The New Terrain Of Class Conflict In The United States

KIM MOODY

As globalization, union busting, and automation remade the world of work, leaving current and future generations to subsist on contingent and informal employment, can we still defend the idea of the working class as the principal agent of radical change? Does a “historic force,” as Eric Hobsbawm put it in 1995, still exist to support the socialist project? With few exceptions, Marxists have come late in the day to this existential debate, often armed with little more than philosophical slogans. This paper argues that, to confront the issue, we first need to specify a baseline of comparison: that is to say, a sophisticated understanding of how proletarian agency was construed in the era of classical socialism. Starting from scattered clues left by Marx and his successors, above all Rosa Luxemburg, this essay outlines a theory of class formation and socialist hegemony in consonance with the historical, revolutionary experience of the working class’s actual lives and ideas. The basic thesis is that “agency” in the last instance is conditioned by the development of the productive forces but activated by the convergence (or “overdeterminations”) of political, economic, and cultural struggles. Even in socialism’s classical era, workers’ power did not reside exclusively at the point of production in the great factories; urban movements and international solidarity campaigns were also crucibles of class consciousness, perhaps with the most immediate relevance to our brave new jobless world.

In the recent revival of popular movements in the United States, one group that has been conspicuously absent is organized labor. This absence is only one reminder of the astonishing decline of the American working class as a social force; even though it never achieved the power of its counterparts in Europe or even Canada, it was still a force to be reckoned with until the 1980s. For much of the Left, therefore, the million-dollar question is: Can the sleeping giant awaken? Can the labor movement once again
be at the core of a progressive social coalition? Or have the changes in the political economy since the 1980s been so deep that a revival of labor’s fortunes is out of reach — if not permanently, then at least for the foreseeable future?

Many analysts have settled on certain stylized facts as harbingers of a continued decline in labor’s fortunes. The combined impact of subcontracting, casualization, increased insecurity, a shrunken manufacturing sector, and the threat of offshoring is taken to have created apparently insuperable barriers to organizing. Indeed, it is hard to deny that these factors are operative to some degree. What is less clear, however, is to what degree they bear on the conditions workers confront. Part of the effort to rebuild the US labor movement must be a cold, sober look at the changes that have set in since the 1980s to assess how much the terrain has actually changed and how much of the current pessimism is due to an unwarranted embrace of popular myths. Conversely, we need to be aware of emerging possibilities and openings that may be underappreciated by labor and its allies.

I suggest in this essay that while the challenges labor faces are indeed daunting, they are by no means insuperable. Indeed, many of them are not even new. Capital’s offensive during the neoliberal era has indeed created a new landscape for the working class, but it is not quite along the lines of what much of the Left has come to believe. The popular tropes of a fragmented, atomized, casualized working class obscure the degree to which the last three decades have in fact created new zones of centralized production, new vulnerabilities for capital, and also underplay important elements of continuity in forms of employment. None of this is to deny that the terrain is still a hostile one, or to underplay the challenges. But I do suggest that significant new openings have emerged in recent years which, if seized upon, have the potential to trigger a revitalization of working-class power.

These changes are in the organization of production, of course, and in this regard they are fundamentally structural in nature. For them to become politically significant will require embracing a militant and ambitious campaign of organizing, one that is quite different from the kinds of strategies preferred by labor officialdom today. As it
happens, in several sectors and in many states, there has been a turn to a more militant approach to organizing — one that seizes upon the structural openings created by the recent economic changes as well as the capacities and imaginations of individual workers. These campaigns offer positive evidence that a return to a more militant strategy is not only possible but also effective.

1

Work and Class Transformed

THE DECLINE OF MANUFACTURING EMPLOYMENT

On the labor Left, no subject animates debate more than the decline of manufacturing employment and its strategic implications. And no explanation for manufacturing decline is more widely accepted than the growth of globalization, particularly the effect of import competition on US producers.1 Without denying the significance of imports and offshoring of production, this article will offer a different explanation for the loss of manufacturing jobs, one rooted in the outcomes of class conflict expressed in rising productivity.

The problem with explanations rooted in trade or the global shift of manufacturing generally is that US manufacturing output has not declined overall or even slowed down much since the early 1980s. Rather, it has increased at rates close to those of the
post–World War II Keynesian epoch of growth. In real terms, measured by the Federal Reserve Board’s industrial production index, manufacturing output increased by 131 percent from 1982 to 2007 (just before the impact of the “Great Recession”) on average about 5 percent a year, compared to 6 percent annually during the 1960s. This growth slowed in the 2000s as two recessions affected output. Thus, while imports did eliminate significant numbers of manufacturing jobs, they can at best be said to have slowed the rate of increase of total output, while capital and production shifted to other industries and locations within the United States.

TABLE 1 PRODUCTION JOBS LOST DURING RECESSIONS

<table>
<thead>
<tr>
<th>YEARS*</th>
<th>TOTAL PRIVATE</th>
<th>MANUFACTURING</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979–82</td>
<td>2,300,000</td>
<td>2,751,000</td>
</tr>
<tr>
<td>1990–91</td>
<td>1,290,000</td>
<td>663,000</td>
</tr>
<tr>
<td>2001–03</td>
<td>2,835,000</td>
<td>2,198,000</td>
</tr>
<tr>
<td>2008–10</td>
<td>6,186,000</td>
<td>1,797,000</td>
</tr>
</tbody>
</table>

*From January of first year to December of last.

The rhythm of manufacturing job loss is important in understanding the decline in employment. The combination of deep recessions and productivity increases that were sufficient to hold down employment during the postrecession recoveries explains most of the loss of manufacturing jobs. As Table I shows, the big losses occurred, as might be expected, when large amounts of capital were destroyed during recessions and firms sought to downsize or reorganize — and when imports also tended to drop. Between such slumps employment levels remained more or less
steady (at the lower level) until 2000, while manufacturing output rose by 6 percent a year between 1982 and 1990 and again between 1992 and 2000. From 2002 to 2007, output rose by a more modest 2.4 percent a year, until the Great Recession took hold. When imports fell during the recessions, so did the number of jobs, whereas when imports soared between recessions the number of jobs remained basically flat or increased only slightly, even with increased output. If it had been imports of either final products or intermediate inputs that took these manufacturing jobs, overall output could hardly have been so robust in the years between recessions. The major culprit behind the deep decline in manufacturing jobs was capital’s turn to the new lean production methods introduced in the 1980s.

**CLASS STRUGGLE, LEAN PRODUCTION, & PRODUCTIVITY**

Occupationally, economically, and in its ethnoracial composition, the working class that has emerged from thirty years of neoliberalism and lean production is substantially different than that which participated in the labor upsurge of the 1960s and 1970s. While many in this class experienced dislocations and changes in the nature of their employment, they remain, nonetheless, a working class — dependent on wages and subordinate to capital. Furthermore, these workers face capital on a terrain that has changed dramatically, in ways that offer new opportunities to turn what has often been characterized as a one-sided class war into a two-sided struggle for power and a better life.

The relative reduction of the manufacturing workforce is, in fact, an inherent tendency in capitalism. The process of accumulation, as Marx argued, itself leads to “the diminution of the mass of labor in proportion to the mass of means of production moved by it” due to increasing productivity.\(^3\) As we will see below, the mass of capital in relation to labor did indeed increase over this period. The degree to which increased productivity is extracted and labor thereby relatively diminished, however, is to a large extent determined by class struggle within the labor process, as well as by the
competition between capitals. While the struggle over wages is always a piece of class conflict, for most of the postwar era, US capital was mainly focused on extracting “relative surplus value” — i.e., generating profits by relying on increased productivity. The key inflection points for us are in the late 1960s through the 1970s, a period of intense industrial conflict in the United States, largely in resistance to capital’s enormous speedup of production. This was the era of rank-and-file rebellion, in which blue-collar workers went on the offensive against their bosses (and often their union leaders as well) in a fight against deteriorating working conditions, while millions of public-sector workers joined unions for the first time. Partly as a result of these high levels of conflict, productivity growth during the late 1970s virtually collapsed, leading to a decline in profit rates. The rebellion came to an end with the recession induced by Federal Reserve chairman Paul Volcker’s sudden increase in interest rates in 1979, which announced the start of the neoliberal era.

In the three or so years of this recession, 2.5 million manufacturing jobs were lost, the rebellious unions lost more than 2 million members, the number of all private-sector union members dropped by 26 percent, and strikes all but disappeared. This became an opportunity for capital to launch its new offensive to undermine collective bargaining arrangements, compress real wages, reduce benefits, and — most importantly — extract continuous increases in productivity that would further eliminate millions of additional manufacturing jobs. The major weapon in capital’s struggle to increase the extraction of surplus value in this period was lean production, often accompanied by new technology.

Introduced from Japan into the United States in the 1980s, the stated object of lean production was always to eliminate “waste,” meaning buffers that slowed production, high inventory levels, imperfect parts, and “idle” labor time in the production process. Appropriately dubbed “management-by-stress” by Mike Parker and Jane Slaughter of Labor Notes, lean methods constantly stressed the production system to locate and eliminate all non-value-producing labor. As Toyota’s lean pioneer Taiichi Ohno put it, “Manpower reduction means raising the ratio of value-added work.” Here, “lean production” will be used as shorthand for the multitude of programs introduced
during this long period to impose measurable and standardized work processes (“metrics”) and further reduce labor input in relation to output, such as Total Quality Management, Statistical Process Control (SPC), Six Sigma, Human Resource Management, Supply Chain Management, etc. Virtually all these methods of control came into practice in the 1980s as new disciplines and are now global in their application. While the various lean methods were often applied selectively or partially, most, like Six Sigma, have “come to be integrated with lean principles,” as one recent study of the auto industry noted. Although the auto industry led in applying lean-production norms, innovations sometimes came from elsewhere. “Data-driven” Six Sigma was developed by Motorola in the mid-1980s and was soon adopted by General Electric, followed by many others. Today it is used “all over the world, in organizations as diverse as local government departments, prisons, hospitals, the armed forces, banks, and multinational corporations.”

While, in its classic form, lean production was characterized by features such as the Andon Board, Kaizen or continuous improvement teams, job rotations, just-in-time delivery of parts, etc., at its heart was the fight over time. The just-in-time (JIT) standard for the auto industry, and by implication most manufacturing, went from a three-day delivery window to “a thirty-minute time frame.” This obviously put enormous pressure on suppliers and their workers. This emphasis on time was not merely the lengthening of hours for some and shortening them for others, in the new “flexibility” demanded by capital, but the time worked actually producing value within each day, hour, and minute. It is, in short, about the intensification of work.

Hence the “lax” American standard of forty-five to fifty-two seconds of actual work per minute in automobile assembly was to be replaced by Toyota’s fifty-seven-second minute, thereby “filling up the pores of the working day.” What began in the auto industry rapidly spread to other manufacturers and beyond. A recent study of work
intensification in the United States, based on time-use diaries of more than 43,000 people employed mostly in routine “middling” goods- and service-producing jobs, found that from the 1980s to the 2000s the total break time went from 13 percent of the work day to 8 percent, which is to say that, within the average eight-hour day, capital gained approximately twenty-four minutes — almost half an hour of extra work at no extra cost in wages, benefits, or employment taxes! The push to “fill up the pores” continues. The 2015 contract agreement between Ford and the United Auto Workers grants the company one minute less in break time for each hour worked each day by each of Ford’s 53,000 unionized workers. That amounts to more than 7,000 extra hours work per day for the entire workforce, the equivalent of almost four years for the company at no extra cost.  

More recently, supplementing or even supplanting the various innovations in lean production have come electronic forms of surveillance, work measurement, and monitoring, such as radio frequency identification (RFID), global positioning systems (GPS), and biometric measurements that drive JIT norms within production processes and along supply chains, maintaining “management-by-stress” all along the line. It is precisely this sort of monitoring that allows employers to seek and measure a reduction of rest time per minute beyond even the shrinking of official break time, and to calculate the impact on the productivity of the workday.

These changes, taken together, have led to one of the biggest job-destroying intensifications of labor in the history of capitalism. There can be little doubt that “management-by-stress,” work reorganization, measuring and monitoring, new technology, and of course the undermining of unions, all fostered by lean methods, had a major impact on productivity. In the early phase of lean production, during the 1980s, manufacturing productivity grew by 5 percent a year on average. The Bureau of Labor Statistics (BLS) estimates manufacturing productivity gains of 4.1 percent for 1990 to 2000 and 4.7 percent for 2000 to 2007. It stands to reason, therefore, that more than doubling productivity from the early 1980s to the Great Recession can well explain much of the 50 percent drop in manufacturing-production-worker jobs over that long period. The payoff for capital was enormous, as unit labor costs in
manufacturing fell consistently from 1990 through 2010. After this, however, productivity slowed to a crawl and unit labor costs rose somewhat.\textsuperscript{14}

The decline in manufacturing work in this period was to some extent offset by rises in transportation, distribution, and other employment related to the reorganization of production itself. The big gains, however, came with the longstanding increase of jobs in a broad range of “service” industries and occupations. This is one of the trends that has led many to conclude that the working class is becoming less concentrated and weaker as a social class. As we will see, this is by no means the case.

\textbf{SERVICE JOBS: SHORT HOURS, THE SOCIAL REPRODUCTION OF LABOR POWER, & DIRT}

The rise of employment in occupations and industries labeled as “services” is not new. Service employment surpassed that of goods production by midcentury in the United States. Those service jobs that grew over the years were largely the creation of the internal dynamics of capital accumulation and two of its ongoing cost problems, resulting from the postwar growth of the US economy: the social reproduction of labor power and the maintenance of expanding fixed facilities. One reason why service jobs outstripped those in goods production so rapidly is the difference in hours worked and productivity. Workers in manufacturing, construction, transportation and warehousing, and utilities work an average of forty hours a week, while those in administration, waste, health and social services, food services, and accommodations average about thirty hours — hence the growing number of part-time workers. While some services have achieved high rates of productivity under lean conditions, others such as food services and accommodations (0.8 percent) and janitorial services (1.9 percent) fall well behind the 5 percent annual rate for manufacturing output.\textsuperscript{15} As a consequence of shorter hours and low productivity, an increase in output in services requires proportionately more workers than in manufacturing or transportation.
Looking at those private-sector “services” most likely to employ working-class people (excluding FIRE and professional services), service jobs grew by 14.2 million from 1990 to 2010. Some 8 million of those jobs, or 57 percent of growth, were in employment associated with the labor of social reproduction, such as health and social care and food services. This is due in large part to the increased participation of women in wage labor, including women with children, beginning in the 1950s. As the economy expanded following World War II, capital drew on those engaged in social reproduction in the home, vastly increasing the number of hours they worked for wages — from a median of 925 hours per year in 1979 to 1,664 in 2012. For women with children the increase was even greater, more than doubling from 600 hours per year to 1,560 over this period. The resulting relative shortage of unpaid female reproductive labor in the home opened the door to the commodification of such labor outside of family, in the market.

In the United States, to a greater degree than other developed economies, many of the services involved in the social reproduction of labor power fell to the private sector. Capital, ever ready to extend the hand of exploitation and, as Marx put it, “always seeking out new areas of investment,” moved to fill the gap. As a result, a growing proportion of the labor of reproduction — child and elder care, health maintenance, food preparation, etc. — once done in the home had to be purchased on the market. For example, in 1960 Americans spent a quarter of their food expenditures eating out, while by 2010 this was up to nearly half. The workforce delivering most of these services outside of the home, however, remained disproportionately female.

At the same time, the growth in jobs needed to maintain capitalism’s facilities and buildings (part of its growing fixed nonresidential stock of structures and equipment), fulfill its ancillary functions via temporary employees, and clean up its growing mess increased by an additional 5 million jobs from 1990 to 2010. Many of these jobs were those outsourced or subcontracted from manufacturing and other industries in the last thirty years — though they had formerly appeared in the BLS’s “manufacturing” column. Thus, aside from managerial and professional jobs, altogether 90 percent of the growth in major private-sector service-producing job categories from 1990 to 2010
came from the reproduction and “maintenance” of capitalism’s workforce and fixed capital, the result of capitalist accumulation itself, and all now done by profit-making (or -taking) firms — even when, as in health care, they are partly publicly funded.

Marx was clear that a “service” does not have to be a material object to be a commodity. What determines whether workers produce surplus value is whether, as Shaikh and Tonak argue, they “are capitalistically organized”; that is, paid out of capital as variable capital. What we see here is that more and more social activity is, indeed, “capitalistically organized.” Thus, these jobs have come to face the same lean reorganization as their high-tech enablers. As Joan Greenbaum wrote of “reengineered” office work at the dawn of the twenty-first century, “The restructured world of work held in place through computer and communications networks, as well as other now familiar varieties of office technology . . . like schemes for reorganizing work, were designed to get more work out of remaining workers.” By 2010 Sameer Kumar could write approvingly of America’s specialist hospitals, “they have adapted Lean Manufacturing, Six Sigma and supply chain strategies in order to become more efficient as well as improving patient care and satisfaction.” These “service” workers are being stressed to the max.

Thus, the lean norms that began in manufacturing spread throughout the economy as capital sought, in the face of competition and endangered profit rates, to reduce labor time and costs everywhere. This meant, among other things, that working conditions in industries and occupations previously assumed to be very different were, in fact, becoming more similar. Monitoring and measuring was reducing all labor, even highly skilled labor such as that of nurses, to abstract labor. Work was changing in ways that were often disorienting to workers and their organizations, where they existed.

precarious work: growth, but less than you thought
As any number of commentators have noted, the era of lean production saw an increase in workforce “flexibility” and “nontraditional” employment. On examining the growth and extent of contingent and insecure work in the United States, however, it is well to keep in mind what one international study of precarious jobs cautioned: “The assumption that the principal norms regulating work are those of full-time permanency has never reflected the full variety of working relationships present in industrial economies.” In other words, there has always been a strong element of contingency in working-class reality. What is under consideration is the degree of change.

One of the results of the ongoing accumulation process and the increased flexibility of the workforce demanded by lean production and the growth of extended supply chains in both services and goods production has been the increase in precarious or contingent employment such as temporary agency work, short-term contracts, on-call work, independent contracting (i.e., bogus self-employment), involuntary part-time work (economic reasons, usually work full-time), etc. The 2005 BLS estimates, shown in Table II, adjusted for some undercounts of temporary and involuntary part-time workers and overlap of categories show an increase of nearly 3 million precarious jobs over a decade. Yet, surprisingly, the proportion of precarious workers in total employment hardly rose at all, from 15.2 percent in 1995 to 15.5 percent in 2005, the last BLS count. The biggest jump in precariousness came early on, in the 1980s, as a result of the initial introduction of lean production, after which it seems to have stabilized. Table III brings together the data available after 2005, and again we see that temporary work — whether through temp agencies or as independent contractors — has not experienced a big increase. Around 85 percent of the workforce is still employed in “traditional” jobs.

<table>
<thead>
<tr>
<th>TYPE OF WORK</th>
<th>1995</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary agency work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-call work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent contracting (i.e., bogus self-employment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Involuntary part-time work (economic reasons, usually work full-time)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TABLE 2  CONTINGENT AND ALTERNATIVE WORK, 1995, 2005
## Table 3: Precarious Employment, 2005–2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Temp Agency</td>
<td>2,539,000</td>
<td>1,823,000</td>
<td>2,886,300</td>
</tr>
<tr>
<td>Unincorporated (Self-Employed)</td>
<td>10,464,000</td>
<td>9,831,000</td>
<td>8,551,000</td>
</tr>
</tbody>
</table>

This limited growth in precarious work is further supported by the fact that job tenure has not changed much in the United States since the introduction of lean production norms and neoliberalism in general. While those aged thirty-five to fifty-four stating they had held the same job for more than ten years fell by 5 percent from 1973 to 2006,
it rose again by over 5 percent from 2006 to 2016. The average length of job tenure continued to be measured in years, falling only slightly. For those aged twenty-five to thirty-four the average length of job tenure fell from 3.8 years in 1979 to 3.5 in 2006, while those in the thirty-five to forty-four age range saw it fall from 7.1 years to 6.6, and those ages forty-five to fifty-four from 11.3 to 10.3. These figures, of course, don’t include the crucial eighteen-to-twenty-four cohort, precisely when new entrants to the workforce experience the most precarity and shifting of work in hopes of finding something better.

None of this is to deny that more and more jobs are “dead end,” in that they don’t offer a clear path to higher earnings as wages remain low over time and benefits become rarer. Nevertheless, on average, workers still hold jobs for a number of years — and the longer one is in wage labor, the longer the job lasts on average. The idea that workers change jobs all the time, making organizing impossible, is misleading.

**THE END (OF GOOD JOBS) IS NIGH!**

In a sense, the debate over just how much employment is or isn’t precarious misses the bigger change in working-class life over the past three decades or more — the decline in living standards and working conditions experienced by the vast majority of this class. As we saw above, work intensification has become the norm, while the standardization of work has if anything increased the deskilling and degradation of work analyzed years ago by Harry Braverman. The compression of working-class incomes is the other side of the coin of increased profitability and the enormous increase in the incomes and wealth of the capitalist class and their immediate associates. One measure of declining living standards is the fall in both hourly and weekly real wages, which — despite some ups and downs — remain below their 1973 levels. By 2011, 28 percent of all workers earned less than the official poverty-level wages of $11.06 an hour. So stagnant has been the income of the working-class majority that 30 percent of the workforce now relies on public assistance to get by.
Income inequality has increased dramatically. From 1982 to 2012, the share of total income that went to the top 10 percent increased from 35 percent to 51 percent, while that of the top 1 percent rose from 10 percent to 23 percent. Furthermore, labor’s share of income in GDP has declined in relation to capital, whose piece of the pie climbed from 18.8 percent in 1979 to 26.2 percent in 2010. Capital has done very well indeed. Underlying growing inequality is the increased rate of exploitation represented in Table IV below.\textsuperscript{29} If the BLS employment projections for 2014 to 2024 are any guide, 70 percent of all the gains in nonmanagerial and nonprofessional jobs will fall into the official low-income range, which is at or below $32,390 a year, and over a third of those in the very-low range below $21,590.\textsuperscript{30} If employment tenure is not much less than twenty years ago, economic precariousness certainly is much greater for the vast majority of those who must work for a living. The end of good working-class jobs is nigh!

\begin{table}[h]
\centering
\caption{REAL PROFIT/WAGE RATIO}
\begin{tabular}{llll}
\hline
\textbf{YEAR} & \textbf{REAL NOS} & \textbf{REAL EC} & \textbf{NOS/EC} \\
\hline
1975 & 227.5 & 1069.7 & 21.3 \\
1985 & 341.2 & 1391.7 & 24.5 \\
1995 & 480.1 & 1648.0 & 29.1 \\
2005 & 658.4 & 2036.0 & 32.3 \\
2011 & 711.0 & 1988.8 & 35.8 \\
\hline
\textbf{Growth} & & & \textbf{213\%} \\
\textbf{EC} & & & \textbf{86\%} \\
\textbf{NOS/EC} & & & \textbf{68\%} \\
\hline
\end{tabular}
\end{table}

\textit{NOS = Net Operating Surplus adjusted by PPI \quad EC = Employee Compensation adjusted by CPI-U2}
Both the ethnoracial and gender composition of the employed working class has changed dramatically over the last three decades or so. In particular, the entry into the workforce of immigrants (the global reserve army of labor) in the last thirty years or so, like its absorption of women with children in the 1950s, is a consequence of the process of expanded reproduction or accumulation in the United States and abroad, on the one hand, and the consequent dispossession abroad on the other. Here most immigrant workers join many African American, native-born Latinos, and many women workers in the lower-paid ranks of the workforce taking on a disproportionate share of the growing poverty.

These racial and ethnic groups now make up a large and growing proportion of working-class occupations. Blacks, Latinos, and Asians, including immigrants, who composed 15 to 16 percent of the workers in production, transportation, and material-moving occupations as well as in service occupations in 1981, now make up 40 percent of each of these broad occupational groups. Furthermore, these groups are spread throughout these occupational categories to a much larger degree than in the past. In construction trades, for example, workers of color composed 37 percent of the workforce in 2010 compared to 15 to 16 percent in 1981. Blacks, Asians, and Latinos together composed about 35 percent of the employed working class, compared to 22 percent of the middle class and 11 percent of the capitalist class. These groups of workers are disproportionately concentrated in urban areas. They are central to the logistics clusters, with African Americans and Latinos making up a large proportion of the warehouse workforce in the Chicago area and Latinos in the Los Angeles and New York–New Jersey clusters discussed below.

What stands out in this survey is that the terrain for labor has changed in the United States, but not in ways suggested by the popular media narratives, or even those of the Left. The most dramatic change has not been a shift toward precarious employment, though that is certainly a real phenomenon. More important has been the brutal intensification of work, slow growth in employment, and the massive expansion of low-wage jobs as the primary site of employment growth. Most workers in the United States still work in stable jobs — they just get paid very little and find that the pace and
intensity have risen dramatically. This new working class in formation has increasingly
been brought together by a far-reaching reorganization of capital itself. This has
transformed not only the nature of work and employment but the relations between
different sections of the working class, as the production and movement of goods and
services become more interdependent and closely linked. It is to these changes we
now turn.

2

Capital Reorganized

CONCENTRATION & CENTRALIZATION OF CAPITAL IN THE
UNITED STATES

The engine driving all the changes in labor described above was an intensified
campaign by capital to cut costs and increase efficiency. Since the early 1980s, capital
in almost every sector of the economy has sought to strengthen its position not only in
the workplace but by becoming larger in specific product markets and more tightly
linked across time and space. But the flipside of this increase in size and efficiency is
that capital has also become more susceptible to organizing and working-class action.

The same forces that triggered the intensification of work and the attack on wages —
globalization, increased competition, and the restoration of profit margins —
unleashed one of the most extraordinary waves of business consolidation via mergers and acquisitions (M&As) in the history of US capitalism. Merger movements tend to come in waves. They are part of the ongoing reorganization of capital under the pressures of competition; their rhythms are determined partly by falling and then rising rates of profit. In the United States there have been six major waves of M&As in which business has been reshaped: 1897–1904, 1916–29, 1965–69, 1984–89, 1992–2000, and 2003 to the present. Each of these merger movements has attempted to resolve problems associated with falling rates of profits and to take advantage of the resumption of profitability to increase efficiency and market share through mergers.

The process of the concentration and centralization of capital during the neoliberal period follows the course Marx suggested in his brief discussion in Capital of these tendencies and the contradictory course they follow. As capitals grow, “offshoots split off from the original capitals and start to function as new and independent capitals . . . therefore the number of capitals grows to a greater or lesser extent.” This shows up to some extent in those M&A deals that are in fact divestitures, as well as in new business formations. These capitals, however, must grow or merge. “It is concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals.” This process does not eliminate competition. As Howard Botwinick explains, “Within the context of large-scale enterprise, the relentless drive to expand capital value is necessarily accompanied by a growing struggle over market shares. As capital accumulates and greater sales are required to recover costs, ‘the old struggle must begin again, and it is all the more violent the more powerful the means of production already invested are,’ writes Marx.”

Hence, as the mergers grew in intensity and volume during the 1980s and 1990s, so did the competitive pressures of the market. In 1980 M&As numbered 1,560 at a value of $32.9 billion, after which they rose to 4,239 worth $205.6 billion in 1990, and then in the fifth wave to 11,169 valued at $3.4 trillion in 2000, the highest level ever. After 2001 M&As levelled off at about 7,000 a year, still well above pre-1990s levels, until
the crash of 2008, and then rose again after 2012. By late 2015, it was estimated that
the number of M&As would reach 10,000 for that year, at a value of about $2 trillion.37

One of the distinctive features of the current wave of mergers is that, unlike the wave
of the late 1960s, it has been directed toward strengthening firms’ “core
competencies” — that is, their basic lines of products — increasing both the
concentration and centralization of capital in many industries. Indeed, leading up to
the most recent wave, the years from the early 1980s into the 1990s were, as Doug
Henwood writes, a “period during which many of the conglomerates were broken
apart, and combinations between firms in the same or related industries
predominated.”38 In addition, this merger wave was far less dependent on debt.39

GREATER CAPITAL INTENSITY

Not only are millions more workers employed by bigger, mostly urban-based national
centres of capital, but on average today’s workers toil under increased
capital/labor ratios. After all, in the Marxist view of competition, the continual
advance in technology and, hence, accumulated capital is central, as each firm
attempts to either become or compete with the most efficient firm in its industry,
what Botwinick calls the “regulating capital.”40 In the case of M&As this is
compounded. As firms buy up other firms to expand market share through expanded
production, they necessarily combine units with varying degrees of capital intensity,
efficiency, and profit rates. Since competition pushes a firm to attempt to achieve the
highest level of efficiency in the industry, the newly combined company must bring
the least efficient units up to the highest standard possible. Some of this can be done
by closing or selling off less efficient units, but since the purpose of the merger or
acquisition is to increase productive capacity and market share, there is clearly a limit
to this strategy. Instead, firms will attempt to improve the efficiency of all units
through the application of the latest technology, thus increasing capital intensity.
Indeed, this is just what many firms have done, resulting in increasing the amount of
capital per worker. Table V shows the growth of capital stock per workers for the years 1992 to 2012.

Although investment, like GDP, grew more slowly than during US capitalism’s post–World War II heyday, annual fixed nonresidential investment has actually formed a larger percentage of GDP during nonrecession years of the neoliberal era than in the 1960s: averaging 11.7 percent from 1982 until 2015, compared to 10 percent during the 1960s. Indicative of this increase generally, both the industrial capacity index and the capital/labor ratio grew from the mid-1980s, then took o during the 1990s just as the wave of M&As also accelerated. These increases point to the fact that mergers alone were not sufficient to meet competition and that capital investment also increased, as noted above. After 2000, the capital/labor ratio leveled off due to the recessions of 2000 and 2008, then began to grow again around 2012. Competition was engendering not only mergers, but increased capital accumulation and technology.

Nor, on average, are the nation’s workplaces getting smaller, measured by the average number of workers. While the average manufacturing workplace employs fewer workers than in the past, employment concentration has gone up for the economy as a whole. In 2008, altogether 24.7 million workers were employed in workplaces of five hundred or more, or 20 percent of the workforce, compared to 16.5 million (also 20 percent) in 1986. Those employed in workplaces of a thousand or more rose to 16.5 million, or 14 percent of the total workforce in 2008 from 10.7 million or 13 percent in 1986. What these figures reveal is that, first of all, the majority of workers in the United States have always worked in relatively small workplaces — a fact that did not prevent working-class upsurges in the past. More importantly, more than 8 million more workers are employed in relatively large workplaces than was the case when lean production and globalization took off.

“It follows therefore that in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse,” wrote Marx in Capital. And so it is that the capital that employs many of these workers is bigger, the capital/labor ratio greater, and the condition of the majority grown worse. The enormous gap
between productivity growth and wage stagnation is both the symbol of this relative impoverishment and “the secret of the great boom that began in the 1980s.” At the same time, it is a major source of the increased inequality that affects the entire working class and those on its periphery in the United States — indeed, throughout the developed industrial economies. So, competition, consolidation or centralization, and the push for greater productivity are all of a piece in the reality of contemporary capital accumulation.

PROS & CONS FOR LABOR

The drive to consolidation via mergers is crucial because different configurations promote different balances of class power. In general, as Botwinick notes, “a number of writers have argued that the increasing conglomeration of US corporations in the 1960s and 1970s played a major role in tipping the balance against labor in industries such as coal, meat-packing, printing, and steel.” Conglomerates are better placed to resist strikes or even unionization in any one line of production because of their resources in other subsidiaries. Here is what labor economist Charles Craypo wrote about the advantages to management of conglomerates just as conglomeration reached its apex:

The conglomerate employer is, by definition, a multi-industry enterprise. This results in greater employer operating mobility than that of a union whose bargaining structure and representation rights rarely cross industry lines, greater financial leverage than that of a union whose members depend on a single business operation for their livelihood, and greater administrative range than a union whose decision-making options are limited to a single plant or industry. These administrative, financial, and mobility advantages enable the conglomerate to frustrate
the collective bargaining process and impair the bargaining strength of
the unions.42

The significance of the massive wave of M&As is that it signals a shift away from
conglomeration and toward a focus on a single industry or line of production, thereby
also creating the potential for greater disruption from job actions — provided, of
course, the unions organize the workforce and take full advantage of this opening. So
far, this has only begun in a few industries, such as hotels, hospitals, and to a lesser
extent meatpacking.

There are also clear downsides for workers in consolidation through M&As. For one,
merged companies typically close some plants or facilities, which can lead to
workforce reductions. In addition, experience shows that the new owners will try to
undermine existing conditions and pay and to squeeze even more work out of the
remaining workforce. Industry consolidation is not a free ride for labor. Nevertheless,
the outcome is necessarily an industry in which fewer but larger firms compete, the
combined workforce of more and more firms is relatively larger, and the new
production methods and links are more vulnerable. In the long run, this is a situation
that makes the industry more susceptible to unionization, as was the case in the 1930s
after the 1916–29 merger wave that produced corporate giants such as General Motors,
John Deere, and Union Carbide.

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**TABLE 6 CONSOLIDATION OUTCOMES IN MAJOR INDUSTRIES**

- **2008/09 top ten auto suppliers control one-third of original
equipment market.**

- **Four meatpacking companies (Tyson, Cargill, JBS, and National Beef)
controlled 75 percent of production by 2011.**
• 1998 Mittal Steel buys Inland Steel, 2006 merges with Arcelor, controls 23 percent of market.

• 2001 USX divests Marathon Oil to become US Steel again.

• Five rail freight carriers employ 80 percent of that workforce.

• UPS and FedEx employ about 40 percent of trucking and express delivery workers.

• Four airlines (Delta, American, United, and Southwest) control 80 percent of air passenger traffic.

• Telecommunications firms, including wired and wireless, “re-consolidated their industry in the past ten years to four players, who together control 90 percent of the market.”

• Three-quarters of the country’s formerly independent community hospitals are in large urban-based corporate systems or chains.

• The top five retail grocery corporations accounted for 60 percent of sales nationally by 2009.

• “Consolidation among broad-line food distributors (those shipping a wide variety of products) is particularly noteworthy . . . the share of the top three (Sysco, Alliant, and US Food) grew from 32 percent in 1995 to 43 percent in 2000.”

LOGISTICS: CAPITAL’S SUPPLY CHAIN GANG

There is no better example of the changes in the organization of capital and the opening that this provides to labor than the emergence of transportation and logistics
as the nerve center of contemporary capitalism. One of the outstanding features of the restructuring of the production of goods and services in the era of lean production and new technology has been the reorganization of supply chains — the so-called “logistics revolution.” Supply chains have long been part of the production of goods and services. The rise of global value or supply chains and the geographic relocation of domestic production and suppliers first experienced as fragmentation, however, like consolidation in business organization, have brought about their opposite in a dramatic geographic and technological reorganization of supply chains, a “revolution” in “the means of communication and transport,” as Marx put it.

One of the most important changes in the reorganization of supply chains is their geography, the concentration of workers in key “nodes” or “clusters,” along with their technological drivers and linkages. If suppliers have relocated to lower-cost areas within the United States or even offshore, bringing about a degree of vertical “dis-integration,” the sinews of transportation that move both intermediate and final products (including imports) within the United States have been reconfigured into enormous “logistics clusters” of transportation hubs, massive warehouses and distribution centers, “aerotropilises,” seaports, and sophisticated technology that bring tens of thousands of workers into finite geographic concentrations, mostly in or adjacent to large urban areas. While there are about sixty such clusters in the United States, the biggest of these are found around Chicago, Los Angeles, and along the New Jersey Turnpike in the New York–New Jersey port area, each concentrating at least a hundred thousand workers. Chicago’s metropolitan area is said to have 150,000 to 200,000 warehouse workers alone; according to one study, warehouse workers compose only about 20 percent of the total logistics industry in the United States. The giant UPS “Worldport” superhub in Louisville “provides 55,000 jobs.” That of FedEx in Memphis employs 15,000 workers directly, so far, while the Memphis airport in which it is based is the “largest cargo airport in the world,” as well as a rail and trucking hub employing 220,000 workers. Describing the workforce in the most modern of these clusters, the so-called “distribution cities,” one group of scholars
notes that they contain “a small percentage of professional, managerial, and technical occupations and a high proportion of working-class occupations.”

Altogether, the logistics industry in the United States employs 3.2 million workers, 85 percent of them located within metropolitan areas. This count failed to include the 166,000 railroad workers employed by the major freight carriers. Nor does this figure include all those involved in moving goods from cluster to cluster, so that the total figure might well be closer to 4 million. All the urban sites of the major logistics clusters are homes to large “ghettos” and barrios housing huge numbers of unemployed and underemployed working-class people, who are to a large extent “enclosed,” both spatially and occupationally, by racial segregation and discrimination, the disappearance or drastic shrinking of previous employment possibilities in manufacturing or the public sector, and the diminution of state benefits — they are the quintessential reserve army of labor. As such, the workers who maintain the internal infrastructure, fill the warehouses, and move things around within the cluster are paid poorly and treated as dispensable. This is the unspoken locational “metric” that makes the Los Angeles, Chicago, Memphis, and the New York – New Jersey metropolitan areas, with their millions of low-income black and Latino people and relatively high unemployment rates, the biggest logistics clusters of all.

Marx was clear that transportation workers who move commodities produce surplus value. Since commodities must change location both during production and to reach the market he wrote in the Grundrisse, “Economically considered, the spatial condition, the bringing the product to the market belongs to the production process itself.” In Volume II of Capital, he concluded, “The productive capital invested in this industry [transportation] thus adds value to the products transported,” partly through the value carried over from the means of transport, partly through the value added by the work of transport.

Like today’s logistics gurus, Marx considered storage as dead time that only added costs and produced no value. Today, however, as one warehouse management textbook put it, “companies are continually looking to minimize the amount of stock held and
speed up throughput.” Almost a third of warehouse companies in the United States practice “cross-docking,” in which “same-day receipt and dispatch is the target”; this is expected to rise to 45 percent by 2018. Even in more conventional warehouses, where stock may remain in place for a while, the object is to move it as quickly as possible. A growing number of warehouses also perform final steps in manufacturing, often to “customize” a product, including many imports.51

In other words, most warehouse labor today involves the movement, relocation, and additional manufacture of goods and is more akin to transportation or even manufacturing labor than mere storage. Indeed, following Marx’s definition of transportation as part of the overall production process, most of the workers in these giant clusters are engaged in goods production, despite being classified as something else by the Bureau of Labor Statistics. Furthermore, contemporary warehouses, like other production facilities, are high-tech operations. While in real terms for warehousing net assets in structures grew by 45 percent from 1982 to 2009, the value of equipment increased by 187 percent, compared to only 56 percent in manufacturing.52 Thus, the nearly 4 million workers in logistics, many once considered “service” producers, are in fact a central part of the industrial “core” of the working class. The supply chain, from raw materials to the very doors of Walmart, is, in the Marxist view, a production assembly line — one that is tightly controlled by JIT systems operating through logistics. Logistics clusters are, therefore, value-producing agglomerations at the center of today’s broader production processes, much as the clusters of auto-assembly plants in Detroit or the steel mills in Gary of yesteryear were at the center of their supply chains of parts, raw materials, and so on.

At the same time, competition, both domestic and international, has become increasingly “time-based.” As one expert put it succinctly, when it comes to product delivery, “Time has become a far more critical element in the competitive process.”53 Marx made the broader point that in the circuits of capital, as capital moves from its money form to commodities and then to market to become money again, “even spatial distance reduces itself to time; the important thing, e.g., is not the market’s distance in space, but the speed — the amount of time — with which it can be reached.”54
Since the actual speed at which trucks, trains, planes, and ships move things has not changed much in the last thirty years, the object of the “logistics revolution” has been, along with bigger ships and longer trains and truck trailers that carry more, to move more things as fast as possible with minimal “storage” time — both at the points where products change modes of transport (through the warehouse or distribution center) and all along the supply chain to the final market. They must aspire to, as Marx famously put it, “the annihilation of space by time.”

This requires advanced information technology. As one expert puts it, “An information supply chain parallels every physical supply chain.” Information technologies such as radio-frequency identification (RFID), global positioning systems (GPS), barcoding, electronic data interchange, and so on are employed to keep JIT delivery as tight as possible at each and every point. This constant push for speed, like “management-by-stress” in the immediate production process, puts enormous external pressure on workers all along the supply chain. With increased competition, advanced technology, and the “logistics revolution” more and more workers have found themselves locked into what amounts to a global supply chain gang. These chains, however, can be broken. Their very time-bound tension makes them extremely vulnerable to worker action.

This vulnerability is increased by the fact that, for the most part, their reorganization and tightening has meant that, on average, each supply chain employed in the production of a final commodity has seen a reduction in the number of suppliers, making the task of organizing them somewhat simpler and the impact of direct action in any one “node” in the chain more effective. In the US automobile industry this development has been spectacular, with the number of firms supplying the major assemblers, both US and foreign-owned, dropping from an average of one thousand to six hundred over the last two decades. As one logistics guru summarizes, “A further prevailing trend over the last decade or so has been the dramatic reduction in the number of suppliers from which organizations typically will procure materials, components, services, etc.” These “organizations” include service-producing firms as well as manufacturers. The reduction in the number of suppliers across much of the
economy is in part a consequence of the general consolidation of firms in industry after industry. That is, suppliers, like any capitalists, must compete by increasing technology and the scale of production.

Finally, all these changes in the concentration and centralization of capital and the rise of huge logistics clusters represent an enormous amount of fixed and sunk capital. It’s all very fine that, due to “financialization,” capital in its money form flies around the earth at the speed of light, spreading investment wherever it touches down, but once it “lands” and is transformed into roads, rails, ports, warehouses, factories, communications systems, equipment, and so on, these investments don’t just get up and walk away. As Marx argued in Volume III of Capital, “The transfer of capital from one sector to another presents significant difficulties, particularly on account of the fixed capital involved.” The same is true in terms of geographic shifts, whether at home or abroad. As David Harvey puts it succinctly, “The spatial mobility of commodities depends upon the creation of a transport network that is immobile in space.” Trucks must have roads, trains rails, planes airports, and even the biggest container ships or supertankers ports. The imbedded contours of industry, logistics, communications, services, and commerce that have taken shape in the last couple of decades are not likely to decompose or relocate much for some time — and their centers in major metropolitan population concentrations make much of this complex a more or less stationary target for unionization and collective action.

3

Labor on New Terrain
The new and emerging shape of US capitalism offers opportunities, not certainties. As always, the other dimension of class formation or reformation lies in the self-activity of the working class itself. It is through their own activity that working-class people begin to see the real nature of their relationship to capital and to develop the “militant minority” that is always the backbone of the waves of insurgency that characterize the rhythms of intense class conflict. Because the period of consolidation was also one of continuous disruption of old patterns of work and organization, as well as of the workforce itself, however, workers and their unions have been disoriented and often as a result defeated. Pulling out of this tailspin has proved difficult, with union membership in the private sector down to 6.6 percent in 2014 and up only 1 percentage point in 2015, despite a small gain of 195,000; union membership in the public sector has fallen to 35.2 percent; strikes are still at all-time lows. The reconfiguration of capital and the workforce, however, points to some broad strategic directions and opportunities. There are three dimensions that offer some promise: the larger size of national or regional corporations in many industries; the huge concentrations of workers, particularly blacks and Latinos, in urban areas; and the fragility of the whole JIT logistics supply-chain system.

The very structure of today’s logistically integrated, consolidated industries suggests organizing strategies that reach from factory or port, across truck and rail routes, to warehouses, and on to Walmarts, hospital complexes, supermarkets, and so on. In most of the industries described above, one or more unions already have a foothold. Worker-to-worker organizing in those industries, along the lines of the national corporations or chains, can use the stronger union presence in urban concentrations, much like socialist Teamster Farrell Dobbs approached organizing Midwestern truckers and dock workers in the 1930s. Dobbs and the Teamsters used truckers in the urban union stronghold of Minneapolis to “reach outward” to over-the-road truckers, warehouse workers, and local drivers in the Midwest.
Today, this can mean using the urban base to reach out to the adjacent huge logistics clusters and manufacturing “out on the interstate,” as well as local services. A routinely underused source of power in this regard is the large concentration of union members in the nation’s most populous metropolitan areas. Once a year in some cities, union leaders and activists manage to gather thousands of union members for a symbolic parade on Labor Day — and usually that’s it. Yet the Chicago metro area had more than 618,000 union members in 2014, Detroit still had 261,000 members, San Francisco – Oakland 259,000, and New York City’s five boroughs 877,000, while in the New York–Northern New Jersey metro area there are 1.7 million, and so on. If even a fraction of these union members can be recruited to worker-to-worker organizing in their area, to rebuild workplace organization — the “stewards’ army”-cum-“militant minority,” that is, the backbone of the labor movement — and mobilized as mass “street heat” to back up organizing, strikes, and other workplace actions, the conditions of the working class and their presence as a movement can make this part of the answer to gaping inequality and provide a visible alternative pole of attraction to right-wing “populism.”

If this is to work, it cannot be yet another attempt at bureaucratic top-down “mobilization” that can be demobilized at the will of union officials. Leadership is important, but it must involve the activist layer, tomorrow’s “militant minority,” seeking coordination across union lines. A serious chicken-and-egg question remains as to whether today’s level of organizing and resistance can break through the decades of bureaucratic inertia, or whether the unions must change to make these kinds of actions possible. Fortunately, there are thousands of union activists already attempting to change their unions into democratic organizations committed to strong workplace organization, member involvement, racial and gender inclusion, the rejection of labor-management cooperation in its many forms, and direct action when possible — in short, a rejection of the norms of bureaucratic business unionism.

To a greater extent than in the rank-and-file upsurge of the 1960s and 1970s, today’s movements for change in the unions share these ideas and goals as something of a common program. This is a wave of rebellion that has taken hold among teachers,
Teamsters, transit workers, nurses, telecommunications workers, public employees, machinists, and railroad workers, to mention a few. For the most part, these rank-and-file movements are more than mere electoral slates. Most began by fighting around the issues that affect their work and lives, only to discover that their incumbent leaders were incapable of waging such a fight. Labor Notes director Mark Brenner estimates that there are perhaps half a million or more union members in locals and national unions where the rebels have taken charge — with many more pushing at the doors. The activists that lead and fill the ranks of these movements are the potential material for the sort of “militant minority” that has always led change, growth, and confrontations with capital. More than two thousand activists from these rank-and-file movements, along with those from immigrants’ rights groups, workers’ centers, and other representatives of “alt-labor,” gathered in Chicago in April 2016 at the eighteenth biannual Labor Notes conference to exchange ideas, get inspiration, and perhaps create a shared identity.

The growth of labor organizations comes in waves or leaps in class struggle, not through gradual additions, as Silver, Haimson and Tilly, and Hobsbawm have shown. Hobsbawm rejects the commonly held idea that labor upsurges are correlated with capitalism’s business cycles, and speaks of “leaps” and “explosions” in conflict and organization. In particular, he points to periods of labor intensification as providing the “compression” underlying such “leaps.” While the causes of such upsurges are a matter of controversy among academics, there appear to be certain elements on which there is agreement on what underlies these waves of strikes and union growth. Among these are imbalances in class power, particularly when the powers that be, employers, the state, and so on refuse to recognize the legitimacy of the workers’ grievances, on the one hand, and when “the leadership of established working-class organizations [have] proved increasingly incapable of organizing effectively these workers’ patterns of collective action,” on the other. 65

The conditions faced by the US working class during the neoliberal period certainly amount to serious “compression,” while capital and the state today routinely reject the legitimacy of workers’ demands and most labor leaders seem incapable of organizing
effective collective action. The point, of course is not to wait for an “explosion” we cannot predict, but to take advantage of today’s conditions and the altered terrain of class conflict to hasten the day and magnify the power of the next upsurge.

“YE ARE MANY, THEY ARE FEW”

As in the past, capital has reshaped the wage-earning majority of society. If those who work in towering steel mills and multistory auto plants no longer characterize the majority of the core of this class, those who labor in the multistory warehouses, the huge concentrations that process and move the nation’s goods, the giant health care complexes that reproduce labor, the “cities” of hotels around the nation’s largest airports, the big-box retailers, the gangs that clean capital’s growing fixed assets, the armies that move urban transit systems, the crews that still construct the nation’s built environment, and scores of other concentrations of wage-earning labor, do — and do so in their millions. To fragment this class analytically into neologisms such as precariat, salariat, gigsters, etc., not only trivializes the transformations that have taken place but further disarms a working class already divided by race, gender, income, and more. A better understanding of recent class formation is called for — one that looks at fundamentals.

The central function of labor in a capitalist society to produce the value upon which the wealth of nations and capital itself are based. What made the old industrial proletariat powerful was not the specific products it produced but the wealth it created and the concentrated, oppressive conditions in which it labored. “It follows therefore that in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse,” wrote Marx in Capital. Unintentionally, to be sure, capital, domestic and foreign, has reproduced itself in the concentrated, oppressive image Marx outlined — even if the details are different.
While many have long seen globalization as a force of fragmentation, like many aspects of capitalism, it has generated the opposite. Under the pressure of intensified competition, capital has undone its clumsy conglomerate configuration and reorganized along older, familiar, more industrially rational lines, and in vastly larger concentrations of capital and labor that rival those even during its heyday a half-century ago. It has sought to annihilate the space created in extended supply chains by time in networks of tech-driven transportation and movement centered in huge agglomerations of labor. Despite its global reach, US capital, along with a good deal of international capital, has done this within North America as well as across the globe. As a result, to cripple a major “node” in this new configuration of capitalism is to halt the production of surplus value at home, across the continent, or over an ocean.

Closing down a multiunit production or distribution system by striking a key point in the supply chain isn’t a new tactic. Even before the sit-down strikers at General Motors in Flint, Michigan, most famously used this approach in 1937, Chevrolet workers in 1935 closed many other GM plants by striking its Toledo transmission plant. Remember, too, the twenty or so strikes at GM plants in the mid-1990s, each of which closed plants in GM’s JIT-linked US-Canada-Mexico system. Think of the more recent hiatus in oceanic trade, when far out into the Pacific Ocean “container ships lay stagnant in the water for ten days” and Boeing, Dell, Ford, and others felt a shortage of parts brought on by the slowdown and subsequent lockout of West Coast longshore workers in 2002. Today, this type of power is vastly magnified. A strike by warehouse workers, truckers, rail workers, or even building cleaners can halt the creation of value far beyond the immediate site of initial action. Similar actions by those who labor in today’s concentrated, interconnected sites of human reproduction can also disrupt “business-as-usual.” The multiplication of such actions can cripple capital’s relentless struggle against labor and alter political discourse — once workers and their organizations learn, or relearn, to deploy the tactic.

And then there are the numbers. There are the numbers concentrated in urban centers and logistics clusters, those positioned in supply chains “along the interstate” that run from factory to retailer to giant service centers in healthcare and daily
provision, as well as the concentrated numbers linked by company technology and increasingly by their own use of social media — in short, the far greater numbers of people who make, move, and deliver the nation’s goods and services. These are the millions, the vast majority, who can organize, strike, sit in, take to the streets, and even go to the polls in a new way. On February 16, 2017, tens of thousands of immigrant workers provided one example when they struck across the country on a “Day Without Immigrants” against Trump’s anti-immigrant offensive, closing restaurants, constructions sites, warehouses, poultry plants, and other businesses. 68

Today’s weakness lies not in the new shape of the working class or the commodities it produces, but in its fragmented consciousness, ethnoracial divisions, and poor organization. These are problems to be addressed by self-activity, interaction, and deeper, broader, more inclusive organization. But the power is there — in both the greater numbers of today’s actually existing working class and its strategic position at the heart of this highly integrated economy. Labor now fights on a new terrain that magnifies these sources of power.


7 Mike Parker and Jane Slaughter, Working Smart: A Union Guide to Participation Programs and Reengineering (Detroit: Labor Notes, 1994); Pietro Basso, Modern Times, Ancient Hours: Working Lives in the Twenty-First


10 Parker and Slaughter, Working Smart, 24–38.

11 Basso, Modern Times, 63–64; Marx, Capital, Volume I, 534.


17 Marx, Capital, Volume I, 578.


Marx, Capital, Volume 1, 775–78.

Ibid.


Gaughan, Mergers, 67–68.

Botwinick, Persistent Inequalities, 150–56.


54 Marx, *Grundrisse*, 538.

55 Ibid., 524.


60 David Harvey, *The Limits to Capital* (Chicago: University of Chicago Press, 1982), 386.


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