

Draft: Contemporary services and unproductive labor: some international and organizational-technological considerations

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MIWS will use a recently published CPUSA article as a jumping off point for talking about services today and productive & unproductive labor. The scope of the concrete part of MIWS's discussion is principally the united States, but MIWS will introduce some international considerations for thinking about services in the First World. It is MIWS's position that services cannot accurately be understood without taking into account what productivity is in a specifically capitalist mode of production. This requires looking at dynamics elements of organization and technology in services. Differences between the First World and the Third World are also important in examining the character of service activity in the First World. Karl Marx didn't say anything suggesting that any given service activity in 2008 would necessarily have an unproductive or bourgeois character, but concrete analysis applying Marx's theory shows that the majority of service occupations broadly defined are both unproductive and bourgeois. Among other things, MIWS will address whether the First World service sector labor force constitutes an impoverished surplus population as described by Marx.

The CPUSA article concentrates a number of issues that MIWS would like to discuss, not unique to the article, but present in various discussions of unproductive labor. MIWS does not know what the specific impetus was for

CPUSA's publishing the article. More advanced writings on unproductive labor MIWS will have to address at a later point. MIWS touches on Harry Braverman's work here and there briefly, but may deal with it in more detail later. MIWS does not claim to advance theory in this article in terms of saying anything new. Students of *Capital*, including *Theories of Surplus-Value* and draft manuscripts, should find no surprises. Hopefully, MIWS will clarify a few of the difficulties in analyzing services.

"OVERCOMING UNSCIENTIFIC CONCEPTS"

Making revolution requires carefully distinguishing friends and enemies and analyzing class structure. Making revolution also requires understanding how oppression works to eliminate oppression and prevent its comeback. Capitalism is the production of surplus value. Whether a group of people in capitalist society produces surplus value is relevant to its position in relation to capitalist relations of production. Unproductive labor is potentially important in understanding the contemporary dynamics and class structure of capitalism. Much consternation over the topic of unproductive labor concerns its real or presumed strategic implications.

The magazine of the "Communist Party USA," Public Affairs, has published an article on the topic of unproductive labor and new service sector jobs, "Overcoming Unscientific Concepts of "Working Class"."⁽¹⁾ The article (the text of which was previously published elsewhere) suggests that retail work that may be categorized as circulatory labor is not productive. However, the article argues, workers holding many of the new service sector jobs are not only proletarian, but also productive workers, producing "nonmaterial commodities," use-values, and surplus value. In illustrating its argument, the article makes use

of typical examples of service sector jobs and argues that software developers, computer support workers, hotel workers, and even advertising industry workers, are all productive workers. While the article suggests that each occupation that exists should be analyzed individually to determine its status as productive or unproductive labor, the claim is made that the "overwhelming majority of wage earners in the industrialized countries, despite the changes in the character of labor, remain productive workers, and as such are part of the working class." At the same time, the article states that unproductive workers are also part of the proletarian working class, and also exploited, despite not producing surplus value. The article distinguishes between being exploited, and producing surplus value. The article arrives at the conclusion that the production of surplus value is irrelevant to where organizing efforts should be concentrated. Crucially, the article's discussion is confined to imperialist countries, except for a reference to industrially organized call centers "in countries with lower wage costs" that is not part of any sustained discussion of international wage differences. The explicit and implicit context of the article's statements is the First World. For example, the article mentions France, the United States, and "industrialized countries," and also suggests that the majority of the proletariat today, unlike in Marx's and Engels' time, is non-industrial, clearly speaking of the First World "proletariat." The article responds to changes particular to the First World, but does not venture outside of the First World analytically and to some extent also treats the First World as if it were representative of the whole world.

The Public Affairs article is concerned with conceptions of the working class that conflate it with the traditional working class and may exclude service workers. The article considers the questions involved politically important and suggests that certain views of service workers are connected to an organizing policy focusing on the traditional working class. MIWS has several disagreements with the Public Affairs article. It will be obvious that MIWS agrees with neither the article nor the positions it criticizes explicitly and sees the particular debate,

that the Public Affairs article seems to stake a position in, as secondary to certain, more basic methodological and theoretical issues. MIWS does not support a traditional conception of the First World "proletariat" centered on manufacturing, extraction, construction, or agriculture. Nor does MIWS advocate for the inclusion of the majority of new service jobs in the productive category or the proletarian category. All of that belongs to an approach that, in fundamental ways, ignores imperialist parasitism and fails to use scientific conceptions of exploitation and relations of production. However, it should be understood that the Political Affairs article reflects somewhat of an advance within the u.\$ "communist movement" outside of academia.

There are few people in the West interested in communism from a scientific standpoint. There is a larger, revisionist "communist movement," but it holds itself together primarily by non-scientific means; it is in its nature to do so. The main cause of this is a flow of super-profit diverting science. Consequently, sustained theoretical attention to unproductive labor, as well as international exploitation, has been concentrated in academia and academically oriented contexts. Thus, any non-academic writing about unproductive labor has the potential to be interesting.

People acquainted with past discussions of productive and unproductive labor will be familiar with the themes touched on in the Public Affairs article, such as circulatory labor and productive versus necessary labor. In fact, though Braverman's work has a different scope and is more explanatory, supporters of Harry Braverman's position in *Labor and Monopoly Capital* will find nothing disagreeable in "Overcoming Unscientific Concepts," which claims that the unproductive workers who do exist are similar in their conditions to productive workers. Braverman's book also deals with the phenomenon of service sector growth, and it takes the position (among others) that this growth reflects the working class' proletarian status. Those who are truly interested in exploring the

topics the Political Affairs article touches on would do well to look at more comprehensive reviews of ideas about productive and unproductive labor, such as those provided in Edward N. Wolff's *Growth, Accumulation, and Unproductive Activity: An Analysis of the Postwar U.S. Economy* (Cambridge, New York, and Melbourne: Cambridge University Press, 1987) and Fred Moseley's *The Falling Rate of Profit in the Postwar United States Economy* (New York: St. Martin's Press, 1991). Those who are just interested in drawing from the Political Affairs article to support their preconceptions might as well return to the source, Braverman.

Most calling themselves "Maoist" in the West are phony. MIWS does not consider phony-Maoism to be in a special category separate from other revisionism. Given the choice between CPUSA and "Maoist" parties claiming to be interested in making theoretical advances, MIWS is indifferent. Those who act as though there were some crucial difference between non-"Maoist" revisionism and "Maoist" revisionism in the West, or that progress could be made with phony-Maoists, are wrong. Both "Maoist" revisionists and non-"Maoist" revisionists advance the interests of the labor aristocracy wing of imperialism, which includes the majority of u.\$ workers.

MIWS would be hard-pressed to identify anything original in the Political Affairs article, which seems meant to popularize the conclusions of theoretical work, rather than open up a scientific debate. However, what is specifically of interest is the article's recognition that there is a potential issue of non-proletarian class status where people are receiving an income but not producing anything material. Importantly, the article offers no reliable way of distinguishing "proletarians" in the Western unproductive sector from salaried employees and executives. The article suggests that some salaried employees are "direct representatives of the capitalist employer" and therefore bourgeois. Also, the article explicitly admits that some "wage earners" are unproductive workers. The

article accepts a distinction between productive labor and unproductive labor, even though it ends by claiming that the majority of imperialist-country workers are productive workers, which is more than MIWS can say for "communists" who don't even address productive labor and unproductive labor despite their relevance to claims communists make on various topics. Furthermore, the article admits that Marx said (in "Results of the Direct Production Process") that non-material production is on the decline under capitalism and is capitalist mainly in form only.

Despite touching on Marx's idea about the transitional character of even waged non-material production, the Political Affairs article states that investment in services has increased. Also, the article claims that productive and unproductive workers have similar conditions. It would seem that concrete analysis is important to the article. However, what characterizes the Political Affairs article and similar writings is a lack of concrete analysis of non-material-producing labor as a whole versus material-producing labor (and closely related service-providing sector labor versus goods-producing sector labor) and lack of study of possible relationships between material-producing activity and non-material-producing activity. Intersecting with this is a lack of concrete analysis of non-material-producing labor on a global scale.

To begin with, the article's own examples, while provocative (in raising the idea that Redmond and Madison Avenue employees are exploited proletarian workers), contradict its own claim about the similarity of goods sector and service sector jobs. The median hourly wages of Computer Programmers; Computer Software Engineers, Applications; Computer Software Engineers, Systems Software; and Computer Support Specialists; were \$33, \$40, \$43, and \$20, respectively, one year ago.⁽²⁾ The median hourly wage of workers in Advertising and Related Services, in all occupations (including Management Occupations), was \$20.⁽³⁾ The bulk of the non-management employees within Advertising and

Related Services was in Arts, Design, Entertainment, Sports, and Media Occupations (hourly median wage, \$24); Sales and Related Occupations (\$20); and Office and Administrative Support Occupation (\$14). Building and Grounds Cleaning and Maintenance Occupations, Personal Care and Service Occupations, Food Preparation and Serving Related Occupations, and Sales and Related Occupations (the categories relevant to the article's other examples involving hotels, and restaurants and retail stores as potential sites of productive labor), all had lower median hourly wages and employed millions of people. Rhetoric about new service sector jobs emphasizes low-paying fast food and retail jobs. Yet, the Public Affairs article itself points to a different picture of service sector jobs that is more mixed. The article does not bother comparing any wages, but the incomes of people the article calls proletarian are higher than the incomes of other "service" workers and production workers in manufacturing. (Actually, u.\$ manufacturing workers in general are very high-paid, compared with manufacturing workers in the rest of the world as a whole. In MIWS's and other scientific communists' analysis, even the majority of u.\$ manufacturing workers are bourgeois. But, the high incomes of u.\$ service workers are relevant to the changing class structure of the united \$tates, which may be becoming even more bourgeoisified.)

As discussed above, there are differences even among service occupations (here broadly defined to include occupations in both the service sector and the manufacturing sector). These may be important in considering occupational employment shifts, within service occupations and between manufacturing and services. Within the service context, software and advertising are better descriptions of jobs u.\$ whites will have as adults than burger-flipping. Using its methodology, the Bureau of Labor Statistics predicts that most job growth between 2006 and 2016 will be in occupations not involved in material-production, but also that a majority of new non-material-production jobs will be in major occupational groups ("Management, business, and financial

occupations," "Professional and related occupations," and "Office and administrative support occupations") that have median hourly wages much higher than the median hourly wages of employees in Building and Grounds Cleaning and Maintenance Occupations, Food Preparation and Serving Related Occupations, Personal Care and Service Occupations, and Sales and Related Occupations, which the Public Affairs article discusses, and Healthcare Support Occupations.(4) The higher-paying non-material-producing major occupational groups also have greater median hourly wages than Farming, Fishing, and Forestry Occupations; Production Occupations; and Transportation and Material Moving Occupations (which MIWS provisionally counts among material-producing occupations though clearly not all occupations in this group involve changing material objects or their location). According to the BLS predictions at the same major occupational group level, decreases in employment in lower-paying farming, fishing and forestry occupations (\$8.94), and production occupations (\$13.53), will be accompanied by increases in employment in higher-paying construction and extraction occupations (\$17.57); higher-paying installation, maintenance and repair occupations (\$18.04); and transportation and material-moving occupations (\$12.65). The percentage increases of construction and extraction occupations, and installation, maintenance and repair occupations, will be twice the percentage increase of transportation and material-moving occupations (all of which will be greater than the percentage increase of the combined 45-0000-to-53-0000 group as a whole).

In relative terms, a clear shift to non-material-producing employment is predicted. However, employment in the lower-paying sales and related occupations group, and in the office and administrative support occupations group, will decline as a proportion of total employment (and total employment in the combined 11-000-to-43-000 group). Within "service occupations," contrary to the suggestion that fast food work is typical of service sector growth, the least growth (albeit still above the country average) among five sub-categories will be

in food preparation and serving related occupations (13%), the lowest-paying of the major occupational groups within "service occupations." It will be less than the growth in healthcare support occupations (27%), protective service occupations (14), building and grounds cleaning and maintenance occupations (15%), and personal care and service occupations (22%). Because the median hourly wages of "service occupations" (major occupational groups within the broader "service occupations" group) other than food preparation and service related occupations, with the exception of protective service occupations (\$16), are still less than the median hourly wage of all occupations (\$15) and less than the median hourly wages of production occupations and transportation and material-moving occupations (for which there are predicted absolute or relative decreases), the BLS predictions at the major occupational group level seem to present a mixed picture of occupational employment trends in terms of income levels (trends in employment in what MIWS is calling "higher"- and "lower"-paying occupations). A more detailed and systematic examination of statistics, perhaps at a lower level of aggregation, would provide more clarity.⁽⁶⁾ Trends in occupational wages also need to be taken into account; relative wages may not stay the same. However, it can be stated with some assurance that most new jobs in material-producing occupations will be of higher-paying types, also that jobs overall in material-producing occupations are going to be of higher-paying types, while jobs in non-material-producing occupations will similarly be of higher-paying types. Furthermore, a majority of new non-material-producing jobs will pay more than most material-producing jobs. The income difference between material-producing and non-material-producing occupations, both in the united States and throughout the world, is one difference that may be important in understanding non-material-producing activity.

The claim that the service sector is increasing in the united States, and that this increase has some significance, elicits no controversy today. It has been an occasion for various writers to talk about service sector jobs from a variety of

standpoints. Some bourgeois economists are concerned with productivity and profitability. Other bourgeois economists, ignoring international wage trends and representing the labor aristocracy, are concerned with low wages in their countries. "Marxists" address the productive/unproductive labor distinction, because Marx raised it after bourgeois political economists. Yet, pronounced differences between material-producing occupations and non-material-producing occupations elude many "Marxist" writers. Some have focused on arguing that non-material-producing occupations are (in a variety of ways) no different categorically than material-producing occupations and therefore just as productive. For example, against the idea that many services are unproductive, it has been said that society could not subsist on any particular material commodity that is produced, such as just clothes -- a theoretical point that does not require concrete analysis. However, the differential growth of material-producing and non-material-producing occupation employment stands out in sharp relief. Simply, if there is no difference between material-producing and non-material-producing occupations, why has non-material-producing employment grown at a much faster rate? What, in fact, is the difference between material-producing and non-material-producing occupations that would allow differential growth?

Various writers have offered complete or partial explanations of the growth of non-material-producing economic activity, explaining it as unproductive activity and attributing the growth of unproductive activity to the dynamics of capitalism or imperialist trends. Arguments such as the Political Affairs article's, that claim that the majority of non-material-producing activity is productive, deprive themselves of the ability to explain the differential growth of material-producing and non-material-producing activity. The Public Affairs article approaches the topic of non-material-producing activity by focusing on the relationship between workers and the individual firms in which they are employed. Because the workers' labor is necessary in the production of a salable service or service-intensive product and increase the firms' profit, and receive

less than the revenue they generate, the article claims that the workers are productive and exploited. Thus, the article juxtaposes a theory with a relationship that may be observed to exist in any firm, which necessarily has a product (whether a good or service), a revenue inflow, and some kind of human factor input. The Public Affairs article in this way justifies categorizing the majority of employed non-material-producing labor as productive labor, but does not offer an explanation of the growth of non-material-producing activity.

By emphasizing a relational form within a firm as the factor determining whether labor is productive or unproductive, "Overcoming Unscientific Concepts" renders unnecessary an examination of the relationships between firms, between industries, and between workers. Jobs in non-material-producing occupations are more than three quarters of all jobs. "Overcoming Unscientific Concepts" does not need to explain how such incongruous amounts of material-producing activity and non-material-producing activity could exist in a coherent economy. No relation between material-producing activity (or any industry) and non-material-producing activity (or any industry) is acknowledged. Non-material-producing activities are treated as being theoretically identical to material-producing activities and as having the same characteristics and relationships as material-producing activities. Only the relationships within a firm are seen as mattering. Yet, lateral relationships between firms and structural relationships between different activities are important. The firm is just a unit of production through which capitalist relations of production are expressed. In the first place, as theorists of unequal exchange have shown, the production and realization of surplus value do not take place merely at the level of individual firms and within them. Surplus value produced in one place may be realized in another place and in a geographically uneven way such that wages in a region may exceed not only the value of labor-power, but also the total value produced by the local workers. It is one of MIWS's contentions, which it will elaborate on later, that the question of services and productive/unproductive labor is

intimately related with the topic of the production of surplus value in the imperialist world economy.

The Public Affairs article focuses on the united States, a constraint that would shape how one analyzes non-material-producing activity in a concrete and systemic way. If it were supposed for the sake of argument that only the united States existed in the world and that the u\$. economy were the whole world economy, the size of non-material-producing activity might be explained as a consequence of the rising organic composition of capital (and eventually decreasing employment of productive workers) or competition under monopoly capitalism (as some writers have in fact argued). Much of the non-material-producing activity would be unproductive activity, and the unproductive sector would rest on the productive sector. Value realized in the unproductive sector would largely be surplus value produced by workers in the productive sector.

The Public Affairs article makes no such argument, however, and cannot, because the assumption that non-material-producing activity is unproductive activity rules out an explanation of the majority of non-material-producing activity in terms of unproductive activity. Consequently, the article gives the impression that the growth of non-material-producing activity could continue indefinitely. Yet, the article does not explicitly suggest a de-materialization of the economy either.

A great de-materialization of the economy could imply one of two things: a preference for services (or items that are tangible, but produced primarily with non-material-producing labor, as may be the case with reproducible art or computer software stored in a physical medium), or high productivity of material-producing activity, done by a minority of the population, such that a majority of the population does not need to be employed in material-producing activity to have a desired level of material consumption (desired by either

capitalists, workers, or both). The first suggests that, far from just getting by, u.\$ workers have advanced beyond a day-to-day struggle for subsistence material goods. With a high enough living standard, they may be labor aristocracy. The second suggests that productive forces in the united \$tates are just more developed than productive forces in other countries. The united \$tates may have the same standard of living as other countries, but since its goods-producing sector is just more productive than the goods-producing sector in other countries, it does not need to be as large, and so material-producing activity presumably concentrated in the goods-producing sector does not need to be as large.

The fact, however, is that the united \$tates has a higher standard of living than most countries in the world, particularly Third World countries. Also, as Claudio Jedlicki has suggested recently, the productivity of manufacturing relocated to the Third World relative to the productivity of manufacturing in the First World for the same products has been understated.⁽⁷⁾ And, with an international division of labor, the First World and the Third World each produce products that the other does not or less so. First World people may consume different products (corresponding mainly to higher living standards), and imperialism may have obstructed the development of manufacturing in the Third World, but a simple relationship between physical productivity and the relative size of non-material-producing activity cannot easily be assumed. The different material/non-material compositions of the united \$tates and other countries cannot readily be explained in terms of differing productivity. After all, the First World is integrated with the Third World, and the First World and the Third World do not produce just for themselves. But, differing standards of living internationally can shed light on the causes of the growth of non-material-producing activity in the united \$tates by drawing attention to international transfers of value and relationships between the economies of different nations and their sectors.

Even within countries, MIWS has shown with statistics for the united States that many new jobs in non-material-producing occupations will pay more than average jobs in material-producing occupations. There are also trends toward higher pay within material-producing occupations as a whole and (separately) non-material-producing occupations as a whole. Globally, the difference between material-producing and non-material-producing occupations is even more pronounced in terms of income. It is common knowledge that the service sector is increasing in size not only in First World countries, but also in the world as a whole. "Globalization" has been associated with the "globalization" of services. What is less recognized is the distribution of the service sector and what this distribution potentially means for the distribution of income. Employment in non-material-producing activity coincides with patterns in the flow of surplus value in the world.

There has been relative growth of the world service sector, but the service sector remains disproportionately (in terms of employment and output) located in the First World. Also, OECD countries' share of world service exports is greater than its share of world exports of any kind. The first thing that may be noticed about services, then, is that the distribution of services seems to correspond to a division of nations into imperialist nations and oppressed nations. Typically, increases in the size of the service sector in individual imperialist countries are not seen and discussed within the context of a larger increasing trend in First World countries, nor within the context of the disproportionate concentration of services in the First World in comparison with the Third World. It is as if changes within individual First World countries were either unique to each country or reflective of changes in the world as a whole, uniformly. This precludes noticing the *imperialist* quality of much of the service sector.

Here, the rhetoric of people supporting various exploiter interests should be kept in mind. On the one hand, it is claimed that the labor aristocracy is

experiencing a loss of wages connected to the service sector growth. On the other hand, there are those decrying the offshoring and "globalization" of services. And on the other hand, there are those who laud the benefits of the "globalization" of services for so-called developing countries. To add to this, there is the continuing specific concern over the domestic decline and international relocation of manufacturing. So, there is both concern over the relocation of service-production and concern over the relocation of manufacturing, in spite of the re-specialization and higher wages for First World workers that either relocation might suggest if services are low-wage industries domestically, but also a sign of development internationally. There are few people who are willing to assess these potentially contradictory or mutually canceling concerns systematically. And actually the same people may be found saying all of these things at different times. So, what happens is a rhetorical balancing act: Partisans defend keeping "jobs" in their countries for those countries' workers, but also put forward their countries' service-intensive economies as models for "developing" countries to follow. In other words, it is both "America-first" and that amerika is the best.

Such unscientific thinking among exploiters becomes chauvinism. It does not lend itself to finding the truth. What is key are not wage (even "real wage") changes within a country, but changes within international contexts and international differences. In the context of claims that the growth of services benefits the Third World, it is fruitful to look at the composition and characteristics of these services and services in the First World. Services (with a capitalist form, organized in capitalist units of production) are concentrated in the First World, but a closer look reveals important details. According to one study, the service sectors in China and India (which together have a combined population of 2.5 billion people) were unevenly distributed spatially and concentrated in urban areas.⁽⁸⁾ In the Third World in general, the formal capitalist service sector is concentrated in urban areas and has higher wages than the manufacturing sector. It is less clear what the determinants of wages in the

service sector are, which would be interesting from the viewpoint of looking at the relationship between parasitism and service sector incomes. But there is a concentration of capital to begin with that is worth thinking about and overlaps with a class differentiation.

Despite the narrow exploiter or exploiter-aspiring perception of services as being degrading, workers like food preparation workers and servers, dishwashers, and janitors, are a small minority of service sector workers. Even if one were to combine the entirety of workers in the BLS's Protective Service Occupations group (which includes not only security guards, but also "detectives and criminal investigators"), Food Preparation and Serving Related Occupations, Building and Grounds Cleaning and Maintenance Occupations, and Personal Care and Service Occupations (including fitness trainers), and cashiers from Sales and Related Occupations, one would still be talking about only a minority of service sector workers. Non-manufacturing-type occupations continue to be bourgeois or at least petty-bourgeois even by common "Marxist" definitions.

Before MIWS compares the First World service sector with the Third World service sector, a difference in incomes should be noted. The lowest-paying (median hourly wage) category within the BLS's Sales and Related Occupations group is Cashiers (\$8.25), next to "Door-to-Door Sales Workers, News and Street Vendors, and Related Workers" (\$9.33). The lowest-paid category within Office and Administrative Support Occupations is Hotel, Motel, and Resort Desk Clerks (\$9.11), followed by Stock Clerks and Order Fillers (\$9.85). Within Food Preparation and Serving Related Occupations, the lowest-paying category is "Combined Food Preparation and Serving Workers, Including Fast Food" (\$7.57). Yet, *daily* manufacturing wages in India were typically less than \$12 (2005 average INR-USD exchange rate) in 2005, according to data provided by the International Labour Organization Bureau of Statistics. Chinese manufacturing wages are comparably low.⁽⁹⁾ Even the lowest-paying service sector jobs in the

united States pay more than typical manufacturing sector in the Third World. A growing high-wage/salary u.\$ service sector coincides with a low-wage Third World manufacturing sector.

The Public Affairs article talks about wages, but mostly abstractly, not with reference to wage differences. What the Public Affairs article does say about wages is that various employees receive them, some in the form of salaries. This is the first clue that the article's definitions of "proletarian" and "productive" have nothing to do with exploitation and relationships between groups of people as they exist in the real world. Anyone and everyone can be exploited from the point of view of corporations' paying employees "wages" while maintaining a profit. But if hundreds of millions of people in the Third World are getting \$0.50 or even \$2.00 an hour, and surviving with that income more or less, while a smaller number of First Worlders are getting \$8.00 an hour in service sector jobs, it could be that the Third World workers are supporting the First Worlders through the difference between the total value of their labor and their wages. While there is someone working for \$0.50 an hour, there could be up to maybe seven or eight people living without working, with an amount left over for investment, if the money equivalent of one labor-hour were, say, \$5.00, and a day's income reflecting \$0.50 per hour of someone's labor were enough to survive.

Now, the federal minimum wage of the united States is not \$0.50 an hour, but \$5.85, and will soon increase. The median wages of even the lowest-paying occupations are higher. Aside from whether First Worlders' labor may be classified as productive or unproductive, the Maoist Internationalist Movement (MIM) writer MC5 has discussed how it is unlikely for a First Worlder getting something like \$8.00 an hour and a Third World worker getting, say, \$0.50 an hour (MIWS's numbers) to both be exploited in the same economy.⁽¹⁰⁾ The rate of profit in the Third World isn't high enough and indigenous Third World capitalists and First World capitalists aren't rich enough for the difference

between \$8.00 and \$0.50 (or other, comparable disparate amounts) to make sense other than as something that is largely due to a transfer of value to First World workers. There isn't \$7.50 an hour times 2000+ hours a year times hundreds of millions of Third World workers dispersed somewhere somehow just among capitalists (formally owning means of production and not working) or the top 1% of the population by income.

The same Public Affairs article says nothing about international transfers of value, concretely or theoretically. If these CPUSA people were to acknowledge that the majority of First World workers are exploiters according to the definition of exploitation in *Capital* and that those First World workers were net-recipients of value and labor, one might be able to have a conversation with them about how to further classify such workers. As it is, "Marxists" claiming that the First World working class is a proletariat are generally clueless about the majority of super-profit and surplus value and where they come from. Some openly disdain the quantitative study of global surplus value and international exploitation and encourage people to think in a way that favors seeing living standards in different nations as mainly a reflection of the development of the productive forces within each of those nations. It is the chauvinist and imperialist perspective of militant elements of the First World labor aristocracy that combines First World petty-exploiter "revolution" with ignorance of international exploitation.

In not tying theory to concrete differences, the discussion in "Overcoming Unscientific Concepts" borders on being philosophical. There is discussion of theory that is abstract, but not connected to material reality, and the theoretical positions upheld are unsuitable for analyzing specific things, in particular times and places, despite attempts to apply them. The only major concrete thing that the Public Affairs article recognizes explicitly is that "the number of workers employed in the knowledge and information branches of the economy as well as in the service sector" has increased and manufacturing employment has

decreased. Otherwise, non-material-producing activity is treated in an abstract way. The article talks about some details of specific industries for illustration, but workers in an industry are inevitably seen as being productive, because all industries have an output, which the article calls a "commodity." (The software industry, for example, is seen as having specific traits, but it is considered entirely abstractly. There is no sense of the industry's size or anything else concrete other than that the industry has grown.) In fact, the article is at pains to classify any labor performed in a firm setting as unproductive, because the extremely broad criteria that the article uses to classify labor in the software industry, for example, as productive (except for whether the u.\$ government could count the labor's product as an asset depreciable for tax purposes) would apply to labor in any industry. Unsurprisingly, the article ends up counting even the advertising industry as part of the productive sector.

The Public Affairs article has some difficulty classifying some restaurant workers and retail workers because of what Marx said about expenses of circulation not contributing to the value of commodities. But, on a more positive note, the article is more honest than other arguments that count the majority of service sector workers as proletarian but straddle the fence by allowing that high-paid professionals such as lawyers etc. are bourgeois or petty-bourgeois. "Overcoming Unscientific Concepts" openly suggests that any "wage-earner," no matter how highly paid, is productive and proletarian.

While not offering an explanation for the growth of unproductive activity in particular, the article suggests that the "growth of the mass of capital and the accompanying technological development" increase employment in both productive and unproductive activity. The growth of unproductive activity appears limitless and, in the absence of any reference to international exploitation, appears constrained only by the domestic development of productive forces. But another indication of the article's lack of concrete analysis

is language that conveys the impression of concreteness but in fact says nothing:

"The decline of the relative percentage of workers in the manufacture of material commodities in relation to non-material commodities and the growth of the percentage of workers involved in unproductive labor have not led to the decline in the percentage of wage earners exploited by capital."

Of course, the percentage of wage-earners exploited by capital cannot decline, because in the article's definition, any "wage-earner," productive or unproductive, is exploited. All "wage-earners" are exploited and will remain exploited. In the article's abstract world, there is just wage-earners versus the capitalists. The productive/unproductive labor distinction ends up being another one of those details about Marx's labor theory of value supposedly of no strategic significance, just another thing that First World chauvinists have to read up on to pass themselves off as Marxists while retaining their fundamentally bourgeois ideas about economics.

Regarding material- versus non-material-production and abstract argumentation, it should be clarified that the material/non-material distinction is not the most important one in Marx's concept of productive labor. Marx's concept of productive labor is part of his larger theory of value. It was part of Marx's argument against the bourgeois political economists of his day that materiality was not the most essential thing about productivity and value. Rather, a social relationship, in which a labor class is subordinated for the expanding production of surplus value, is central. In this context, even material-producing activity may be unproductive. However, the fact that Marx did not consider materiality central to productivity in the abstract does not mean that Marx's method has nothing to say about services in the concrete.

SOME CHARACTERISTICS OF THE SERVICE SECTOR

The growth of the First World service sector is the most concentrated expression of the growth of parasitism, as MIWS will argue. But, there are differences within the loosely defined global service sector that shed light on the nature of the relationship between the First World service sector and the world economy.

One of Harry Braverman's theses is that capitalism eventually commodifies and marketizes labor that was previously done domestically in the home or outside of the market. In recent years, the growth of the informal service sector in the Third world, particularly street food preparation and vending, has been attributed to urbanization, a decrease in non-working time, marketization of social reproduction, and unemployment. A majority of urban workers in some places get food from street vendors. However, cursory examination reveal that the growth of the food preparation and serving industry in the united States takes place under different conditions than the growth of street food vending in Third World cities. According to a study of the street food sector in Calcutta published in 1996, street food sector employees in Calcutta received an average 900 rupees per month, which was about US\$25 *a month* in 1996 dollars, according to MIWS's calculation.⁽¹¹⁾ (The average monthly vendor profit according to the researchers was about US\$70.) The federal *minimum* wage in 1996 was \$4.25 or \$4.75 *an hour*.

To say nothing of non-wage differences between the conditions of u.\$ and Calcutta informal sector workers, would anyone suggest that u.\$ food preparation workers produce twenty, thirty, forty times the value that the Third World workers do? Or that people in New York using just their labor make hot

dogs forty times faster than people in Calcutta make dumplings? This is in fact what chauvinists suggest when they say First World service sector workers are exploited but do not account for the distribution of the implied amount of surplus value in the Third World. Some chauvinists resort to claiming that First World workers are more exploited than Third World workers, because of a difference between First World worker productivity and wages.

Something that the world food price increases are revealing is a difference in living standards and potentially also a difference between First and Third World food service sectors. First World restaurant menu prices have not been increasing as much as food prices. There are various reasons, but a long-term one is that food costs constitute only a small portion of menu prices. A greater fraction of a menu item's price goes to labor as wages. Food service price differences between the First World and the Third World, and food service wage differences, have little to do with the embodied labor value of food service items. The First World workers' pay is greater because First World workers' incomes in general have become detached from the value of labor-power and are determined by other dynamics. First World food service wages are related to First World food service prices, but the prices themselves require explanation.

Incremental food price increases are resulting in starvation and homelessness in Third World nations. People are not able to pay for even staple foods. In First World nations, restaurants and food service vendors sell a large variety of non-staple foods. There are no starvation deaths in the united \$tates except as an individual phenomenon, not a class condition. The First World food service sector does not represent in the main a commodification of the previously domestic reproduction of labor-power. Rather, it is based on the high incomes of First World consumers.

The First World food service industry is not the most parasitic industry in

the First World. That is not the point. But, it illustrates parasitism. Whether or not people in the First World had jobs in food service, First Worlders would still eat more than Third Worlders. There is a concentration of resources to begin with. Occupations arise that are related to the disposition of those resources.

One source of confusion about productive and unproductive labor has been ideas about the necessity of services relative to material products. Since many goods are luxuries and not necessities, it may seem that there is no difference between goods and services. In the real world, though, the distribution of services, and the geographic location of their "production," overlaps with the distribution of surplus value. There are people in the First World with \$7.00-an-hour jobs in food service because there is surplus value in the First World, and the wage can be \$7.00 per hour only because borders and oceans exist separating the First World from Third World workers doing the same labor for twenty-plus times less pay.

The Public Affairs article is right in one sense. The conditions of productive and unproductive workers in the First World are similar. They are similar in that both groups in the main are bourgeois, while the conditions of productive and unproductive workers in the Third World are similar; they are proletarian. People in Third World urban areas who cannot be employed in the productive sector may be forced into the informal service sector, which does not have characteristically capitalist patterns of development. People in their families and communities may be in the productive sector. In First World nations, there are whole groups of millions of people most of whom will be employed in the unproductive sector and get high wages that are possible only with the exploitation of an external proletariat. Globally, First World service sector wages are bourgeois.

Ultimately, Harry Braverman's and similar ideas about the expanding

marketization or commodification of society could be right in the sense that a tendency exists. But those ideas themselves still would not explain how a gigantic service sector could exist in the First World. Braverman does attribute the relative growth of the service sector to declining employment in an increasingly productive manufacturing sector. But the source of the capital going into the service sector would still need to be identified. Workers in the u.s. manufacturing sector, which is also comparable to the Third World manufacturing sector for productivity in the production of consumer products, do not produce enough value to account for the size of the service sector. Braverman's suggestion that the capital comes from the domestic productive sector is wrong when evaluated in a global context.

When Braverman was writing, in the mid-1970s, manufacturing employment was going to grow in Third World countries. The idea that Braverman raises about the rising organic composition and productivity of capital and unemployment, or absence of employment particularly in manufacturing, would be a better description of capitalism as a whole at a late point in its development. (Manufacturing employment has decreased as a share of total employment in some Third World countries recently.) As an alternative to massive unemployment, people who cannot be capitalistically employed could find themselves in various occupations in which they receive portions of the surplus value created by productive workers, but at wages or incomes lower than the wages of the productive workers. The problem with this for what the Public Affairs article is saying is that the CPUSA article counts the majority of the service sector's workers as productive workers. Even if it did not, the majority of the workers in the service sector are regularly employed and correspond to none of Marx's enumerated forms of the laboring surplus population. Without explaining service sector employment in terms of parasitism, the Public Affairs article ends up treating capitalism as if it could go on indefinitely. Capitalism is able to generate productive service industries without limit. A large surplus

population does not appear possible. What would be a surplus population can be subsumed under capital by employment in a productive service sector.

Braverman quotes Marx on the throwing off of laborers from increasingly productive modern industry into "old branches of production," in which part of the product of modern industry, the increasing mass of means of production, may be consumed. The exploitive implications of employment in activity that is less productive or not productive at all, or in pre- or non-capitalist activity, with incomes greater than the incomes of the vast majority of productive workers in the world, are not addressed.

Braverman suggests in chapter 17 of his book that the surplus population is concentrated in the Third World. However, the conditions of First World workers and Third World workers, which have lower wages and higher unemployment, are not systematically compared. Consequently, Braverman, Braverman's followers, and his half-followers, are unable to imagine the conversion of what could be a surplus population in the First World into a bourgeois class, because of a generalized condition of imperialist parasitism. A surplus population is seen as exerting a downward pressure on the wages of the First World workers who moved from manufacturing to services.

Braverman's followers who deny the exploitation of Third World workers by First World workers are in a difficult place. The current unemployment rate in the united \$tates is 5%, meaning that most of the surplus population not employed in modern industry would be employed. If the growth of non-production occupations in the united \$tates reflects a surplus population, the conditions of the workers employed in those occupations, even if regularly employed and not among the stagnant portion of the surplus population, should be worse than the conditions of workers in the production occupations. But even if one excludes management occupations entirely, the weighted mean and

weighted median wages of non-material-producing occupations (data used from the BLS's Occupational Employment Statistics) are greater than the weighted mean and median wages of material-producing occupations, according to MIWS's calculations. Even if Business and Financial Operations Occupations were excluded, too, the weighted mean and median wages of the non-material-producing occupations would be higher. Furthermore, the conditions of the larger surplus population in the First World supposedly reflected in a larger service sector should be worse than the conditions of the Third World working class. Yet, they are not. The consumption of the employed in the Third World is less than the consumption of the unemployed in the First World.

One could argue, in response to the last point, that productive forces have developed in the world as a whole, that people in the Third World are experiencing the brunt of the effects of the development of accumulation. But it cannot then simultaneously be maintained that productivity in the Third World is low to support the idea that First World workers are exploited despite huge wage international differences. The supporters of Braverman's theses would have to resort to convoluted arguments to explain the conditions accompanying the larger service sector in the First World, larger than the Third World's, for example, the claim that First World workers have become poorer relatively speaking as First World capitalists have become richer. Or that the productive forces in the Third World are separate from, and less productive than, the productive forces in the First World (to explain why First World workers in general have higher wages), while somehow capitalists find it necessary to invest in the alleged low-productivity Third World manufacturing when they could invest in the high-productivity First World manufacturing.

MIWS could entertain all kinds of arguments that consist of theories combined with uninvestigated assumptions. But one should proceed from facts, not uninvestigated assumptions. According to the previously mentioned study of

Chinese and Indian service sector growth, several imperialist countries not only had larger service sectors (as a percentage of country GDP) than China and India; real estate was a much greater proportion of their service sectors.⁽¹²⁾ In 2003, the real estate proportion was consistently around 30% (29%, 31%, 32%, and 31%), greater than China and India's 6% and 12%. As large as they are, China and India may be outliers, as the study suggests. But transport and storage had a relatively greater role in the Chinese (9%) and Indian (11%) service sectors, than in the united \$tates', where "Transport, Telecommunications etc." (a broader category including not just transport and storage, but also telecommunications) was only 8%. The imperialist country service sectors are not as oriented toward capitalist production and the export of material products. And the First World has a larger service sector in general while at the same time it is a net-importer of material products even in dollar terms, which understate how much the First World imports. At the global scale, the Third World appears as the producer, and the First World appears the consumer. World capitalism does not disemploy people in the Third World while leaving a concentration of modern industry in the First World. Rather, parasitism generates the bourgeoisie and the proletariat on a global scale. The bourgeoisie, of which the majority of the First World is a part, exploits the productive workers in the Third World.

PRODUCTIVITY AND THE COMPOSITION AND ACCUMULATION OF CAPITAL: TECHNICAL SUPPORT, FILM EXHIBITION, AND OTHER EXAMPLES

Any economic activity on a large scale will be capitalist in form in the First World, but it will not necessarily be capitalist in essence. The essence of capitalism is the production of surplus value. In the course of production, surplus value is produced and then realized as capital. The money is divided into constant and variable capital and exchanged for dead and living labor in the form of means

of production and labor-power. The difference between productive and unproductive labor is that productive labor is exploited in the production of more surplus value. Analysis shows that even First World productive sector workers are net-recipients of value, exploiters, but it can at least be said that the factory workers, miners etc. are adding some value to commodities that will be converted into capital.

Real estate separate from construction does not produce any value, and so it does not produce any new surplus value that could be turned into productive capital in either the real estate industry or any other industry. Real estate activity forms its own industry with an accountable output, revenue, profit, etc. -- it even makes a showing in export statistics that show that the First World trades services for goods -- but it basically involves the shifting around of surplus value. Part of the value of constructed buildings may be realized in the real estate industry, but the real estate industry's particular contribution as an industry does not result in new surplus value that can be capitalized in enlarged capitalist reproduction. The productivity of the real estate industry is an illusion resulting from looking at things not from the viewpoint of capitalist accumulation, but from the viewpoint of individual firms and industries.

The real estate industry obviously involves tangible things, but the industry's specific contribution is not material. The materiality of some of the output of the service sector is a potential source of confusion in thinking about services and productive and unproductive labor. The Public Affairs article seems compelled to relate services to material things despite suggesting that commodities may be entirely non-material. For example, the work of computer support workers is related to printed instruction manuals and their creation.

In the first place, few would suggest that casino poker dealers' work is productive because it is a substitute for a physical entertainment product, but this

is the kind of argument the Public Affairs article makes about computer support services. It seems that services have to be related to some material commodity. Computer support services can be commodities in any way except by themselves. The article ends up saying:

"Even though the product has already been purchased, the availability of the support service is implicit in the purchaser's understanding of his or her ability to realize the use value of the product. The labor of the support worker, therefore, must be considered part of the socially necessary labor embodied in the production of the commodity, regardless of whether the producing firm charges separately for such support."

According to the article, then, support workers' labor is actually part of the labor constituting the value of the computer. The logic of the argument is such that a range of services including expensive programming support, and a range of support session durations, could be counted as part of the computer package. Yet, people in the Third World have no problem using computers without paying \$20 an hour for support. Instead of admitting that support provided to individuals may be something extra separate from the computer and specific to individual users' varying applications of the product and information preferences, the article purports to show that support service in general is a necessary part of the computer package. The article should just come out and say that telephone support service is itself a commodity. It doesn't matter if it is necessary or not. Information in some kind of form could be necessary to use a product, or it could be something special, more specific; support service in any case would itself have use-value and have a commodity essence. In a broader sense, something does not have to be "necessary" to be a commodity, as luxury goods show.

Telephone support service is actually an example of something that is not typically capitalist. True, some support operations that were done in-house were

outsourced. There has also been a centralization of support services with mergers, and individual support companies have grown. However, the nature of the support services limits the development of productivity. Companies do various things to squeeze more work out of support workers. Call centers want more quality calls per hour per worker. However, there is a limit to what technical and organizational changes can do for increasing productivity.

One can fantasize about robots and intelligent computers taking over from support workers. Call centers are already partly automated. There have been developments in the use of computers for routing and queuing, and information storage and retrieval, and computers can be used for speech recognition and synthesis. But, one when looks at what this looks like in reality, it is not clear that it is the same service being produced at a greater amount per worker. It is a different service, as complaints about automated and scripted interactions and call transfers reveal. The product has changed as technical and organizational changes have been introduced. It is not a necessary consequence of every change. A simple change in organization may reduce idle time without changing quality or what any support call sounds like. However, there is an inherent difficulty in increasing productivity in support operations. At its center, support service is simply a way of delivering information. The result of support service is simply knowledge existing inside somebody's head, information that becomes implemented by the user. This result can be achieved in a variety of ways that are not tied to particular packagings. The vehicle (phone call, kind of phone call, e-mail, etc.) nonetheless makes a difference in people's choices, and producing the same vehicle on a larger scale with fewer workers runs into limits. The industry has not reproduced, using technology, the humyn element of support interactions in its original form consistently. Even what appears to be an efficiency-driven division of labor in call centers between workers with specialized training and functions can degrade the support service "product."

Karl Marx did not contemplate robots, and nor did he claim that one worker would eventually produce everything with machinery. Neither did Marx say there would never be new products replacing substitute products. However, there is not in computer support operations a growing concentration of dead labor as there is in the manufacturing sector, something that should be found in capitalist production. Instead, technological advances, involving the World Wide Web and e-mail, have eliminated certain support operations, or greatly reduced the demand for (or relative cost of) them and made them unprofitable. If it were possible to use computers and artificial intelligence software to replicate the human element entirely, computer service might cease to exist as a distinct industry. Qualitative change in productivity might destroy the industry.

For many personal service occupations, it is clear that there have not been continuous advances in productivity. There has been the appearance of distinct businesses providing certain services, and some consolidation or centralization in the sense of ownership, and today, most, but not all, personal services are provided, and work is organized, in what appears to be a "capitalist" way. People who want to make money by providing services have to get a business license and pay building or space rent, or work as an employee for a company. Except for industry-specific privileges and obligations, a service company may be legally and structurally identical to a manufacturing company and in that way may appear "capitalist." But, if one is not to use ideologically laden bourgeois definitions of "capitalist," just making a profit or making an exchange is not sufficient for an activity to be capitalist. Capitalist forms have spread to encompass service activity, which may be profitable, but the majority of service activity is not necessarily productive and essentially capitalist economically.

Urbanization, which MIWS previously mentioned in the context of street food, is interesting in its own right. Haircutting is a personal service that is done in rural areas in both the First World and Third World. In the Third World, a

barber may go around with a toolbox in a village cutting hair, or people may travel to a barber's home and there pay for a haircut. In the First World today, people in rural areas drive to a shop in town or to someone's home. The room that a hairdresser works in in their house can look like a professional salon in a city with a hairdressing chair and mirror, hair care products, and even credit card payment processing equipment. Such a hairdresser will have a business license. Government and financial centralization emanating from cities causes First World rural hairdressing to take on a "capitalist" appearance. As people move to cities, people who might have been self-employed barbers and hairdressers in the country start to work in city barbershops and salons. Of course, now, people born in the city who have never been in the country aspire to be cosmetologists. The MIM has pointed out that haircutting has basically remained unchanged over time and is difficult to monopolize, indicating something that is not typical of capitalism.⁽¹³⁾ The surrounding form of haircutting has changed, and First World haircutters in some cases may appear to work with a higher "capital-labor" ratio, but haircutting labor productivity has not basically increased. First World haircutters, though, can get \$10 a cut while Third World haircutters get less than \$1 a cut, a difference that has nothing to do with productivity. A relevant question is: Has there been an expansion of dynamics of accumulation into haircutting, or is the capitalistic form of some haircutting due to a related but partly independent process of urbanization? Urbanization may intersect with imperialist parasitism to create some of the globally-high-income service business and employment in the First World that is not productive, but based on capitalist exploitation on a world scale.

The one thing that has changed things in a way that nothing else quite has is the introduction of the computer, which has had a general impact in occupations where information is processed, stored and retrieved. There is a computer in every work space in some service industries, but except for periodic replacement, that could be the extent of the equipment that is introduced. The

majority of a company's capital expenditures could be furniture and real estate.

The computer is marketed as a "productivity" tool. The computer has allowed service companies to quicken some operations, replace some operations with others, and introduce new operations that make them competitive. The trend in the number of legal secretaries per lawyer is interesting and partly explained by information and communications technology, but there are obstacles to further reduction in the amount of work time per case relative to non-human capital.

The impact of computers in services is perhaps most pronounced in the context of automatic or repeated tasks that are easily programmable. Motion picture projection is an example of an activity where automation and a reduction in staff have been accompanied by changes that put the capitalist productivity of the activity into question. With electronic and now computer automation, it has become possible for a small staff to run an entire multiplex cinema. Where before more than one projectionist would be needed to attend to multiple simultaneous showings, one person can run all the screens, and he or she can also be the ticket-seller, ticket-taker, snack bar attendant, usher, and custodian. The 1950s projectionist would not be clueless in the 21st-century projection booth, but he or she would be taken aback by the automation -- in different ways. As decreasing attention has been devoted to projection and motion picture projection has ceased to exist as an occupation for the most part, the movie-watching experienced has been degraded. The product, the presentation quality have changed. At the same time, food-related and promotion-related activity, and ticket-selling, have come to clearly dominate cinema employment. (According to the Bureau of Labor Statistics, the number of employees classifiable as Motion Picture Projectionists was about eleven thousand a year ago, which is one dedicated projectionist on payroll for every few public theater screens. Often, it is a manager who runs the projectors in a theater.) And advertising now precedes

showings (of movies that already had product placements and were already connected to advertising). It would not be too controversial to say that the cinema business as distinct from film production is unproductive-sector. The small movie projection portion of the business seems to present questions, because a machine could conceivably project limitless films after some programming.

But there is no such machine. Thought experiments aside, there are large national theater chains, and an increasing number of screens per theater, but film projection presents inherent difficulties for centralization and concentration. Projections cannot be transported, and their production cannot be located away from where they are consumed. The spatial distribution of theaters reflects the distribution of the moviegoing population, even if the theaters in a town are located in central areas. Projections can't be produced en masse, but they became less important economically. The introduction of automation and reduction of employment under the business models of large companies marginalized the defining aspect of the cinema economically speaking. The cinema became a place to sell food and sell movies with less emphasis on presentation.

While projection is now automated in theaters to varying degrees, the use of automation in movie theaters does not reflect a continual concentration of means of production and an increasing scale of production. The scattered spatial distribution of theaters limits an increasing scale of production even in terms of "producing" the projections taking place at a given time. It seems to make little sense to speak of film projection in these terms, but if it *were* possible to produce projections in a central location by using technology, the living labor element would be smaller relative to the living labor element in other industries, or it might be in the same proportion. Barring automation or replacement of physical delivery of reels to projectors, the bulk of the labor might consist of loading and removing film. Separate staff might process orders, use computers for optimized planning of film loading and removal, program automatic projection systems,

and monitor projection jobs. The projection factory would mainly be a distribution point, between producers/distributors and the theaters who bid to show the movies. Projection films prints for a movie can be produced all at once; projections cannot and would be immediately consumed upon "delivery," taking place simultaneously with production.

This fantasy situation seems to stretch the imagination, but it illustrates something crucial. Realistically, projection cannot be spatially separated from the rest of film exhibition, the rest of the film-watching experience. Film projection is the most seemingly productive part of the cinema business. Yet, once one can conceive of increasing productivity in projection, projection is revealed as a step in the distribution of the filmmakers' product. In actual theaters, people who earlier might have been projectionists are now ticket booth attendants, not to mention snack bar attendants.

There appears to be a change in the form of the filmmaking product as it is projected, suggesting productivity. Also, projectionists work with equipment, projectors, which are themselves quite expensive. However, irrespective of its organic composition, the industry that has a largely derivative product and still manages to make an average profit is rare.

Auto painters do not buy cars from manufacturers and sell them to consumers painted. The cars are painted before they leave through the factory gates. The separation between filmmaking and film projection seems to make more "sense." (The specific processes at work in the auto painting and car case involve industrial structure, competition, and distribution.) It could easily be taken for granted. However, even a conservative 20 moviegoers per showing, 3 showings a day for 10 years, divided by the price of a new 35mm projector, \$30,000-\$40,000, is a tiny fraction of the average movie production budget per moviegoer (apart from whether filmmaking is itself entirely productive). Even

with the existing organizational and spatial arrangement of projectors and seats, theaters are regularly filled only to a fraction of their seating capacity. If theaters were filled to capacity, the projector cost per moviegoer would be even less.

The spatial and temporal structure of the ultimate consumption of film would prevent greatly increasing the scale of production even if it were technically possible. Technically, it would be possible to show a film to an audience of thousands on a single screen, but such theaters do not exist. Despite a blocking of increasing productivity, film projection continues to exist in an industry separate from other (potential) production, namely filmmaking. Film projection is unlike manufacturing activities whose productivity can be augmented by technology. These activities are carried out in specialized firms that act as suppliers for other firms, or they are done in vertically integrated firms. Under normal conditions, film projection might be integrated with filmmaking or distribution. Physically, there are obvious obstacles to co-locating filmmaking and projection. This is one sense in which film projection is not "normal." Film projection has also been sustained, to some extent, as a separate operation because of the law. A consequence of the 1948 *Paramount* decrees, which banned certain vertical integration practices involving film exhibition, is that it is unclear to what extent movie theaters would stand on their own. Films have to be shown *somewhere*, and producers and distributors until relatively recently were compelled to go through theaters they didn't own for public screening of their movies.

During the 1980s, vertical integration of production, distribution and exhibition increased with deregulation.⁽¹⁴⁾ There have been more recent changes in the ownership of theaters that may require further study. (The exhibition sector is said to be still mostly separate from production and distribution.⁽¹⁵⁾ Sony, among other things a film producer/distributor, gained ownership of the Loews theater chain in the late 1980s after Sony bought Columbia Pictures. The

Loews chain has since become part of AMC Theatres, which is owned by financial and investment firms. AMC Entertainment Inc. has the second-largest theater circuit in the United States and Canada as of June 15, 2007, according to the National Association of Theatre Owners, with 324 out of about six thousand cinema sites. Other major theater circuits are directly publicly traded, including Regal Entertainment Group, Cinemark Theaters, and Carmike Cinemas.) In general, however, the profit margins of movie theaters are low, closer to the average retail profit margin than the average manufacturing profit margin. MIWS has humored the idea that film projection is productive, but exhibition is widely understood to be the retail branch of the larger film industry. Projection and distribution are intertwined. Film exhibition exists as a distinct industry, but as a retail industry where projectionists and manager-projectionists are part of a mass of unproductive labor. The cinema is so much a place for the realization of surplus value separately from its production that it has become an outlet for expensive movie promotions, and advertising in general on screen. Itself involved in promoting upcoming movies, the cinema functions as an appendage of film distribution. Movies themselves are used as vehicles for on-screen advertising of various products and services, and the preparation of this advertising occupies time in theaters and theater chain offices. Much of the splicing that goes on in a projection booth today may involve advertising.

Other aspects of the film industry reveal problems with the assumption that a majority of service industries are productive. Often, what Marx wrote about the hiring of artists for profit is used to justify the conclusion that the majority of non-material production is productive. The Public Affairs article quotes Marx on this and states that the capitalist production of services has increased. Looking at the film industry, the film industry is well-known to involve great risk in terms of how individual films might turn out. Producers, distributors and exhibitors all take risks and have to diversify. It is possible to invest in the film industry and receive a steady return, but this conceals the speculative or at least inconsistent

nature of the business at the individual movie level. Movies are individually each a new product and are unlike products, such as foods, for which there is already a demand, fulfill specific wants and requirements, or represent specific improvements.

Producers can study market trends and screen movies in the middle of production with focus groups. Also, budgets in general are correlated with box office grosses at extremes. However, the amount of labor times that goes into a specific movie seems to have little to do with how much it will gross. Not only can advertising (and the separate advertising budget) be more decisive; if one assumes that production budgets are an expression of dead labor and living labor irrespective of their proportion, there does not seem to be a strong relationship between production budgets and grosses. For example, the statistical correlation between production budget and total gross is not significant, for many movies released between 2000 and 2004.(16)

Similar patterns appear with the publishing industry and the software industry. Marx did not talk about software, but he did write about books and counted writing as part of the book trade. In 2008, people who create art and write for books, magazines and newspapers are a small group compared with total publishing industry employment. Almost a half of publishing industry employees are in administration, marketing, and sales.(17) As the publishing industry includes newspapers (which have large writing and editing staffs), the non-writing proportion is probably even higher in the book publishing segment of the industry. Many employees in the publishing industry are involved in printing and may be productive workers. However, writing is only a fraction of the non-material-producing occupations. An author could write a hundred books in her or his life and never come into contact with anyone working with the materials that end up as books on store shelves. The writer is surrounded by unproductive activity.

Marx said that writers hired for profit could be productive workers. But that does not reflect all the necessary criteria for being productive. The success of *A Series of Unfortunate Events* compared with the success of the *Harry Potter* series has nothing to do with differing amounts of writing time. Yet, some may be found suggesting that J. K. Rowling is a reflection of productive workers in non-material production. Rowling of course has her middle-class rags-to-riches story, but the basic idea would be that Rowling is productive since she writes for publishing houses that make a profit off of Rowling's labor. Her writing is sold as a commodity at a profit.

People who want to claim that Rowling is exploited are forced to draw from theories of value as being determined by the market. Rowling's labor time is just "equalized" by the market in value with the labor time of hundreds of writers. Or maybe the total labor time of writers is transformed into value, but unevenly. Successful books make up for failures. The value produced by some writers just shows up in the sales of more successful books.

It does not take millions of dollars just to write a book. However, the publishing industry involves risks because of contracts, returned books, pre-release marketing, money and time spent on design and editing, publisher brand name reputation considerations, and other things. It is not that a publisher can publish anything and just stop printing copies to avoid losses on a book. Book publishing at its center is an effort to amass surplus value separately from its production.

Now, all companies are trying to make a profit. Film and publishing aren't somehow particularly greedy industries. A bourgeois may be indifferent to owning a publishing company versus a manufacturing company. However, the publishing industry is positioned in a way that makes it unproductive as an

industry. The formal "capitalist" structure of the industry does not matter. Obviously, magazines and newspapers are connected to advertising. Book publishing is one place where one might think things would be more complicated theoretically, but it presents the same problem that MIWS discussed before: the absence of increasing productivity of labor, of an increasing concentration of dead labor, and of production on an increasing scale. J. K. Rowling famously typed the first Harry Potter book on a typewriter, and any old computer with a word processor can be used to type and make revisions. More technology will not increase productivity in the typing area.

For writing involving research, MIWS's answer is somewhat different. Computers and particularly the Internet are alleged to help increase research productivity. Various empirical studies claim to show quantitatively that use of the Internet is connected to increased academic/journal publishing productivity. The Internet and computers may very well help people do research faster by speeding up information retrieval and time-consuming calculations, but bibliographic searches, obtaining materials, etc., may be a minority of research and writing time in the first place. Also, while people may spend less time writing research-based articles and books that end up published and read, a smaller number of people may not necessarily write those articles and books. If the question concerns the quality of texts published and read, then the quality of texts published and read might increase with greater use of technology. Publishers might be able to choose from a greater number of texts, simply because more would be submitted, or writers may spend time on non-information-retrieval aspects of writing. People may be able to produce more texts, social dynamics and constraints permitting. (People may be able to locate and access information faster, but they may still need to discuss research with colleagues and others in a discursive community.) However, it is possible to define publication quality and research productivity in different ways. For example, some have defined academic publication/research productivity as pages

per time weighted by citation count. Writing that MIWS considers "quality" might be entirely different than what others consider to be of high quality. The basic problem is that there may be no obvious objective measure of publication productivity other than book and journal/article prices, but the use of price as a measure of productivity is problematic in general. The number of texts that people will read in a year is limited. The idea that the total number of inter-textual citations would nonetheless increase is counterintuitive. Just page or word count per time is also inadequate.

When it is distinguished from printing establishments that don't do publishing, publishing is classified as a service-providing industry. Printing still takes place within the "publishing" industry, though, and the publishing industry is a reminder of why analysis should not be confined to the industry level, but should look at the occupational composition of industries. The most productive part of the publishing industry is printing, in which productivity can increase and has increased. Separated from publishing, printing in fact exists as a distinct industry. Most u.\$ book publishers don't print books themselves, a fact that hasn't changed for a hundred years.

Most major music labels don't duplicate CDs. Most software publishers don't reproduce software. Most film production companies don't manufacture film prints. Yet, these manufacturing activities could be the most productive parts of their respective industries. They are productive, but they do not define their corresponding industries. The printing industry is productive, but the book publishing industry isn't mainly a way of selling bound printed paper. If these industries aren't about selling various plastic and wood media (or the brick and mortar buildings of movie theaters, or the furniture of offices), what are they?

The typical answer involves the notion of intellectual property and often-accompanying ideas about the modern, developed economy being a service

economy or an information and knowledge economy. MIWS isn't going to enter into an extended discussion of intellectual property specifically and the labor theory of value. MIWS would approach the topic of intellectual property analytically, not just talk about intellectual property and theory abstractly. The so-called new knowledge and service economies are a minority of the world economy and concentrated in the parasitic First World. Not only is the service economy largely not materially productive, unlike agriculture and manufacturing; it does not exhibit comparable productivity increases.

Bourgeois economists have noted difficulties measuring the productivity of service workers and white-collar workers in general, not just intellectual property producers. Obviously, citation-based approaches to measuring publication productivity are specific to certain types of work and cannot be implemented with all service or white-collar occupations. To have a general way of measuring productivity, bourgeois economists are compelled to use some kind of monetary measure, though problems distinguishing the contributions of blue-collar and white-collar workers within the same industry remain. Most "Marxists" in one way or another adopt the bourgeois solution. Even as they relate productivity to labor time, productivity is treated as a company's revenue or wages plus profit divided by labor time. The same approach is taken in making statements about the supposedly high productivity of First World manufacturing workers, the assumption being that this monetary "productivity" is an expression of a physical unit productivity greater than the physical productivity of Third World workers. The approach lends itself to disguising international exploitation as high First World productivity. The low prices of Third World products just reflect low "productivity."

The non-repetitiveness of white-collar work and information and knowledge work in particular has been identified as a possible source of productivity measurement difficulty. Repetitiveness is not as crucial as it might

seem in a Marxist context. Computer programming can be repetitive. Secretaries' typing letters is repetitive. Those have always involved some repetition, Harry Braverman's ideas about the increasing routinization of work in a service context notwithstanding. Each of a legal secretary's typed letters could be a unit of output. A computer support worker's completed calls can be counted. How to measure software development productivity has been its own active area of study. MIWS would argue that the underlying difficulty concerns the challenge of objectively measuring increasing productivity in many service-type occupations or the difficulty of measuring productivity in terms of units whose content is highly variable. What exactly is a thousand lines of computer programming language code? The same commodity can be used by people in different ways. Use-value is a quality, not a quantity, and is to some extent independent of the inherent properties of a commodity. But one batch of computer code can be entirely different than another batch of computer code for the same consumer.

APOLOGISTS FOR IMPERIALISM

Notwithstanding some important exceptions, individual writers in academia and the periphery of the international so-called communist movement, it needs to be recognized that the majority of Western "Marxists" are imperialist-chauvinists who are not interested in earnestly measuring and analyzing the things that they talk about philosophically, poetically, rhetorically, etc. There are people who write about how to conceptualize exploitation, productivity, value, and so forth, but have not begun to deal scientifically with the super-profit question in imperialist countries in spite of its major strategic importance. Revisionist "Marxists" can keep things on that level because they represent classes that benefit from imperialism, while the proletariat cannot afford to. Endless exegeses of Marx's writings, and principally abstract discussions of

theory or primarily anecdotal or narrow discussions of conditions, can sell books, journals, and magazines, and impress the gullible for political purposes. Scientific writing on exploitation as it exists concretely in the world and in the First World in particular is less useful that way. Lack of science on exploitation and capitalism in general leads to incorrect results on unproductive labor in particular. A certain reading of Marx's writings combined with an abstract treatment of services would add to an already problematic view of class forces and the relationship between class and nation (parasitism bourgeoisifying the imperialist nation class structure).

"Overcoming Unscientific Concepts" acknowledges the strategic importance of the questions it discusses, but it arrives at the wrong conclusions. The Public Affairs article can fantasize about striking credit card processing workers only because it cannot see how they those workers are part of an exploiting class and have been bribed by imperialism at least. While various First World "socialists" promote fantasies of proletarian uprisings on Madison Avenue and Wall Street, and beauty salon, doctor's office, forensics lab, veterinary office worker revolutions, the repressed Third World proletariat is gunned down by First World death squads and helicopters.

In this article, MIWS has tentatively raised some questions and propositions. Some have put forward that the function of a given specimen of service sector labor is crucial in classifying it as productive or unproductive, for example, whether it involves advertising and finance, or whether it would exist in socialist society. Others have emphasized the dependency of the service sector on material production. What MIWS has emphasized in this article is a concept of productivity and specifically capitalist production. There is no such thing as capitalist production and capitalist productivity without dead labor and socialization of production (manifesting in capitalist concentration), which represent increasing productivity of labor. The countless number of "Marxists"

who, in discussing productive/unproductive labor, have seemingly failed to grasp this fundamental of the Marxist theory of capitalism is interesting.

Analysis will show that the majority of non-material-producing labor does not represent the reproduction of the distinctly capitalist process of *accumulation* of capital, and that the service sector is largely a parasite on productive labor in different sectors, mainly the Third World productive sector.

Service sector activity is largely unproductive, but exists within the sphere of capitalist relations by realizing or appropriating surplus value. Non-material-producing occupations in general, in unproductive and productive sectors, are a material basis for even-more-bourgeoisified exploiter strata in the First World.

Non-material-producing occupations in the First World and their wages do not mostly represent some kind of surplus population thrown off of manufacturing into poverty. The vast majority of service sector workers and service-type workers in the manufacturing sector are employed and exploiters.

What MIWS would further argue, but has not quite done so in this article, is that, regardless of materiality or non-materiality, the service sector for the most part has inherently, qualitatively less productivity potential than the goods-producing sector. Even supposing that there is no difference between goods and services, that all may be counted among the social product, the goods-producing sector increases in productivity while the service sector lags behind. Yet, compared with the goods-producing sector, the service sector has the same or higher incomes. And the service sector is growing in the First World.

It is interesting to consider "Marxist" discussion of services in the context of changes in bourgeois positions. The service sector was and to some extent still is thought to be parasitic, and comparatively rapid service sector growth was

thought to be unsustainable. In India, with growth stagnation, people are wondering whether the large service sector, particularly IT, is the boon that it was thought to be. Services seem here to stay in the First World, though, and capitalism's apologists of all stripes, as befits their role, have to start justifying the existence of the huge service sector in the First World. In revisionist or bourgeois "Marxism," that translates into arguing that the service sector is productive or trying to do away with the productive/unproductive distinction.

The labor aristocracy has its own, specific shifts. For certain reasons, the idea of white-collar productivity was viewed with disdain by blue-collar workers in the same industry, manufacturing. Now that more white-collar work is in its own industries, and with efforts to unionize white-collar workers, as well as non-white-collar service workers, the labor aristocracy's attitude toward work not involved in production in manufacturing has to change lest there be a disconnect between ideology and the labor aristocracy's membership composition and interests. It does not do to say that service labor is unproductive when that is the majority of the workers whom one wants to mobilize as workers or whose jobs one wants to defend. "Unproductive," in "unproductive labor," continues to have negative connotations, which the Public Affairs article speaks to. A majority-unproductive working class with high wages is a sign of non-proletarian status, but the Public Affairs article reacts to (and almost seems to reproduce, in going to lengths to claim that the majority of First World workers are productive), a particular stigmatizing notion of unproductive labor, alien to science, wherein employment in manufacturing production is seen as something to be glorified. The labor aristocracy has an interest in treating as much of its labor as possible as productive or "useful" (even if exploited) to justify investments and wage increases in their industries of employment short of overthrowing the fatter exploiters and ruling the world by itself.

Neoclassical economy theory is the dominant alternative to Marxism.

Making no qualitative distinction between goods and services in terms of value and having other suitable characteristics, neoclassical theory offers a way of justifying service sector growth and employment and finds resonance among various "Marxists" who avoid concrete analysis using Marxist categories and concepts and do not use Marxist theory except as communist-posturing/posing rhetoric. Imperialism has defenders on both the "right" and the "left," including the "far left." It is not enough to fight on one front. The bourgeoisie infiltrates "Marxism" to displace and attack Marxism. Much has been written about productive/unproductive labor, the bourgeoisie typically does not make scientific advances on the topic, which in fact is a site of class struggle. Some bourgeois would prefer that the productive/unproductive labor discussion be abandoned altogether. Bourgeois discussion of productive/unproductive labor is almost as stagnant as bourgeois discussion of international exploitation.

Currently, the labor aristocracy not only demands an end to outsourcing, but also demands jobs that can't be outsourced. The lists of the jobs that the labor aristocracy has come up are interesting, including: construction jobs, law enforcement jobs, medical jobs, education, Hollywood jobs, so-called green jobs, and self-employment (translating into a demand for government policies favoring small business). Many of these happen to be unproductive sector jobs that don't produce exportable commodities. The productive sector construction and "green" jobs would have wages that are maintained at high levels by international labor immobility and keeping out foreign labor with repression. The labor aristocracy in ways may be at the forefront of occupational changes (not just wage increases) increasing parasitism.

MIWS has focused on differences between productive and unproductive labor in order to better understand services, but even the First World productive sector, when examined in a global context, is not a net-producer of surplus value. So, MIWS would also suggest for further study looking more closely at the First

World productive sector and the specific ways in which it generates revenue. In addition to unequal exchange and price distortion issues pertaining to commodity prices in general, First World goods involving research and development are bound up with intellectual property created by capitalistically unproductive workers. Also, capitalist accumulation is being reproduced, but imperialism is moribund capitalism and retards technical development in a general way.

More fundamental than the shift to unproductive occupations in the First World is the imperialist parasitism that is its foundation. As parasitism increases, its ideological justifications must change. Coinciding with attempts to blur the scientific distinction between productive labor and unproductive labor are approaches to talking about capitalism focusing on things that are not particular to any class or its experiences: alienation, inequality, isolation, power, etc. Exploitation and class relationships are relegated to an insignificant position. Misidentification of classes as friends (or enemies, as in treating the Third World proletariat as reactionary while treating the First World labor aristocracy as progressive) not only diverts the revolutionary struggle; it also leads to supporting and advancing oppressor interests. As the bourgeoisie and phony "Marxists" everywhere are united in glorifying First World living standards and extolling aspects of the First World economy associated with those living standards, controversies over services are deeply connected to a larger struggle against the revisionist theory of productive forces and representations of imperialism not as parasitic, but as a system to emulate and follow. Despite the exploiting classes' ideological influence, the proletariat has an interest in casting away illusions and waging the struggle to defeat the counterrevolutionary First World, helped by First World revolutionaries opposing imperialism in their own countries. The international proletariat will cast off and smash the First World imperialist entity, transform the economies of the former imperialist countries, and eliminate the ideological and structural roots of imperialism and parasitism.



NOTES

1. Erwin Marquit, "Overcoming Unscientific Concepts of "Working Class", " 2008 April 1, <http://www.politicalaffairs.net/article/articleview/6687/1/325>
2. U.S. Bureau of Labor Statistics, "May 2007 National Occupational Employment and Wage Estimates : United States," 2008 May 12, http://www.bls.gov/oes/current/oes_nat.htm
3. U.S. Bureau of Labor Statistics, "May 2007 National Industry-Specific Occupational Employment and Wage Estimates : NAICS 541800 - Advertising and Related Services," 2008 May 12, http://www.bls.gov/oes/current/naics4_541800.htm
4. "Employment by major occupational group," 2007 December 4, <http://www.bls.gov/emp/emptab1.htm>, "Table 1, Employment by major occupational group, 2006 and projected 2016," in "Occupational employment projections to 2016," *Monthly Labor Review*, vol. 130, no. 11 (2007 November);

"Employment by occupation," 2007 December 27, <http://www.bls.gov/emp/emptabapp.htm>, "Appendix: Employment by occupation, 2006 and projected 2016," in "Occupational employment projections to 2016," *Monthly Labor Review*, vol. 130, no. 11 (2007 November).

MIWS will address a few things in this note.

MIWS uses these Bureau of Labor Statistics predictions in the absence of a prediction, based on Marxist concepts, of changes in the composition of the goods-producing and service-providing sectors. The BLS uses input-output analysis in its employment projections. Some of the BLS's methods would be useful in a Marxist analysis. However, predicting long-term changes in sectoral and occupational employment is not necessarily a matter of using atheoretical statistical methods, and the use of Marxist categories would affect prediction. Anwar M. Shaikh's and E. Ahmet Tonak's methodological and calculation work in *Measuring the Wealth of Nations* (Cambridge: Cambridge University Press, 2004) notwithstanding (MIWS has disagreements with Shaikh's and Tonak's definitions), the fact that MIWS has to rely on the BLS predictions is a problem of the communist movement. The Bureau of Labor Statistics can hardly be blamed for not being Marxist.

There is a bit of circularity in that in discussing non-material-producing activity and occupations in the context of productive and unproductive labor and the extent to which that activity and those occupations are productive or unproductive, MIWS uses predictions that would change according to how one classifies activity and occupations as productive or unproductive. In this context, discussion would be improved by referring to historical data and observed changes.

In regard to MIWS's statement about new non-material-producing jobs, of

course the government does not specify whether industries and occupations are productive or unproductive. It also does not categorize occupations according to whether they produce material or not, and within goods-producing or service-providing industries, there may be both material-producing and non-material-producing workers. However, one can make reasonable generalizations about the type of work (materials-producing/non-materials-producing) done in occupations.

To complicate matters even more, the word "service" is often used in naming all workers in the service sector, and in describing the work of non-material-producing workers in both the goods-producing sector and the service-producing sector. In addition, workers in a variety of occupations that do not produce or change material (in any usual sense) engage in physical activity, such as typists, which would make use of a term such as "manual work" confusing. To avoid confusion, MIWS has decided to use the term "material-producing" to refer to labor with an immediate material output or outcome. Even this is not satisfactory and necessarily precise, but it is a means of moving forward with the discussion of the relationship between material and production under capitalism.

In discussions of unproductive labor, people have spent too long talking about theory, concepts and how to classify things without doing their own empirical analyses or drawing strategic conclusions.

Not all of this is a matter of what name to give the same concept. It should be noted that MIWS in this article makes a distinction between non-material-producing activity and service sector activity. They are not interchangeable. Non-material-producing activity occurs in the goods-producing sector. Indeed, one explanation of some of the growth of the service sector is that goods-producers have outsourced what were previously in-house service activities, the so-called unbundling hypothesis.⁽⁵⁾ Much attention has been paid to employment and

wages in the "service sector." However, there are non-material-producing occupations, called "service" occupations by some, in the goods-producing sector, and focusing on only the service sector may distract from the larger phenomenon of non-material-producing activity -- and unproductive activity, if that is what non-material-producing employment in capitalist economies largely is. Focusing on only the service sector could hide the extent of non-material-producing activity and unproductive activity and lead to incorrect conclusions about the conditions of unproductive labor.

5. Cathy Kassab, *Income and Inequality : The Role of the Service Sector in the Changing Distribution of Income* (New York; Westport, Connecticut; and London: Greenwood Press, 1992), p. 7.

6. MIWS was not satisfied with this rather cursory inspection of the Bureau of Labor Statistics tables. After making this comment and not seeing that the exact study MIWS wanted was available, MIWS carried out the disaggregated analysis by combining the Occupational Employment Statistics (OES) May 2007 occupational wage estimates with the *Monthly Labor Review* 2006-2016 occupational employment projections. This time, MIWS focused on mean hourly wages and filled in missing information for some occupations by computing mean hourly wages from mean annual wages and mean annual hours (from National Compensation Survey occupational wages data for June 2006). Even this is rough and would be improved by, for example, incorporating wage trends for individual occupations or groups. However, MIWS's results confirm MIWS's statement that there will be parallel increases within material-producing occupations and non-material-producing occupations, if the BLS predictions are accurate. If relative wages of occupations stay the same, there will be more "higher-paid" employees in each group, that is, more employees in "higher-paying" types of occupations. (Of course, MIWS does not expect wages not to change, but one would not expect legal secretaries, for example, to be paid less

than hotel clerks in ten years' time. Each groups' wages may change, but what is important is the relative difference. Both groups' wages may even decrease, but if there are more legal secretaries in the ten years, the number of "higher-paying" employees will have increased.)

MIWS also determined that not only will there be this dual increase in the two divisions MIWS has made (occupation codes 11-0000-to-43-0000 and 45-0000-to-53-0000); there will be the same dual increase even if Transportation and Material Moving Occupations (53-0000) is combined with the 11-0000-to-43-0000 group ranging from Management Occupations to Office and Administrative Support Occupations. And, there will be the same kind of upward shift in terms of mean hourly wage in occupations as a whole.

The last sentence should be distinguished from the idea of wages increasing (or decreasing). For example, it is not just a matter of "the rich" "getting rich." Rather, there are going to be more people employed in "rich" jobs. It is not necessarily or just that high-income people are going to see an increase in their incomes. Rather, there are going to be more people potentially in higher-income groups. Wages could even decrease for everyone; that is a separate question.

If the BLS's occupational employment predictions are accurate (and MIWS's approach of attaching income levels to the two occupational structures, for 2006 and 2016, is right), each material-producing major occupational group will have a decrease in its income intensity. For example, in the Installation, Maintenance, and Repair Occupations group, a 2.7% decrease in employment (a 1.8% relative decrease within Installation, Maintenance, and Repair Occupations) in First-Line Supervisors/Managers of Mechanics, Installers, and Repairers, would bring the average hourly wage of Installation, Maintenance, and Repair Occupations down by 4 cents if occupational wages were to stay the same. Only

Transportation and Material Moving Occupations will have an increase in its income intensity. However, because each major occupational group has a different average wage, and a different occupational employment level in the first place, the contraction of some groups, which will decrease in income intensity, relative to others of some type under consideration (in this case material-producing occupations) will actually result in a higher average income (if wages don't change) of material-producing occupations. Seemingly paradoxically, it turns out that one gets the same result whether one counts Transportation and Material Moving Occupations (the only major occupational group among 45-0000 to 53-0000 that will have an income intensity increase) as material-producing occupations or not.

The significance of this is that, despite rhetoric about job losses and wage reductions in the context of particular industries and occupations, wages may actually have the potential to increase in the big picture. Wage increases or no wage increases, the occupational structure of the united \$tates will become more bourgeois in kind, if not quantitatively in terms of actual income. To illustrate, Construction and Extraction Occupations may decrease in income intensity. The occupational group may decrease also as a proportion of total employment in the country. But because there will be more people employed in construction, which will have already had higher wages, the income intensity of material-producing occupations may increase. This is in fact what the BLS numbers and MIWS's simple derivative analysis predict will happen. The relative increase of the level of Construction and Extraction Occupations employment (and Installation, Maintenance, and Repair Occupations employment) together with the relative decrease of the level of Production Occupations employment will contribute to the increased income intensity of material-producing occupations.

As material-producing employment contracts, it will become more bourgeois in terms of current relative incomes. And non-material-producing

employment will become more bourgeois. Furthermore, despite an increase in the size of non-material-producing employment, relative to material-producing employment, the occupational structure of the united \$tates will become more bourgeois as a whole. This contradicts the thesis of the "Third-Worldization" of the united \$tates, etc. To disprove what MIWS is saying here, proponents of that thesis would need to show that the global occupational structure is becoming bourgeois faster than the occupational structure of the united \$tates, or that the occupational structures of the united \$tates and the world as a whole are becoming more similar.

MIWS was concerned about the contribution of occupations within uneven income distributions to the results it obtained and repeated the same analysis, but using median hourly wages (and therefore weighted medians). The results are the same as those MIWS gave for mean hourly wages. It is therefore unlikely to be the case that the apparent bourgeoisification of the occupational structure is due to an increase in the number of low-paying jobs within overall-high-paying occupations (average wages overstating the actual wages of new jobs).

7. Claudio Jedlicki, "Unequal Exchange," The Jus Semper Global Alliance (TJSGA) The Living Wages North and South Initiative (TLWNSI) Brief, http://www.jussemper.org/Resources/Labour%20Resources/Resources/Jedlicki_UnequalExchange.pdf

8. Yanrui Wu, "Service Sector Growth in China and India: A Comparison," http://business.uwa.edu.au/___data/assets/pdf_file/0009/36792/07_04_Wu.pdf

9. "Manufacturing earnings and compensation in China," *Monthly Labor Review*, 2005 August, <http://www.bls.gov/opub/mlr/2005/08/art3full.pdf>

"Employees in China's city manufacturing enterprises received a total compensation of \$0.95 per hour, while their noncity counterparts, about whom such estimates had not previously been generally available, averaged less than half that: \$0.41 per hour. Altogether, with a large majority of manufacturing employees working outside the cities, the average hourly manufacturing compensation estimated for China in 2002 was \$0.57, about 3 percent of the average hourly compensation of manufacturing production workers in the United States and of many developed countries of the world. Equally as striking, regional competitors in the newly industrialized economies of Asia had, on average, labor costs more than 10 times those for China's manufacturing workers; and Mexico and Brazil had labor costs about 4 times those for China's manufacturing employees."

10. MC5, *Imperialism and Its Class Structure in 1997*, 1999 August 8, <http://www.etext.org/Politics/MIM/mt/imp97/impclasstruc.pdf>

11. I. Chakravarty and C. Canet, "Street foods in Calcutta," *Food, Nutrition and Agriculture*, no. 17/18, pp. 30-37, <ftp://ftp.fao.org/docrep/fao/W3699T/W3699to4.pdf>

12. Yanrui Wu, "Service Sector Growth in China and India: A Comparison," http://business.uwa.edu.au/__data/assets/pdf_file/0009/36792/07_04_Wu.pdf

13. "Guidelines on studying unproductive labor," <http://web.archive.org/web/20060909013838/http://etext.org/Politics/MIM/wim/wyl/general/guidelinesonunproductivelabor.html>

14. Jennifer Holt, "In Deregulation We Trust: The Synergy of Politics and Industry in Reagan-Era Hollywood," *Film Quarterly*, vol. 55, no. 2, 2001, pp.

22-29.

15. Allen J. Scott, "Hollywood and the world: the geography of motion-picture distribution and marketing," *Review of International Political Economy*, vol. 11, no. 1, 2004, pp. 33-61.

"Until the late 1940s, the majors owned extensive theatre chains in addition to their production and distribution activities, but they were forced to divest themselves of these chains by the 1948 *Paramount* antitrust decree. The exhibition sector is thus largely independent today, though some significant reintegration of production distribution and exhibition has been occurring since the early 1980s." (p. 35)

16. Sitabhra Sinha and Raj Kumar Pan, "How a "Hit" is Born: The Emergence of Popularity from the Dynamics of Collective Choice," in *Econophysics and Sociophysics: Trends and Perspectives* (pp. 417-448), edited by Bikas K. Chakrabarti, Anirban Chakraborti, and Arnab Chatterjee (Weinheim: Wiley-VCH, 2006), p. 427.

17. U.S. Bureau of Labor Statistics, "Publishing, Except Software," *Career Guide to Industries, 2008-09 Edition*, 2007 December 18, <http://www.bls.gov/oco/cg/cgs013.htm>

18. Oz, "Service workers in imperialist service-based economies," <http://web.archive.org/web/20060620090158/http://etext.org/Politics/MIM/countries/australia/serviceworkers06.html>

19. Harry Braverman, *Labor and Monopoly Capital : The Degradation of Work in the Twentieth Century* (New York and London: Monthly Review Press, 1974).

ABOUT THIS DOCUMENT

The reason why this is a draft is that there are portions MIWS would substantially revise or expand, but that and other changes would be quite time-consuming. The draft is different enough from what others are saying that it is still worth publishing.