ratio between labour and non-labour inputs is specified, it can never be clear whether this is the maximum of man-hours of work per-acre. This stance subsequently disregards the importance of land-ownership patterns in agriculture, and the ever existing possibility of raising the productivity of agricultural sector.

On the other hand, whether the additional output consequent on employment of additional labour is adequate or not actually depends upon whether there exist alternative opportunities of employment yielding a higher marginal product of labour elsewhere in the economy and/or whether the farmers are willing to avail themselves of the opportunities. Moreover, surplus labour estimations based solely on farming operations rather than on the totality of activities may yield an exaggerated figure, in view of non-agricultural subsidiary occupations which often provide farmers with many man-hours of gainful employment. (19)

C. HOW MANY ARE EMPLOYED AND/OR UNEMPLOYED?

Any theoretical argument can only be done through proper conceptualization whose proceedings are general (abstract). However, the speculative juggling with the concepts and terms may reduce the entire 'task' to rendering definitions and classifications more precise. And, may be, they also split the already existing empty abstractions into more equally empty parts.

On considering these, a fundamental and complex analysis will require a high level of theoretical abstraction and precision at the empirical level, which in turn, necessitate moving back and forth between abstraction and progressive concretization. In this sense, analytical models refer to pure types which are to be built in order to catch differences between 'ideal' operational social totalities. And, empirical research is to modify the insights gained from studying pure systems before they can be used.

In line with this, a fruitful analysis has to be conducted at two levels:

(1) theoretical analysis is to specify the complex and interwoven relationships which define and delimit the nature of phenomenon under investigation.

(2) empirical analysis is to collect the socio-historical data and further to refine the theory in providing explanations.

19. Nurul Islam, "Concepts and Measurement of Unemployment and Underemployment in Developing Economies," *International Labour Review*, Vol. 89, No. 3, March, 1964, pp. 240 - 267.

As one of the objectives of this research is to operationalize tentatively the incidence of employment and/or unemployment in any transitional rural community, the latter provides the theoretical/operational universe of this 'imaginary' empirical research. Several qualifications are due, though.

Micro-sociological studies of peasant producers inevitably discern local units and treat them as if they were indeed discrete that is, reified. However, any conceptualization of peasants has to recognize that these people do not exist in isolation and that the social processes which affect them cannot be explained only in terms of local interactions. Quite the contrary, besides their local asymmetric and/or symmetric relations, the peasants act within social contexts which necessarily include non-peasants.

With regard to these, it is possible to define "peasants as persons who, owning or controlling land and resources, produce primarily agricultural crops for their own subsistence, but who also produce a surplus product, a portion of which is appropriated directly or indirectly by representatives of a larger economic system." (20) Thus, while spatially limiting the incidence of employment and/or unemployment, a transitional rural formation implies that the latter is subject to various forms of capitalist penetration. Nevertheless, while moving 'up' and 'down' the emphasis on this dominant capitalist mode of production foreshadows subsumption of peasant form of production under capital. Consequently, this will require empirical familiarity with the concrete rural formation which marks a 'bending' towards more concrete phenomena and processes; that is, particular social structures and situations, in a definite time and space matrix.

Moreover, every social formation is assumed to provide the site for economic, political and/or ideological practices all of which are unevenly developed. It proves to be a relatively ambitious task to theorize rigorously the specific forms of intervention of these practices with each other in the history of any one social totality.

Yet, the dislocations and the limits within which these social practices can operate are ultimately governed by the practice which occupies the determinant place within a social formation.

In that respect it is possible to analyze the dominant cause of unemployment in its determinancy by the determinant (economic) cause. In other words, when identifying peasants employed and/or unemployed, the concrete incidence of unemployment can be localized within the different constituent aspects of employment. Still, what aspect will render unemployment condition can ultimately be determined with respect to production aspect.

As regards to these, if unemployment occurs, it becomes possible to show how one concrete situation of unemployment is distinguishable from another concrete situation in which a different cause (and/or practice) or one of its manifestations is dominant. Furthermore, it also seems to be feasible to demonstrate how the relationship between dominant moment (aspect) and the other moments in the concrete situation can only vary within limits established by the determinant moment of employment, that is, production.

Similarly, when analyzing employment and/or unemployment it will be important to identify the labour force in the transitional rural formation to render the operational universe. However, the agricultural population should not be simply divided into strata according to how much land the peasants do or do not own. Such a simplification, in effect, will be to count rural proletarians and/or semi-proletarians as if they can ever be equivalent notions to be subsumed under the traditional concept of peasantries. Quite the contrary, not only the process of agricultural

20. Roseberry, *Rent*, *op. cit.*, p. 17.

production but also the reproduction of the productive unit as well as the reproduction of the social totality as a whole have to be taken into consideration.

Indeed, the pattern of ownership of means of production and the relations between different economic classes mold the decisions that determine the level of employment in a given economy as well as the technology employed. Similarly, there are different modes of employment that can briefly be schematized as follows:

The use of own labour may go with the use of owned land (e.g. peasant ownership farms or with rented land.

On the other hand, owned land can be of different types:

(a) co-operative farms involve many families working together

(b) peasant farms involve one family (either nuclear or extended)

Rented land can also be of several types and the distinction between fixed rent arrangements and share-cropping system may be quite significant for resource allocation and income distribution.

Finally, hired labour mainly takes the form of free wage system in the contemporary world which also permits recontracting within short periods albeit it may extend over many years as in the case of indentured labour in early plantations.

Consequently, the assumption that the same production function holds for farms with different modes of production and employment is quite a restrictive one. "In so far as the wage-based production units can use techniques involving larger scale that are not available to smaller family-based units, the relationship will not be a simple one." (21) Moreover, while real labour cost in the case of wage system is the substitution between the person's labour and his share of output, this is not valid in the case of 'self-employed labour' and/or 'unpaid family labour'. There is the appropriate 'cost' of labour given by the rate of substitution between the entire output and non-work that is acceptable to the labourer and/or to the head of the family.

In addition to the differentiation of labour force on the basis of land-holding and employment modes, whether and to what extent women and children should be included in the labour force should be decided on a priori.

If the research technique to be adopted is assumed to be direct in the sense that questionnaires will be used to ascertain from household information on the extent of labour utilization, certain qualifications need to be cited.

At the outset, in rural manner of life, it will be futile to specify the number of hours constituting a man-day. The supply of effective man-days fluctuates over the year in agricultural sector. Therefore, the extent of participation in agricultural activities by persons of working age may vary at different seasons. At the peak seasons the hours of labour performance during the day can vary which implies that one must take overemployment into account as well as underemployment.

Moreover, it can be asserted that time units, whether in the form of hours or days of work prove too heterogeneous to be aggregated statistically so that they can constitute a reliable and adequate indication of manpower underutilization. This is plainly because different tasks require not only variable intensity of work but labour input is qualitatively different. Similarly, rural population may be available for work either on their own farms, or on other's farms as hired labourers, or share croppers, or in their home, or they may be involved in various non-agricultural work activities such as cottage industry, handicrafts, trading and other ancillary activities.

It has to be emphasized that both the nature and range of daily activities will show peculiarities in terms of the locality under investigation. Parallel to this, basing on the knowledge of

21. Sen, *op. cit.*, p. 64.

local conditions and crop patterns, the rural daily operations has to be specified. At this point, it is worth positing the commonplace rural activities in rural areas of Africa to enlarge and deepen the scope of above mentioned subject. The daily activities take the form of:

- 1) Land clearing
- 2) Turning the soil
- 3) Planting
- 4) Hoeing and weeding
- 5) Harvesting
- 6) Transporting crops from farm to home
- 7) Storing crops
- 8) Processing food crops
- 9) Marketing excess crops
- 10) Trimming tree crops
- 11) Carrying water and fuel
- 12) Caring for domestic animals
- 13) Hunting
- 14) Feeding and caring for children, men and the aged. (22)

With regard to this, it seems fruitful to determine the seasonal pattern of rural employment of rural population as they allocate their time differently among consumption, production and leisure. Once the employment status and the pattern of land ownership are specified, utilization of time will be distributed among five general lines of activity:

- 1) Agricultural Activities
- 2) Household Activities
- 3) Marketing
- 4) Other gainful Activities
- 5) Other essential but time-consuming activities unrelated to the production process (e.g. repairing of domestic building).

The relevant employment modes, on the other hand, are :

- (a) employee and/or land-lord
- (b) self-employment
- (c) share-cropper
 - i) employment attached to household
 - ii) employment completely outside household.
- (d) hired labourer

After this stratification of rural labour force, it will be feasible to subject rural population to various tests pertaining to different aspects of employment.

As production aspect of employment refers to the outcome of labour performance, it can only be determined ex post facto. The individual's contribution to socially necessary labour has a reference to 'average productivity' which ultimately finds expression in the price of output. In this respect, what is produced becomes crucial, for the output of rural labour performance may not reach the market. After all, when productivity is employed as the sole yardstick for the assessment of the consequence of labour performance, average productivity may have different reference points as regards to the social totality within which it realized.

Nevertheless, in line with Sen's argument, when the social totality is confined to the transiti-

22. I. Ahmed, "Technology and Rural Women in the Third World", International Labour Review Vol, 122. No. 4, July - August, 1983, p. 494. Moreover, the study suggests that division of labour between men and women display uneven distribution of this workload over the whole population, ibid. pp. 493-505.

onal rural formation under investigation it is possible to distinguish necessary labour time from number of labourers. The appropriate test to identify an individual as employed is to ascertain whether he/she contributes to output. However, this condition can only be determined with reference to the division of labour in agricultural activities. When the individual stops work, those performing labour should not increase their intensity of work, so that his previous contribution proves indispensable for more volume of output. In this respect certain complementary activities that contribute to the production of more output have to be also considered. Because if an individual does not contribute to output, then, the intricate test has to be conducted on the various possibilities facing him/her to transform this non-contribution into contribution to output. Whether or not he/she will raise productivity depends on other factors of production with which labour is combined in the productive undertaking.

With regard to this, the low level of productivity may be due to lack of complementary capital and other financial resources that can be located in the nature of reproduction of the productive enterprise. The already existing class relations within the transitional rural formation set limits for any productive unit while preparing itself for the next production cycle.

On the other hand, in a particular situation, the low productivity and/or non-contribution of individuals may be due to low remuneration of labour performance. In order to evaluate the impact of a higher remuneration on increased efficiency the following factors need to be known:

(a) The 'theoretical' requirements in terms of consumption for optimum efficiency of work in different types of agricultural operations.

(b) Actual consumption standards of farmers in relation to the types of operations they undertake.

(c) Existing systems of employment forms.

As regards to this, only the third factor seems relevant in transitional rural formations and is already included in the second test of production aspect of employment. Agricultural activity does not seem to require a great deal of energy or 'brute force' except during brief periods. Thus, improved diets will have no significant change in agricultural productivity.

In sum, in order to identify rural population as employed or unemployed, each individual has to be subjected to two different tests :

(1) Will the output of the productive enterprise go down if the individual stops work?

(2) Can the individual increase his contribution to output?

Turning to income aspect of employment, it refers to some notion of 'reward' for work and/or labour performance. Accordingly, income aspect of employment is primarily concerned with earnings that are received on the condition that one works. Similarly, in order to be ranked employed the individual's income (including direct consumption and any other income that is given) has to be a reward for his labour performance. This finally entails that he will cease to get such a reward if he stops work.

However, as implied in various forms of exploitation, all human labour is not remunerated and/or rewarded. Although value is created within labour process, the direct-producer can only receive a portion of it. Non-producers, 'naturally' strive to withhold the surplus product from the direct producers as great an extent as possible. But how 'effective' they can will be determined in the final redistribution of abstract wealth which has already been produced somewhere and somehow. As regards to this the localization of agents of production within the production process is the most important factor. To the extent that the production of abstract wealth (creation of surplus value) is distinct from the final redistribution of it, the labour performer may raise his level of income.

Thus, any inquiry about an individual with respect to his/her employment status from income aspect necessitates two tests at different levels of analysis:

- (1) Is the individual's income (including direct consumption and any other income that is received) a reward for his work, and will he/she cease to get it if he stops work?
- (2) Given the first condition, can the individual raise his level of income?

As regards to this, it has to be underlined that the second test does not directly bear on the employment of individual when the sole task is a mere identification. Nevertheless, while the first test represents a rather 'neutral' condition of employment, the second test is to emphasize the bias embedded in the former since individuals may continuously receive an income unfairly with respect to the share they get from the newly created value.

And finally, the identification of individuals as employed or not from recognition aspect of employment refers to individual's self-conception about labour performance. While expending labour-power the individual realizes a purpose of his/her own. In this respect, whatever the outcome of his labour performance is, the individual reflects upon the latter so that his/her efforts are somewhat afforded. To the extent that his/her self-conception and desires are partly constituted by other people's opinions in his/her daily interactions, the recognition aspect of employment also encompasses his/her immediate entourage. In line with this, not only the individual recognizes himself as employed but also his/her reference group has a common-sense knowledge about his/her labour performance.

While recognition aspect of employment constitutes a pre-condition for the individual's prospective job-seeking activity, it also bears upon individual's self-fulfillment. This will usually be expressed through a 'preference' for a particular type of work and/or a particular mode of employment. As regards to this, having a job does not guarantee the realization of self-fulfillment which may in turn tempt the individual to look for a certain job. Nevertheless, there may be natural as well as institutional barriers which are above and beyond the individual that may keep him from realization of his/her aspirations.

As a conclusion, it may be claimed that the identification of individuals from recognition aspect of employment involves two appropriate tests which are as follows:

- (1) Does the individual think of himself as 'employed'? Do others?
- (2) Would the individual like to change his job? If so, why? Can he/she?

D. CONCLUDING REFLECTIONS.

"But the reader is not deceived: he has run through the last chapter to see if the novel has a happy ending, and he knows that the pale young man, against the fireplace, has three hundred and fifty pages in the womb. Three hundred and fifty pages of love and adventure. I had at least five hundred. I was the hero of a long story with a happy ending. I had stopped telling myself this story: what was the use? I felt romantic, that was all."

(Words, Sartre).

The present research has attempted to provide a full-fledged definition of employment so that the multiplicity of its dimensions can adequately be analyzed while it simultaneously renders a new definition of unemployment. To achieve this end, various aspects (production, income and recognition) of employment has been analyzed to provide the conceptual basis for the collection of data, organization of thought and the formation of policies.

Nevertheless, when probing deep into the incidence of employment and/or unemployment in a transitional rural formation some relevant factors have been pointed out and different views have been presented. Since different aspects of employment are also indicative of the potential causes of unemployment at different analytical and/or empirical levels, these aspects have been tentatively operationalized as can be experienced in a transitional rural formation.

When the researcher sets out to investigate the significance of unemployment for the social totality, 'who are the unemployed?' and 'how many are unemployed?' become only the first of many questions. On the other hand, a 'perfect' program on the unemployment problem will rather be devoted to pursue systematically the answers for the following questions:

(1) How is unemployment and its costs distributed throughout society?

(2) To what extent, and in what ways are these costs paid by individuals, families, communities, employers and/or the wider social totality?

(3) To what extent, and in what ways does unemployment serve to maintain or reinforce the stratification of class-bound social totality in the future?

(4) What changes have there been over time and what changes are likely to take place pertaining to unemployment phenomenon in the society in the future.

And, certainly, these entail a thorough examination of the unequal incidence of different forms of employment and/or unemployment within the entire social totality. However, within the scope of this study, the initial step has been taken as it aims to come to grips with the conceptual problems underlying the identification of 'unemployed'. Still, when the different aspects of employment are elucidated, it becomes quite apparent why different groups of people suffer from different forms of unemployment as well as the existing hinderances for their future availability.

Perhaps the reader has already been astonished but this research could not have been about economics of employment. This is plainly because I am not an economist but a sociologist, although in certain places I have necessarily leaned heavily on the discipline of economics. Nonetheless, the facets of social reality are so various and diverse that every intended alteration of the social nexus has political, economical, ideological and therefore, sociological implications, to utter the very least.

Accordingly, it seems that only few people can be adequately skilled in all these fields. But, once it is possible to get emancipated from traditional 'patterns' relying upon enthusiasm and to tackle the somewhat 'old' problems, 'academic' disciplines also combine and fuse to unfold into new ones. Then, the conventional disciplinary boundaries come to appear as if they are largely man-made but illusionary, and rather the distinctions are of an administrative convenience for academics than a reflection of social reality.

The problem of employment and/or unemployment is of concern for both theory and action in transforming the social reality prevailing in transitional social formations of the world capitalist system. Learning how to produce more food, to provide new modes of employment and to create new values to guide men's lives call for a high degree of international and national considerations. Parallel to this, it has been inevitable to point out the general contrasts between advanced capitalist and transitional social formations within the scope of this research as they foreshadow some of the actions and obstacles in the making of 'transcendental' social orders.

May be another source of disappointment but the present research does not advocate for a certain 'remedial' strategy in combating unemployment though it has focused on the relevant dimensions of employment situation in a transitional social formation where policy can be effective. Technological possibilities, institutional features, political feasibilities and behavioural characteristics all constrain employment policies.

Elucidation of technological possibilities will definitely be the mission of hard-core economists. Nevertheless, the other three factors have been extensively elaborated as they fell in the domain of relevance. Since manpower is non-un employed, and/or underemployed but not available, any change on the demand for labour may not have its 'intended consequences'. As far as policy recommendations are concerned then, the real task has to be the analysis of factors which obstruct manpower from being available for 'productive' work and hence from performing income generating work.

Hopefully, the present research will suggest a 'new' way of thinking about employment problems and their extent within a definite conceptual framework. Yet, it makes no claim of establishing a new discipline. Still it intends to show - through the diversity of topics and various disciplinary approaches - that the range of social phenomena can be subsumed under the general rubric of a certain methodology. If a better synthesis and organization are to be established, it is ought to be left to more 'abler' and 'learned' men.

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