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SECOND-HAND WORKERS

Labour flexibilization entered managerial discourses, firm restructuring operations and labour policies in the late 1970s during the cyclic economic crisis as, so we are told, potent remedy for productive inefficiency and innovative failure. The point of reference is usually Japanese Toyotism, while it is less known that this particular labour organization has already had previous models in the history of capitalism. It is more or less forgotten that there was an interim phase between the putting-out system and the manufacture, when many American and European companies used the “inside contract system” before the introduction of full management control over production.

“Inside contract system” consisted of various contractors who worked for the owner’s factory: each contractor took full responsibility for the production of a certain item, hired his own employees and set the wages with them. Contractors were former craftsmen who renounced to sell their products to the market, but maintained considerable independence within the system, mainly due to production techniques they kept secret from owners and company officials. Capitalist, on the other hand, was responsible for solving financial and marketing problems, he provided premises, tools, raw materials, money for wages and organization of sale. We find historical evidence of such production system in arm and locomotive manufacturing, sewing machines and textile machinery in the USA and in Europe.¹

According to John Buttrick’s description of the system in Winchester Repeating Arms Company, production of final products was divided into subscales for which large, medium and small contractors were responsible.² They got paid for finished pieces on the basis of renewable contracts and received both wage and profit when they managed to

¹ Ernest J. Englander, The Inside Contract System of Production and Organization: A Neglected Aspect of the History of the Firm, *Labor History*, Vol. 28, No. 4, 1987, pp. 429-446.

² John Buttrick, The Inside Contract System, *The Journal of Economic History*, Vol. 12, No. 3 (Summer, 1952), pp. 205-221.

spend less for workers' wages than they got paid for finished products. Within the system of renewable contracts contractors were exposed to constant decreasing price of the finished product, but, as John Buttrick's table in the appendix shows, contractors successfully transferred the pressures and risks further down upon the workers. For this reason, inside contract system generated multi-layered "class conflicts" between workers and contractors over working conditions and wages, between contractors and company management for production control and between contractors and owners for cost control. The fact that contractors received considerably high incomes, even higher than company officials except the president – they were coming to the factory in sumptuous carriages or not coming at all, leaving the work to their assistants – helped to spur the conflicts. At the turn of the century assembly line and scientific management pushed aside, as perceived at that time, this anachronistic contract system.

RESTORATION OF THE CONTRACT SYSTEM

It is intriguing why comparable system was revived many years later. At least the efficiency of the new labour arrangements is ambiguous: regulation theory assesses that "the crisis of Taylorism or Fordism has arisen not because it has failed, but rather because it has been too successful."³ Ferruccio Gambino pointed out that the new labour management coincided with the defeat of workers' movement in 1970s when, for instance, in Italy at that time the increased import of cheap migrant workforce helped to suppress the voices of workers demanding higher wages.⁴ Rise of workers' movement stemmed from unresolved internal contradictions of Keynesian socio-economic order: the conflict between the relative economic independence of workers achieved by a class compromise in the post-war social state, and the pressures from the capital owners upon workers to recuperate declining profits by decreasing wages and intensifying labour.⁵ New socio-economic policy responded with various tactics aimed at blocking the

³ Stephen Wood, *The Transformation of Work*, London, Unwin Hyman, 1989, p. 22.

⁴ Ferruccio Gambino, *Migranti nella tempesta* (Verona, Ombre corte, 2003): »Proprio dall'inizio degli anni Settanta, quando la classe operaia italiana dei settori più nocivi e ad orario indefinito era pronta a rivendicare livellamenti salariali tali da metterla alla pari con gli operai dei settori traenti, la reazione si è manifestata con l'importazione di forza lavoro straniera [...]«.

⁵ Branko Bembič, *Kapitalizem v prehodih*, Ljubljana, Založba Sophia, 2012.

initiative of the organised labour: by dismantling previous social and political achievements, using force against rebellious workers,⁶ changing labour arrangements, and imposing labour law reforms abolishing the already achieved workers' rights.

Technological progress and increased investments in constant capital (i.e., the increase of the organic composition of capital) intensified capital-labour conflicts. Pietro Basso describes the case of the Fiat company: "Company output (just in the postwar period) grew from 150 billion lire in 1950 to 50,550 billion lire in 1997, while the number of employees rose slightly more than 50 per cents (71,000 in 1952, 118,000 today) and the product per employee skyrocketed from 2.5 million lire in 1950 to 420 million lire in 1997".⁷ This was possible with the advancement of the production process from semi-automation in the Fordist-type production to automation where machines control their own operations and expel redundant workers from workplaces. Reserve army of workers exponentially grows with the increased organic composition of capital and makes workers more susceptible to intensification of work, wage decreases and changes in labour arrangements.

Another factor is the progressive separation of capital ownership from production which has in some way restored the division of labour between capital-owner and contractors in the "inside contract system". Formation of joint stock companies already liberated owners from exerting property rights and control over production, while ownership rights became transferable via the stock market. Separation of capital ownership from production was later accelerated with the development of financial derivatives. The embodiment of capitalist is no more the capital owner of a factory who would have to keep up with technical and commercial innovations, and even no more shareholders, but increasingly abstract financial markets. They do not care about the interest of the company, but pursue short-term maximum profits.⁸

In the past, the labour was able to press the capitalists to modify the very composition of the workforce.⁹ Rastko Močnik, relying on Italian *operaismo*, examines this aspect as

⁶ Like R. Reagan's defeat of air traffic controllers' strike in 1981 and M. Thatcher's defeat of the miners' strike in 1985.

⁷ Pietro Basso, *Modern Times, Ancient Hours*, London, Verso, 2003, p. 208.

⁸ Dick Brian and Michael Rafferty, *Capitalism with Derivatives*, Hampshire – New York, Palgrave MacMillan, 2006.

⁹ Mario Tronti, *La fabbrica e la società*, in: *Operai e capitale*, Rome, DeriveApprodi, 2006, pp. 43.

the question of the technical composition of workforce.¹⁰ In the new technical composition of workforce, the Fordist industrial worker has lost the determinant role and the previous power, and was replaced by the service provider. If in the past industrial labour organization (with assembly line and scientific management) was the model of efficiency for agriculture and service sector, now flexible labour organization in the service sector serves as the model for re-organization of industrial and agricultural labour. The new worker is often described as “knowledge worker”, because the first studies centred on the new type of worker operating the new informational and communicational technologies. However, this simplistic approach misses the essence of the new phenomenon which is not the mere materiality of technology, but the relation of production within which it functions. The new type of worker possesses his own means of production, be they as meagre as a computer or a truck, and is only formally subsumed to the capital. However, his or her subsumption under capital is constraining given that in the market of services he or she meets monopolistic demand for his or her services.

An important supplementary factor for the intensification of class conflicts has been the neomercantilist state economic policy that identified the net external surpluses as a key source of profits. Neomercantilism “relegates the domestic level of employment and of wages to a subordinate role compared with external expansion”.¹¹ Profits accruing from net exports reduce the dependence of the capital upon the domestic market. Hence, under neomercantilist conditions, capital owners have been no more tied to Keynesian agreement with workers whose wages were to grow simultaneously with profits in order to facilitate domestic consumption of workers and further accumulation of capital. Neomercantilism has separated the interests of capital owners from the interests of the workers, so the capitalist class could reactivate its class struggle, intensify pressures and pave the way towards new forms of exploitation of workers.

¹⁰ Rastko Močnik, *Delovni razredi v sodobnem kapitalizmu*, in: Gal Kirn (ed.), *Postfordizem*, Ljubljana, Mirovni inštitut, 2010, pp. 149–202.

¹¹ Riccardo Bellofiore, Francesco Garibaldo, and Joseph Halevi, *The global crisis and the crisis of European Neomercantilism*, in: Greg Albo, Vivek Chibber, Leo Panitch (eds.), *The Crisis This Time: Socialist Register 2011*, Northants, Merlin Press, 2010, pp. 120–146.

THE PROGRAMME OF FLEXIBILIZATION

During the 1980s a fundamental transformation of work commenced under the general label of flexibilization. It included numerical or external flexibility (easy hire and fire models adjusting to fluctuations in market demands) as well as functional or internal flexibility (workers' capacities and skills to adjust to changing production techniques or simply greater intensity of work). Both types of flexibility were allied to the third one, i.e. pay flexibility or the "firm's ability to adjust labour costs to changing general conditions". Supporters of flexibilization describe transformation of work as "flexible specialization", which is no less than reskilling of Harry Braverman's deskilled and dehumanized industrial worker.¹² They depict flexible workers as skilled, integrated, and co-operative without the need for excessive management control.

As Esping-Andersen points out, "tertiarization undoubtedly implies occupational upgrading" and verifies this argument with the following data: "Over the 1980s, professional-technical jobs rose 3-4 times as fast as employment overall in Belgium, Germany, Sweden, and Japan, and an astounding 7 times as fast in France".¹³ However, growth of the service sector does not automatically imply reskilling of workers and growing independence of "autonomous" worker. We can refer to Esping-Andersen's comparative study which shows that "the more we expand the tertiary labour market, the larger is the share of low-skilled services."¹⁴ At the same time, as Michel Husson points out, the position of capital in the capital-labour relations became much stronger; this change in power relations induced a constant decrease of wages in comparison to profits since 1980s.¹⁵ However, at the time of globalized competition of labour force it is not correct to leave out of the picture the types of jobs created in the overseas low labour-costs paradises by the dislocation of industrial plants or service providers. The increased

¹² For detailed description of the early debate about flexibilization see Stephen Wood's introduction to the book *The Transformation of Work*, quoted above.

¹³ Gøsta Esping-Andersen, *Social foundations of postindustrial economies*. Oxford–New York, Oxford University Press, 2003, p. 107.

¹⁴ Ibid, p. 103. Or a little bit later in the same book: »The statistical relationship is in fact quite strong: for each additional percentage point of service job growth, the professional ratio declines by -1.2 points." Ibid, p. 107.

¹⁵ Michel Husson, La hausse tendancielle du taux d'exploitation, in: *Un pur capitalisme*, Lausanne, Editions Page deux, 2008, p. 15.

employment in the service sector also brought about changes concerning the unionization of workers. In European countries the percentage of employees covered by worker representation is the highest in the public sector, followed by the industrial sector. The lowest rate of unionization is in the private service sector which is as important employer as the public service sector is. In all European countries the private service sector has the lowest rate of unionization due to, according to trade unions, resistance of employers “who have been highly effective in resisting unionisation.”¹⁶

Under the common label of flexibilization, the governments are transforming state regulated “labour market” into competitive labour market and are establishing new power relations among social classes, empowering one class and disempowering the others. The foundation of European labour laws is still the open-ended employment contract with full social rights. This arrangement is believed to be the basic type of employment and all the others (fixed-term, self-employed, agency workers, migrant work, part-time etc.) are considered to be only exceptions to this basic rule. Graphs 2 and 3 in the appendix show that in Slovenia exceptional employments with low labour protection are on the way to become generalized and are becoming the most common working conditions for the majority of workers. Similar trends are under way in other European countries. Although concrete arrangements widely differ, the common feature of atypical employments is that they eliminate the labour law protection to various degrees, depending on the type of atypical employment. State “deregulation” which Guy Standing justifiably names “re-regulation”, since never in the past so many legal regulations attempted to regulate the world of labour,¹⁷ is downgrading the workers’ rights through changes in employment complex: under what terms persons accede to the process of production before their placement at the workplace. Deregulation or re-regulation was emphatically launched as proper functioning of labour markets which would cure the problems of increasing unemployment.

¹⁶ Gintare Kemekliene, Heather Connolly, Maarten Keune, Andrew Watt, *Services employment in Europe. Now and in the future*, Background paper for UNI-Europa Conference Athens, 23-25 April 2007, p. 33.

¹⁷ Guy Standing, *Work after Globalisation*, Cheltenham, Edward Elgar, 2009.

THE MISSING PERSPECTIVE

The most knowledgeable and systematic study of labour processes, Karl Marx's *Capital* which inspired others long after he had completed his work, speaks about labour market only *passim*.¹⁸ As Ben Fine noticed: "Indeed, one way of looking at Volume I of *Capital* is that it is completely uninterested in the world of exchange, once the bargain has been struck between capital and labour as a whole. Its focus is upon the world of production, explaining how it is that capitalism sets about generating the surplus value upon which it depends for its profits, interest and rents."¹⁹ Michael Lebowitz²⁰ further examined one-sidedness of *Capital* through its epistemological re-reading based on Marx's biographical evidences.²¹ Lebowitz's reading of *Capital* proceeds from Marx's original plan to compose a six-book whole of which *Capital* would be the first book, while the problem of wage-labour would be further examined in one of the following books. Marx finally never wrote a book about wage-labour; however, Lebowitz says, we have to read and interpret *Capital* in the light of the original composition and consider both the visible research questions as well as the invisible hidden questions. In the existing *Capital*, the accumulation of capital (or the circuit of the production of capital) occupies the forefront, while its complementary side, reproduction of workforce (or the circuit of production of workers) is obscured, simply because the subject was to be examined in the book on Wage-Labour that remained unwritten.

The totality of capitalist society consists of two complementary and opposed circuits: production of capital and production of workers. Both circuits must converge in

¹⁸ The best study of this kind with a great esteem for Marx' analysis is Harry Braverman's *Labor and Monopoly Capital* (New York, Monthly Review Press, 1974). "[Marx] subjected labor processes, and their development in the factory system, to the most knowledgeable and systematic study they have ever received. So well did he understand the tendencies of the capitalist mode of production, and so accurately did he generalize from the as yet meager instances of his own time, that in the decades immediately after he completed his work Marx's analysis seemed adequate to each special problem of the labor process, and remarkably faithful to the overall movement of production. It may thus have been, in the beginning, the very prophetic strength of Marx analysis that attributed to the dormancy of this subject among Marxists" (p. 9-10).

¹⁹ Ben Fine, *Labour Market Theory*, London, Routledge, 1998, pp. 176–177.

²⁰ Before him, Harry Cleaver also argued against "one-sidedness of most of Marxist traditions with their focus on the mechanisms of capitalist exploitation and their inability to theorize working class self-activity". Harry Cleaver, *Reading Capital Politically*, Leeds, Anti/Theses and Edinburgh, AK Press, 2000 [1979], p. 44.

²¹ Michael A. Lebowitz, *Beyond Capital*, Hampshire – New York, Palgrave MacMillan, 2003 (1992).

production and circulation. From the point of view of the capital, money is first exchanged for commodities (means of production and labour power) to produce commodities in order to be sold for more money ($M - C/C' - M'$). The distinctive feature of exchange with the accumulation of capital as its aim is the tendentious orientation of exchange in the view that “more money is withdrawn from circulation at the finish than was thrown into it at the start”.²² The increased value is the surplus-value created by labour force in the process of production. Contrary to the process of production of capital, the production of workers runs in the opposite direction: its starting-point is circulation where the worker sells his labour capacity for commodities he/she needs for the reproduction of his/her labour force ($C - M - C$). Consumption or satisfaction of needs is therefore the final goal of this circuit.

The buyer and the seller of labour force need to conclude an agreement within the “simple circulation” before they step behind the door where the production takes place. In the act of exchange, according to Marx, they meet as free agents, as two owners of commodities (one possessor of labour capacity, the other money-owner) who exchange their commodities of their own free will. What happens next, Marx described in the fragment about the self-confident and entrepreneurial capitalist in front and the bent worker behind.²³ But we need to stop them before they leave the scene of simple circulation. The presumption is that the seller individually offers his labour capacity to the eventual buyer. As we have already seen in the introduction, this exchange was more complicated already in the nineteenth century, when intermediary contractors, not the final buyers of labour force, often contracted with labourers. Contractors hired workers and negotiated the price of labour force as well as all other terms, while capital-owner in fact consumed the labour force of both. Hence, exchange was not always “simple” in the sense that capital-owner and labourer were directly entering into contractual relationship.

²² Karl Marx, *Capital*, Volume 1, Chapter 4: The General Formula for Capital, <http://www.marxists.org/archive/marx/works/1867-c1/ch04.htm>.

²³ “On leaving this sphere of simple circulation or of exchange of commodities, which furnishes the ‘Free-trader Vulgaris’ with his views and ideas, and with the standard by which he judges a society based on capital and wages, we think we can perceive a change in the physiognomy of our dramatis personae. He, who before was the money-owner, now strides in front as capitalist; the possessor of labour-power follows as his labourer. The one with an air of importance, smirking, intent on business; the other, timid and holding back, like one who is bringing his own hide to market and has nothing to expect but — a hiding.” Karl Marx, *Capital*, Volume 1,

Besides the capital-owner and the labourer we therefore need to bring upon the scene another dramatis persona, the mediator.

THE ROLE OF THE MEDIATOR

A short digression into Fernand Braudel's historical research will show the change that mediator brought to the labour market.²⁴ The French historian distinguishes three phases of economic development which Immanuel Wallerstein describes as an “upside down” view of capitalism.²⁵ The first phase, *material life*, is production and consumption for satisfying immediate needs; the second phase, *economic life*, is organized upon the division of labour, with predictable and transparent exchange of goods and with agents competing with each other. Medieval market may serve as a perfect example of economic life. And the third phase is *capitalism* as anti-market (*contre-marché*), the dissolution of the market economy by monopolistic agents, exceptional profits, mighty networks and operations that seem diabolic to common mortals. The essence of the transition from economic life to capitalism resides in the substitution of direct exchange between the seller and the buyer by indirect mediated exchange or, to put it differently, in the appearance of the mediator. Contrary to the “public market” (as the English called it) where, at the town fair, farmers and craftsmen offered their products directly to the buyers, mediators (merchants) started to buy products from the farmers and the craftsmen and, with time, became unavoidable mediators between the sellers and the buyers. In this way, “private market”, as the English called it, or “capitalism” came into existence for all the goods, except, we may want to say, for the labour force.

Paraphrasing Braudel, we could say that labour market pertains to the *economic life* if the worker and the buyer of her/his labour force directly negotiate the employment contract and the conditions under which the worker is ready to sell her/his capacity to work. We may note that there was an important exception to this general rule at a very early period: the case of a state that was regulating the supply of labour force. Venetian

²⁴ Fernand Braudel, *Civilisation matérielle, Economie et capitalisme XV^e –XVIII^e siècles*, Paris, Arman Colin, 1979; the same author, *La dynamique du capitalisme*, Paris, Flammarion, 1985.

²⁵ Immanuel Wallerstein, *Unthinking Social Sciences*, Philadelphia: Temple University Press, 2001, pp. 207-217.

republic protected the employer from the eventual competition by fixing the highest wage (not the lowest wage as the modern states do in order to protect the worker) which can be offered to a worker by an employer.²⁶ After the black plague British king Edward III promulgated *Statute of Workers* in 1349 to restrain demands for higher wages that had, according to contemporaries, increased “exorbitantly”; once workers could profit from the laws of supply and demand, the king froze their wages on the level valid before the plague and imposed severe punishment on those who would not respect the law.²⁷ Only in the middle of the nineteenth century states started to reorient their policy towards greater protection of labourers against those hiring them, and particularly after the Second World War social welfare states reinforced their control over labour protection. State therefore operates as a “mediator”, performing a vital role as the regulator of the labour supply.

However, besides documents about the public mediator, we can also find more or less sporadic notes about private mediators between the buyer and the seller of labour force, like those operating within the inside contract system. We can read about notorious *gangmasters* who hired workers, mostly women and children, and offered the whole group to big land-owners, usually for lower price than the price of regular male agricultural workers.²⁸ Marcel van der Linden reports about a less known model of slavery, “slaves-for-hire who earned money without direct supervision from the master (either as wage worker or as entrepreneur)”.²⁹ The same author gives another example of Shanghai textile industry in the early twentieth century, “*pao-kung* system in which the subcontractor ‘hired’ girls from neighbouring villages for three years from their parents, and then ‘hired them out’ to British and Japanese cotton mills in the city during that period”.³⁰ British coal mines also used subcontracting for the provision of labourers.

Tom Brass ridicules the belief that subcontracting is “a form of organization peculiar to the adolescence of industrial society and destined to disappear as the British economy

²⁶ Frederic C. Lane, *Venice and History: The Collected Papers of Frederic C. Lane*, Johns Hopkins University Press, 1966.

²⁷ Detailed analysis of this particular example and the later ones all over the European states see Robert Castel, *From Manual Workers to Wage Labourers: Transformation of the Social Question*, New Brunswick – London, Transaction Publishers, p. 48 and the following pages.

²⁸ Karl Marx, *Capital*, Volume I, pp. 453-455, <http://www.archive.org/details/CapitalVolume1>.

²⁹ Marcel van der Linden, *Workers of the World*. Leiden – Boston, Brill, 2008, p. 65.

³⁰ *Ibid*, p. 30.

grew to maturity”.³¹ Contrary to this belief, in the midst of the “post-industrial” economy “medieval working practices” are being developed according to *2003 Report of the Environment, Food and Rural Affairs* (EFRA, Committee of the British House of Commons). The report depicts the same *gangmaster* system as the one described by Marx in the first volume of *Capital*. The only difference is that now the system recruits immigrants from Eastern Europe and more distant countries instead of local women and children.

As a rule, private mediators’ role gains more importance during the periods when competitive labour markets expand. Accordingly, one could say that labour markets move into Braudel’ phase of capitalism when certain groups of workers accede to the labour market through the mediation of a third instance. What have thus been established, are *private labour markets*. Today, when the state regulated (i.e. public) labour markets are deregulated or re-regulated, private labour markets re-appear as well.³²

Should we then draw the conclusion that private labour markets are the exclusive cause for contemporary semi-slave labour relations? In private labour markets, workers are often tied to employers, contractors, gangmasters, and private employment agencies on the basis of indebtedness or because wages, work permits and contracts have been withheld from them. Tom Brass correctly noticed that recent process is not proletarianization, but worse than that; it is, he says, deproletarianization, since some groups of workers are literally forced into un-free labour. Deproletarianization, according to Brass, “defines a relation of production in terms of whether or not a worker is able personally to commodify his/her labour-power”. And continues with two other conditions: “The latter is free by virtue of its owner being able to commodify and re-commodify it unconditionally ...”.³³ Non-fulfillment of any of these three conditions

³¹ A.J. Taylor, The sub-contract system in the British coal industry, in: L.S. Pressnell (ed.), *Studies in the Industrial Revolution*, London, Athlone Press, 1960. Quoted in: Tom Brass, *Labour regime change in the twenty-first century*, Leiden – Boston, Brill, 2011, p. 200.

³² Marcel van der Linden eagerly defends the position of the world-system theory pointing out that capitalist world market links together capitalist, semi- and pre-capitalist societies by capitalist relations of exchange and domination. From this he draws the conclusion that free wage labour is typical of core capitalist societies, while un-free labour (slavery, indentured labour or share-croppers, for instance) is almost the rule in semi- and pre-capitalist societies. From an abstract point of view his thesis is correct, although, as Tom Brass emphasizes, “un-free labour” is becoming progressively acceptable also in the core countries and provides a boost for a new accumulation of capital.

³³ Tom Brass, op. cit., p. 70.

makes the difference between the proletarian free worker and the new “deproletarianized” un-free worker. Private labour markets, Braudelian “anti-markets” which block workers’ direct access to labour markets, resemble to Tom Brass’ deproletarianization. However, the underlying presumption of the proletarianization/deproletarianization thesis according to which wage-labour was/is presumably free labour, is only viable within the frame of an ironical polemic with the bourgeois conception of legal freedom. The worker had been granted personal freedom from the feudal “bonds” to be driven into a new form of “bonds” by the wage dependency. It is problematic to claim that worker could/can freely enter into the labour agreement and withdraw from it at will if we consider that he or she has the reserve army on his or her back. However, the reverse is also true: the present situation of workers does not always match the metaphorical language of slavery. It is hard to say that contemporary “un-free” workers are completely dispossessed of their personal freedom or ownership over the (only) commodity they possess, the labour capacity. The real situations are often mixed and ambiguous. In order to avoid tautological conclusions, we need to analyse what conditions generate private labour markets and what effects they have on the reproduction of labour force.

SUB-MARKETS OF LABOUR

So far we have been describing private labour markets as a transition of labour market from the face to face negotiation between the buyer and the seller of labour force towards the anti-market. Mediator as a diabolic figure appears with competitive labour markets and disappears after their regulation. More precisely, this figure spontaneously emerges and re-emerges with the so called segmentation of labour market. Factors of segmentation may be legal, social, and economic factors which differentiate groups of workers among themselves and impose various limits or obstacles upon the access to the labour market. Consequently, whether he or she is a migrant worker, female worker, first entrant to the labour market, unskilled worker might define the way how he or she will be positioned in the labour market. Ben Fine’s assessment about segmentation of labour market is important to our discussion: “[L]abour market structures are the product of

underlying socio-economic factors, and [...] the labour markets are structured differently from one another whilst sharing some determinants in common.”³⁴ The point is that there are not one, but many labour markets, each structured differently. Constitutive differences of every labour market are embedded in social structures, institutions and social relations (regulated by citizenship politics, access to social rights, job security, unemployment protection, gender relations etc.) and as such reproduced in relations of production.³⁵ Differences among various groups of workers, different terms under which they access to the labour market and limits they face give mediators the opportunity to search niches for the workers concerned and simultaneously to provide more advantageous labour costs to employers. Price differences which may generate considerable profits easily attract adventurous entrepreneurs to interfere between the seller and the buyer of labour force in return for a premium.

Migrant workforce with limited access to the labour market in guest countries (in the range of national quotas for migrant workforce and in the case of labour shortage for seasonal or temporary work) forms one of such particular labour markets. Data about remittances sent by migrants to their countries of origin show the range of this particular labour supply: a spectacular increase between 1970 and 2011 on the world scale. In 1970 migrants sent 0.1 billion³⁶ of US dollars and in 2011 already 381 billion.³⁷ The present figure amounts to almost three times the official development assistance and is close to the global foreign direct investment. It is estimated that approximately three per cent of the world population are migrant workers with the highest concentration in USA and Saudi Arabia which are also the top two senders of remittances. In 2008, migrants in Slovenia transferred 27 million euro to their home countries; there was a slight decline to 24 million in 2009, while in 2011 remittances have risen again to 26 million.³⁸

³⁴ Ben Fine, op. cit., p. 115, we emphasize.

³⁵ David Lockwood, “Civic integration and class formation”, *British Journal of Sociology*, Vol. 47, No. 3, September 1996, pp. 531–550.

³⁶ Eric Toussaint, *La finance contre les peuples. La bourse ou la vie*, Paris, Syllepse, 2004. p. 237.

³⁷ The World Bank, *Migration and Development Brief 19*, 20 November 2012, <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationDevelopmentBrief19.pdf>.

³⁸ Eurostat, *Statistic in focus, EU remittances back on the increase in 2010*, no. 4, 2012; Eurostat news release, *Nearly 40 billion euro transferred by migrants to their country of origin in 2011*, 11 December 2012.

It is hard to believe that international organizations' reports quoted above still insist upon the beneficial effect of migrant workforce for the sending and the guest countries alike, but keep silent about the working conditions. For the period of their work permit migrant workers are considered in Slovenia as probably elsewhere to be at full disposal to their employers who accommodate them in their own dormitory houses, organize transport to working sites where a normal shift lasts from early morning until late in the evening.³⁹ In numerous cases migrant workers have not yet received their wages for some months at the time when their visa expires; it can be even six months or a year. While they were working, they had been receiving credits from their employer.⁴⁰ If a company has been closed down, and it is the most easy to close down a company and reopen a new one, they will never get their wages, except for the last three wages from the state Guarantee Fund.⁴¹ They could get them, if they bring an action against the employer at the Labour and Social Court; it seems that the vast majority cannot avail themselves of this possibility, since the court receives only a few lawsuits against employers by migrant workers. According to the law, migrant workers should be treated on equal terms like permanent workers, but in reality payments for extra hours are not paid, costs of the meals, lodging etc. are usually deduced from the basic wage. It also recurrently happens that employers do not pay social and health assurance for migrant workers.

Female workers represent another particular sub-market. Statistical data show the unexpected result that female workers are much less exposed to the risk of poverty than

³⁹ After work they are brought back to their lodgings where they are not allowed to receive guests. This would be anyway embarrassing with five other pals and an electric cooker for all in the same room. Slovene migrant workers once found a warning posted upon the container where four persons were living without a toilet, indicating that urinating around the place will be sanctioned and the employer also warned migrants to respect the rules of the guest country and "its superior cultural level". (Reprint of the letter in Karmen Medica. *Sodobni integracijski procesi in kontroverznosti krožnih migracij*, in: Karmen Medica, Gorazd Lukič and Milan Bufon, *Migranti v Sloveniji*, Koper, Založba Annales, 2010, p. 49.) After photos of workers' dormitories had been circulating in media, ministry for labour released a regulation on minimal standards for the accommodation of migrant workers in which it requires six square metres per person as well as one toilet, one lavabo and one shower per five persons. (Rules on setting minimal standards for accommodation of aliens, who are employed or work in the Republic of Slovenia, *Official Gazette of the Republic of Slovenia*, No. 71, 2011, 9 September 2011.)

⁴⁰ Documentary film *V deželi medvedov* [In the Land of Bears], Nika Autor, 72', 2012, with the appearance of Aigul Hakimova, Armin Salihović and Esad Kapić.

⁴¹ In the last decade the number of enterprises increased by the index 182; 70 per cent of all companies have one or no employees (SURS, Number of enterprises, http://pxweb.stat.si/pxweb/Databse/Economy/14_business_subjects/01_14188_Enterprises/01_14188_Enterprises.asp).

male workers. In 2011, in all EU member states 8.3 per cent of female workers were exposed to the risk of poverty and 9.5 per cent of male workers (Eurostat, *In-work at-risk-of-poverty rate by age and sex*). The same is valid for Slovenia: 4.5 per cent for women and 7.2 per cent for men. The percentage increased since 2005 (when the rate of women was 4.0 and for men 5.2), but women are now proportionally even less exposed to the risk of poverty than men. The indicator about the risk of poverty at work combines wage and household revenues, so it means that a particular percentage of men or women have either a low wage and/or live in a household with low income. Both two cumulative conditions must be fulfilled, so two conclusions are possible: women either earn more than men or live in households with high enough revenues to protect family members from the risk of poverty. Slovene statistical data confirm the second possibility:⁴² one tenth of female workers with the lowest wages received a wage below poverty rate, while the same group of male workers received wages above this line. The possible explanation why women keep working despite low wages is that households need to combine more wages and although one wage is below the poverty rate, combined revenues are sufficient for household's members to cope with their basic needs. Survival strategies of households therefore produce a particular labour market of female workers who are willing to work for less than a minimum wage.

Another large group are students who are forced to work in order to study or they study in order to work as students. There is a great demand for low paid and low taxed casual work of students who frequently do regular jobs, as they can be seen from Monday to Sunday in shopping malls, bars and restaurants. Every third student approximately performs 23.5 hours of work a week. Like female workers, students can do low paid jobs, because they live in households with more revenues which together meet the common needs of household.

Sub-markets of labour are structured differently with different conditions under which workers enter into market or accede to production process. Together they form what Rastko Močnik calls "social composition of labour force".⁴³ Social composition of labour

⁴² See Vesna Leskošek et al., *Vzroki in obseg pojava zaposlenih revnih* [Causes and extent of the phenomenon of working poor], research report, Ljubljana, Fakulteta za socialno delo, 2009, pp. 85–87.

⁴³ Trg delovne sile in sestava delavskega razreda [Market of the labour power and composition of the working class], *Teorija in praksa*, January-February 2011, vol. 48, no. 1, pp. 178-205.

force (that appears ideologically as “labour market”) is the material support of the domination of capital as class in a particular local society. One of the main effects of the particular composition we have described in this text is that it blocks the efficiency of labour legislation. In Slovenian context where, due to the strength of trade unions, frontal attack against labour legislation is not possible, its erosion by progressive introduction of “non-standard employments” fragments the labour and prevents political composition of the working class, while it opens to the management efficient ways to circumvent the formally still valid standards of labour protection. Under these conditions, reserve army of the unemployed is not exercising its classical pressure upon the employed workers: it is penetrating the employment complex and, by its penetration, it erodes labour legislation provisions. It is as if the capitalist class were waging a guerrilla war against the abandoned defence system of the socialist social state.

PRIVATE LABOUR MARKETS

We have so far explained the conditions which may facilitate the emergence of private labour markets. But we have not yet managed to show who the agents of private labour markets are in fact.

Private employment agencies

Thinking about private labour markets, the first thought that probably comes to our mind is private employment agency. The number of agencies in Slovenia amounts to 154 agencies inscribed in the Ministry of Labour’s register. In statistical figures the number of workers who work for private employment agencies is not high, approximately one per cent of all Slovene labour force. In other European countries this figure may reach two per cent. Although few workers involve in this kind of employment, serious violations of workers’ rights are alarming. Working contracts are usually limited to a month or a couple of months: this means that agency workers are not entitled to many workers’ rights which permanent workers have, while some other rights may simply not be respected. A representative of the employers’ organization openly admitted that these

workers do not receive the notice to quit, compensation for dismissal, travel reimbursement, paid meals and holidays to which other workers are entitled. As Slovene Adecco representative pointed out, the task of private employment agencies is to “take the risks derived from the labour law protection”.⁴⁴

Unregistered agencies

Besides legal agencies, illegal supply of workers represents, according to the estimation of the Association of Employment Agencies, the double of workers provided by legal agencies. In 2011, Slovene Inspectorate of Labour registered forty such cases. The most surprising finding was that state institutions have no instrument or do not use it for an effective prevention of “human trafficking”. The following example will illustrate the point. A worker employed at an unregistered agency could not go to the doctor, because the agency did not pay health security and so he died. Before this tragic event inspectorate carried out twelfth missions of surveillance and imposed eighteen fines on agency in the period 2007–2008. In spite of all, the agency still exists and is still in the same business. In such cases, if employer recurrently violates workers’ labour rights, inspectorate should start the bankruptcy procedure at the court, but has no funds available for high judicial costs. High charges between two state institutions prevent the inspectorate from fighting human trafficking and from protecting workers’ rights, while human traffickers pay fines and continue with same profitable operations. If we look at internet, we easily find dozens of similar unregistered agencies who search and offer workers in construction, manufacturing, education, engineering, logistics, carpentry, hotels and restaurants, information technologies etc. They search workers from the Balkan region and offer them to employers in Slovenia as well as in more distant EU member states.

⁴⁴ Lidija V. Bricelj, Posredovanje dela ali delavci 'na pósito', *Podjetnik*, April 2007.

Outsourced labour

Private labour markets have now in fact grown rife across the whole production sphere. This is the consequence of the new management paradigm, the “human resources management”, and of the new technical and social division of labour. The new technical division of labour has separated “core” labour processes from “peripheral” labour processes inside the company.⁴⁵ Core labour processes were identified as strategic activities that increase the competitiveness of the company: management, marketing, research and eventually some industrial workers who may not be easily replaceable. On the other side, peripheral labour is identified as all those labour processes that are performed by easily replaceable workforce (unskilled workers in manufacturing and services), to which are added occasional services (counselling, legal services, accountancy). Those identified as replaceable peripheral workers were fired and replaced by outsourced labour. With this strategy, a new technical division of labour has been introduced, upon which a new social division of labour has emerged. Workers in core departments have kept secure employments or were able to buy safety with high wages, securities, and rewards. On the other side labour protection of workers in peripheral sectors, who after the restructuring of company may continue to do the same job as before, but with a new employer, a subcontracting company, or as self-employed persons, was downgraded. Most importantly, they became cheaper for capital owners, were more susceptible to intensification of work and working discipline. The new technical division in conjunction with the new social division of labour accomplished the required reduction of labour costs.⁴⁶ The essence of the new management paradigm is the separation of skilled (or strategic) workforce from unskilled outsourced workers who become *second-*

⁴⁵ John Atkinson, Manpower strategies for flexible organizations, *Personnel Management*, Vol. 16, No. 8, 1984, pp. 28–31; David Lepak and Scott Snell, The Human Resource Architecture: Toward a Theory of Human Capital Allocation and Development, *The Academy of Management Review*, Vol. 24, No. 1, 1999, pp. 31-4.

⁴⁶ This is in accordance with Alfred Marshall’s term »Babbage’s great principle of economic production« (from *Industry and Trade*, 1919). In the nineteenth century Charles Babbage (*On the Economy of Machinery and Manufactures*, 1832) claimed that technical division of labour does not bring the required reduction of labour costs. Besides technical division it is necessary to divide labour according to workers’ qualifications and skills: qualified workers who are the most costly should do only the jobs on the level of their qualifications, while jobs for which neither knowledge nor strength are needed, should be carried out by the cheapest workers, i.e. by women and children. We call this kind of division of labour “social division of labour”.

hand workers from the perspective of the user of labour force. They work in specific triangular labour relations, since they work for both the employer and the user of his or her labour force at the same time.⁴⁷ Triangular labour relations have created a situation where the worker has to negotiate the wage with his employer, while the user of his labour dictates the intensity and duration of work. Under these conditions the worker is no more in the position to condition one with the other.

Dependent companies

But the enterprise may actually delegate peripheral production to other companies. This is *concentration without centralisation*, i.e. integration or acquisition of companies in key sectors that do not lead to the creation of big vertical structures. Instead, these companies are integrated as contractors and subcontractors who organize their own productions on small scale and who absorb risks deriving from the “blind regulation of equivalent exchange relations by partial allocation of such threats to labour force which they employ”.⁴⁸ Corporate management, being the sole purchaser of products produced by dependent companies, can impose control upon them without the need of actually possessing the means of production. So besides dependent work there also exist “dependent companies”. The logic behind subcontracting is the same as in the case of private labour markets: it is the division between core and peripheral production units that drives peripheral firms, under the threat of the countermand of orders, into competition with each other by decreasing the price of the labour force and by downgrading workers’ rights down to the very restrictions of the labour law and beneath. Slovene employers’ representative said that it is the duty of workers to extend working hours and accept conditions notwithstanding the rules of the labour law, in order that the company would retain orders. Research about labour conditions in companies integrated into multinational automobile corporations showed high functional, time and numerical

⁴⁷ Less difficult jobs workers do, less skills and knowledge they need and more they are replaceable, more certainly they will get caught in such jobs. Abstractness of their work is in proportion to violation of their workers’ rights. New employers do not give them security, as small companies without fixed capital are extremely flexible. If they want to get rid of workers, they can close it down and open a new one in which they only employ obedient workers.

⁴⁸ Michel Aglietta, “Transformations du process de travail”, in: the same author, *Régulation et crises du capitalisme*, Paris, Editions Odile Jacob, 1997, p. 163.

flexibility of workers employed in such companies.⁴⁹ Dependent companies are therefore just another aspect of private labour markets.

Self-employed workers

Another group of workers we need to include in our study are the self-employed labourers or micro entrepreneurs who work as business contractors on the basis of civil law and are excluded from regular labour law protection. These forms of working arrangements stem from what Sergio Bologna calls “autonomous labour of the first generation.”⁵⁰ Italian term “*lavoro autonomo*” is synonymous to *professionals* in English and to *profession libérale* in French: these terms have originally meant highly qualified workforce like lawyers, medicine doctors, artists, scientists, and also artisans, small merchants, and small peasants. The structure of this group has partly remained unchanged: there are still highly educated workers among them, but the group evolved into “autonomous labour of the second generation” meaning that labourers are progressively less “autonomous” and more dependent. Jobs they perform are often low-paid and the majority can afford only basic social and health security. Operating outside the labour law protection, self-employed and micro entrepreneurs are forced into increased competition and over-exploitation.⁵¹

Self-employment has recently spread among the less qualified professions, industrial and service workers. Many workers had to establish small enterprises after the restructuring of companies or when their employer constrained them to become self-employed if they wanted to keep their job. Increasing numbers of people are working in conditions in which they appear as business contractors to those using their labour. Truck

⁴⁹ Miroslav Stanojević, Matija Rojec and Martina Trbanc, *Multinacionalna podjetja in (ne)fleksibilnost zaposlovanja v Sloveniji, Družboslovne razprave*, Vol. 22, No. 53, 2006, pp. 7–31.

⁵⁰ Sergio Bologna, *Ceti medi senza futuro?*, Rim, Derive Approdi, 2007.

⁵¹ The following example is illustrative: Slovene writers received 177 per cent of average monthly wage per author’s sheet (40,000 characters including spaces) in 1951, while sixty years later, in 2011, they received only 0.33 per cent. So it is not surprising that self-employed writers and translators who collect their revenues through contract work, have much lower income than those employed; the income of one quarter of them is below the poverty rate; they have more often health problems than the elder employed persons, and the majority will receive pensions much below the poverty rate when they retire. Maja Breznik et al, *Učinkovitost podpore ustvarjalcem na področju književnega ustvarjanja 2004–2011*, Ljubljana, Mirovni inštitut, 2012, pp. 27–32.

drivers in the biggest Slovene retail company Mercator had to become self-employed; if they wanted to keep their contract, they had to buy a truck on their own expense and have the company's logo displayed on it. Their colleagues in Avto Kočevje and Vektor had to buy old trucks from the former employers and undertake the same jobs as before, but now as self-employed. Slovene inspectorate for labour reported that in one factory ten directors of firms (i.e. ten self-employed persons) operate one machine. Or as a trade unionist said: "Three quarters of attendants at our conferences are self-employed journalists." Although Slovene labour law prohibits the establishment of civil business contracts when "elements of employment" exist, as they are defined in its article 4 ("if the worker participates in employer's organized labour process and personally and continually works under employer's instruction and supervision in return for payment"), self-employed do not decide to enter long and costly lawsuits for the recognition of their employment status. We know about the existence of only two legal cases which successfully passed the test at the Supreme Court, but decisions are still not final. Legal protection against abuses of "bogus self-employment" therefore exists, but is inaccessible for the vast majority of persons concerned, as it is mostly the case when workers' only possible settlement of dispute is legal proceeding.⁵²

In a rather old text we find an accurate description of contemporary private labour markets generated by micro entrepreneurs and self-employed: "Some of the labour which produces commodities in capitalist production is performed in a manner which belongs to *earlier modes of production*, where the *relation of capital and wage labour* does not yet exist in practice [...]. But in accordance with the ruling mode of production even those relations which have not yet been subsumed under it in fact are subsumed under it notionally. The self-employed labourer, for example, is his own wage labourer, and his own means of production confront him in his own mind as capital. As his own capitalist, he employs himself as a wage labourer."⁵³

⁵² This was already pointed out by European group of experts led by Alain Supiot. Recommendation of the group of experts was: "First, the principle of reclassifying false self-employment as wage-earning must be firmly enforced and, secondly, genuine self-employment must be endowed with true employment status, primarily to guarantee social protection." Alain Supiot et al, *Beyond Employment*, Oxford, Oxford University Press, 2001, p. 6.

⁵³ Karl Marx, Economic Works 1861-1864, <http://www.marxists.org/archive/marx/works/1864/economic/ch02b.htm>.

THE MANAGEMENT OF SECOND-HAND WORKERS

Private labour markets develop more than a single labour management technique in respect to the second-hand workers. The first approach, as described above, is “entrepreneurial culture of workers” by which worker voluntarily resigns to workers’ rights and becomes a “capitalist” who hires himself or herself as a wage-labourer. For quasi-independence he or she pays off with self-exploitation.

The second approach, the placement of workers by a third instance, *separates the allocation of workers from the immediate consumption of labour force in the process of production* where it is exploited by the appropriation of surplus-value.⁵⁴ Separation of the immediate consumption of labour force from the placement of workers has a profound effect upon the nature of the particular commodity labour force. It becomes a commodity that can be separated from the immediate consumption, manipulable and transferrable via private labour markets. It turns into an “object” (i.e. labour force separated from its actual consumption) that can be, for instance, exchanged on stock exchange; its buyer (the mediator) can exert right to rent it or to re-sell it for exploitation in the process of production.

From the worker’s point of view, he or she is separated from the capacity to negotiate the price of labour force in exchange for a certain intensity of labour and a certain duration of work: while he or she negotiates the price of labour force with his or her “legal employer”, the real users of his or her labour force dictate intensity of labour and duration of work.⁵⁵ As a consequence, workers are no longer attached to any particular production unit, as they can be easily transferred from one unit to the other or they can work for several users of their labour force at the same time. They do not submit to any

⁵⁴ Similarly Guy Standing considers »labour export regimes« as an emerging labour market. Cf. Guy Standing, *The Precariat: The New Dangerous Class*, London - New York, Bloomsbury Academic, pp. 109–113.

⁵⁵ Separation of the immediate producer from the means of production is the determining feature of the capitalist mode of production. With the establishment of private labour markets, workers are separated from the market where they can offer the only commodity they possess, their labour force. Workers are separated from the conditions of socialisation of the use-value of their commodity by being separated from the means of production, and, additionally, they are separated from the conditions of socialisation of the exchange value of their commodity by being separated from the markets of the labour force. Privatisation of the means of production separates workers from the use-value of their labour force, and privatisation of labour markets separates them from its (exchange) value. In this way, workers are objectively disempowered both as agents of production and as agents of exchange (circulation).

individual capitalist, but render their labour capacity to many at the same time. The worker is no more confronted to an individual capital or its representatives, but to multiform capital: enterprises, financial institutions, outsourced companies, private employment agencies, self-employed entrepreneurs who may all intersect in the same production process, each engaged only in one segment or in one aspect of the production process. However, proliferation of capital does not exclude high levels of accumulation of capital, as, for instance, the revenues of 20 private employment agencies which control 38 per cent of the world market.⁵⁶

CONCLUSIONS

Despite irrepressible growth of atypical employments, Slovene and European trade unions insist on open-ended standard employments with full social security as a norm in conditions where atypical employments have already superseded standard employments. This strategy only foments the conflicts within the working class itself and reproduces the already existing conflicting relationships between various groups of workers, like those who were able to maintain their job security, those who have lost it and the workers who work in atypical employments for ever.

Mediator is an important figure in the re-emergence of private labour markets. However, this is not a dragon whose heads could simply be cut off: we cannot get rid of exploitation within exploitation, if we do not abolish exploitation itself. We can forbid private employment agencies and uproot illegal human trafficking; however, the functional role of the mediator in (multinational) corporate structures with subcontracting companies, micro entrepreneurs and self-employed persons cannot be abolished without deep structural intervention.

State labour law re-regulation and management of human resources do not create an open competitive labour market; to the contrary, they impose limits on the workers' access to the market of labour force and imprison workers within the newly created segmented labour markets. This has two effects: 1. increases exploitation and 2. inhibits

⁵⁶ ILO, *Private Employment Agencies, temporary agency workers and their contribution to the labour market*, Ženeva, International Labour Organization, 2009, http://www.ilo.org/global/publications/books/WCMS_116580/lang--en/index.htm.

resistance due to the fragmentation of the working class whose particular groups even enter into conflict with each other. Legal equity of the seller and the buyer in this particular commodity market is nothing but a simulated performance in the big theatrical piece called The State of Law. It is rather, if we quote a lawyer who would know, The State by Law.⁵⁷ This enables the mediators to take advantage of the constraints imposed upon workers and to organize “expropriation” of workers on the top of their exploitation in the production process.⁵⁸

Governments are presently at war with human trafficking as generator of constrained labour and slave-like living conditions. The paradox of their effort is that they selectively criminalise operations mostly related only to prostitution and abuses of migrant work, thus reducing otherwise quite common working conditions to illegal smuggling and criminal behaviour. On the other side, the more frequent and equally revolting “human trafficking” commonly practiced in the private labour markets remains unquestioned.⁵⁹ Corporate management and its contractors have established the system whose task is to manage second-hand workers, submit them to less favourable working conditions departing from what is considered as the normal employment. As a consequence, second-hand workers are exposed to greater exploitation than others. Private labour markets have brought back suffering and personal dependencies which were believed to be already left behind in modern civilization. In spite of the likely general disapproval of such conditions, social reproduction is imposed through a monstrous social control in which “all types of workers are exploited vis-à-vis the capitalists, [but] some workers are in effect ‘exploiters’ vis-à-vis others.”⁶⁰

⁵⁷ Harold Berman quoted in Alain Supiot, *L'esprit de Philadelphie*, Paris, Seuil, 2010.

⁵⁸ The term expropriation was introduced by Costas Lapavistas: “[W]orkers have become increasingly involved with the financial assets. The retreat of public provision in housing, health, education, pensions and so on has facilitated the financialization of individual income, as have stagnant wages. The result has been the extraction of bank profits through direct transfers of personal revenue, a process called financial expropriation.” His conclusion points to the greater economic weakness of the working class which may indirectly contribute to a greater submission of labourers to capital control. See Costas Lapavistas, Theorizing financialization, *Work, employment and society*, Vol. 25, No. 4, 2011, p. 623 (pp. 611–626). Similar conclusions also in: Dick Bryan, Randy Martin and Mike Rafferty, Financialization and Marx: Giving Labor and Capital a Financial Makeover, *Review of Radical Political Economics*, Vol. 41, No. 4, Fall 2009, pp. 458–472.

⁵⁹ Cf. Hila Shamir, A Labor Paradigm for Human Trafficking, *UCLA Law Review*, Vol. 60, No. 1, 2012, pp. 76–137.

⁶⁰ Ben Fine, op. cit., p. 190.

The working class is facing a simple alternative. It will either let private labour markets grow further on and multiply the particular commodity they are developing – labour force, detached from its immediate consumption in the process of production, as a manipulable and transferrable commodity – so as to establish a new derived market of labour force. In this case private labour markets may progressively replace legal labour protection, social dialogue and the like. Or working class can choose to “nationalize” private labour markets. If workers obtain guarantees for equal working conditions and workers’ rights for everyone everywhere, private labour markets would have no foundation of their existence. However, the problem of unemployment, a key mechanism for disciplining the workers, would remain. The answer is already at hand in *The Declaration of Philadelphia* (1944),⁶¹ incorporated into ILO’s Constitution, where “freedom from want” was one of the objectives which still wait as a Sleeping Beauty to be brought to life.

ABSTRACT

The foundation of European labour laws is still an open-ended employment contract with full social rights. However, in Slovenia exceptional precarious employments with low labour protection, social instability and exposure to the risk of poverty already amount to 40 per cent and are becoming the most common working conditions. Similar trends are under way in other European countries. Though, flexibilization generates profound social change affecting all workers. Transformation of state regulated “labour market” into competitive labour market and a new paradigm of “human resources management” encourage the emergence of “private labour markets”. Reorganization of enterprises in contract system appoints mediators (operating through private employment agencies, outsourced companies etc.) to depress labour costs by taking advantage of segmented labour force and, consequently, to allocate the economic risks on persons they employ. An instance between the seller and the buyer/user of labour force produces two consequences: 1. so established labour markets are Braudelian “anti-markets” which block workers’ direct access to labour markets and 2. “human trafficking” is becoming a normal operation within this system. These two outcomes subsume workers under new forms of slavery. Conversely they can become a powerful moment for overcoming differentiations among workers, a point of unification and a new political constitution of the working class.

⁶¹ Cf. Alain Supiot, *L’esprit de Philadelphie*, Paris, Seuil, 2010.

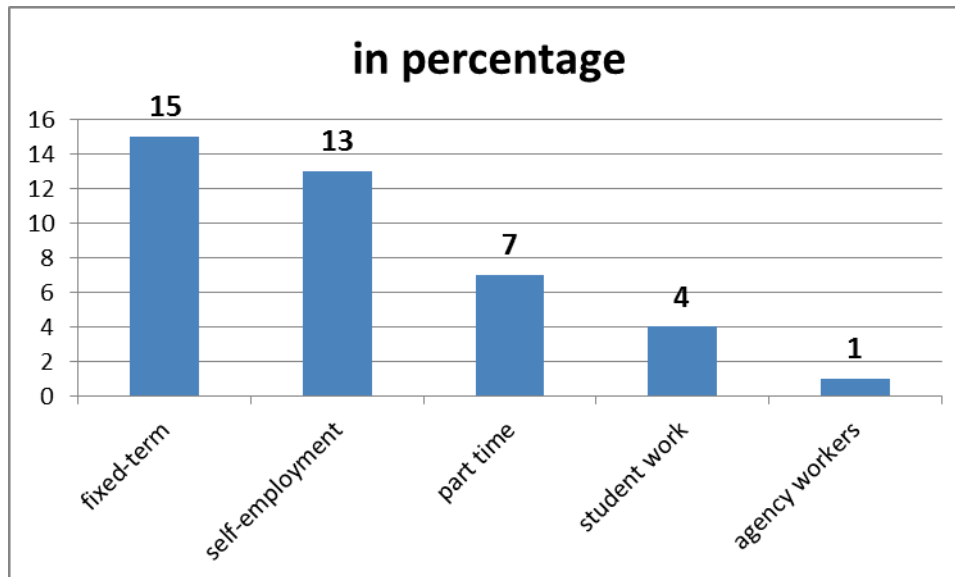
Appendix

Table 1: Labour and contractors' price rates at Winchester Repeating Arms Company

| Year | Estimated Labour Cost | Index of Labour Cost | Contractors Price Index |
|------|-----------------------|----------------------|-------------------------|
| 1876 | 6.68 | 188 | 190 |
| 1881 | 4.84 | 136 | 136 |
| 1890 | 3.56 | 100 | 100 |
| 1905 | 2.81 | 79 | 77 |

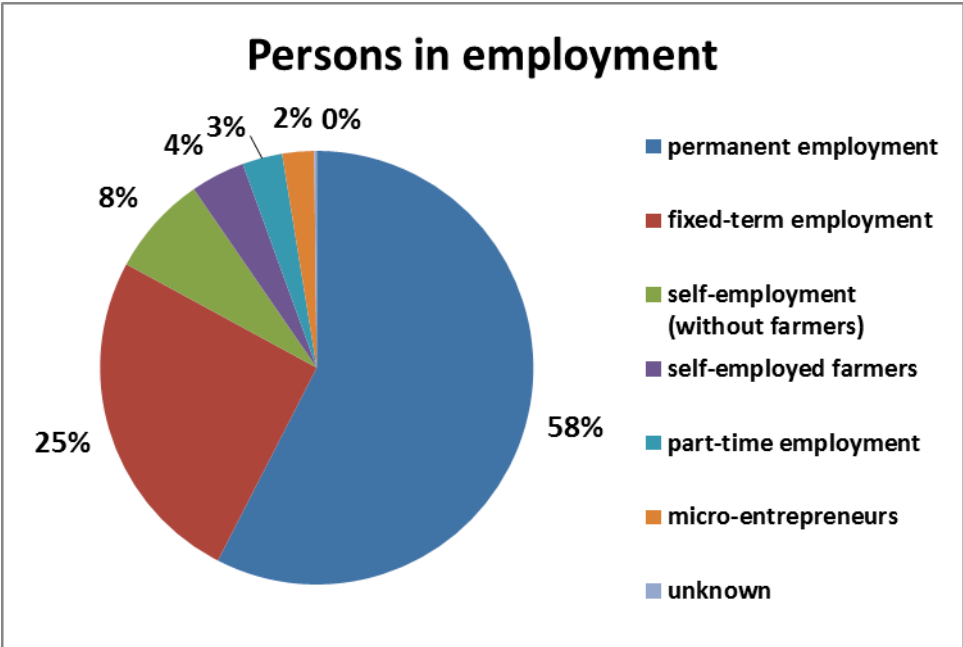
Source: John Buttrick, *The Inside Contract System*, p. 213.

Graph 1: Atypical Forms of Employment in Slovenia in 2011



Source: Labour Force Survey, SURS

Graph 2: Persons in employment in 2011 (Statistical register of employment)



Source: Statistical register of employment, SURS. Agency workers are not included, because they are the most probably already included in one of the groups.