

CHARITY WORK IS THE MOST UNPRODUCTIVE OF LABOURS.

This is not about occasional volunteering on a Sunday. This article describes the state orchestrated, regulated and systemic expenditure of labour time in the sphere of charity work in order to compensate for the withdrawal of public services carried out by waged labour.

I was asked to write an article on this subject by my Union. That article had two themes. Firstly to criticize the union movement for not taking a lead in community work when they have more members than church goers. Secondly, to show how wasteful charity labour is. This article deals only with the second aspect.

Productive, Unproductive, Domestic and Charity labour.

By describing labour as productive, unproductive etc. we are describing its social form and not its physical form. For example Mrs. Smith may work for McDonalds in the morning making hamburgers, she then goes to her second job in a local hospital kitchen making hamburgers for patients, and finally, no doubt weary from her toils, she goes home where she takes some frozen burgers from the fridge and prepares her family's dinner. In each case her labour is the same, making hamburgers though the pressures around the making may be different.

But in each case, the social form in which this physical labour is wrapped, is different. At McDonalds Mrs. Smith is engaged in not only producing hamburgers but profit for McDonalds. Here the two exchanges that constitutes the capitalist social relation are present - the purchase and the sale. In the case of the purchase, McDonalds purchases Mrs. Smith's labour power for a wage alongside meat, potatoes, mayonnaise, vegetable oil, electricity, burger boxes and everything else needed to complete the burgers. Mrs. Smith converts these ingredients into their final form, burgers and chips for sale. Once sold, McDonalds monetizes Mrs. Smith's labour. So in the first exchange the purchase, money goes out, and in the second following production, money comes back in. McDonalds make a profit because the money coming in exceeds the amount of money going out because of the exploitation of Mrs. Smith and her co-workers.

Marx called this form of labour, productive, and by that he meant only one thing, it was productive of profits, that and that alone. What Marx was pointing to was the phenomena found in a commodity producing economy based on the market, where the labour of the individual only becomes part of the labour of society indirectly by having to be exchanged first, that is converted into money through the act of being sold. Thus the labour found in a capitalist society can be described as the process whereby the labour of society is drawn into private production through the monetizing of inputs, and then following production, converted back into the labour of society through the monetizing of that output.

If the second exchange - the sale - fails or does not take place, that labour remains private. If unsold this represents a loss of money, therefore a loss of capital because money has gone out, but no new money has come in. Thus a loss has replaced a profit, despite workers having been exploited.

Marx described the capitalist social relation graphically: $(M.C)..P...(C^+.M^+)$ In the first stage, Money (M) is exchanged for Inputs in their commodity form (C). In the second stage, (P)roduction takes place. In the third stage the newly produced commodity (C) is in turn exchanged for money (M). The + signs signify that the value of the new commodity is higher than the value of the commodities consumed in its production which will result in more money being received upon sale.

Now let us follow Mrs. Smith to her second job in her local NHS hospital kitchen. Here she prepares food for patients in the hospital. Unlike McDonalds there is no sale. Mrs. Smith does not take these meals to patients demanding cash before they can consume them. These meals are “free” to the patients because the NHS is funded from taxation. However, what is common with McDonalds is the presence of the first exchange – the purchase. The Hospital Trust purchases Mrs Smith’s labour power and other inputs just as McDonalds had done earlier in the day.

Here the capitalist social relation can be described thus (M.C)..P.... However the third element – the sale - is absent. Marx called this kind of labour, unproductive labour, because it does not produce profits due to Mrs. Smith’s labour remaining private, therefore not monetized. Now mark, Mrs. Smith could be working just as hard in the hospital as she did at McDonalds, and by using similar equipment, just as productively. So the social expenditure of labour in both kitchens is the same. This means she produced a similar amount of surplus labour in each kitchen, but because her surplus labour remained unpaid in the hospital due to not being sold, it did not generate profits. I call this form of unproductive labour, *functionally* unproductive labour, because it is necessary for the metabolism of capitalism. (Note 1.)

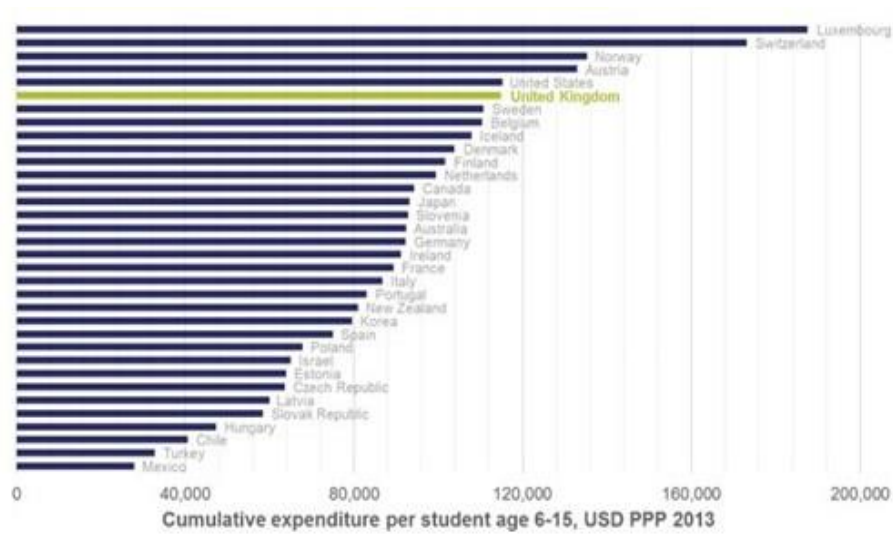
When Margaret Thatcher viewed this unproductive labour, she was appalled. Here was labour that only cost (taxes) but never made profits. Money went out but never came back in. She concluded this labour was wasteful and that the state had to stop employing this kind of labour.. Services provided by the state had to be privatized. Oasis of profit would be made to bloom in this unproductive desert.

Of course she was clueless as to the effect this would have on the value of labour power. The state can provide services and housing for workers much more cheaply than can private companies, because tax does not need to cover the surplus component of the expenditure of labour. So for example, if this surplus component is 50% of the total labour expended, cost savings in these labour intensive services can be up to 50%. This is a huge subsidy to wages because workers can be housed, educated, healed, looked after much more cheaply. This benefit to wages in turn enables higher profit margins in industry and commerce.

In order to contain rising costs once privatization had taken place, workers in these newly privatized industries were forced to work harder for less to enrich their new bosses while reducing overall taxation. In the end, as we know, the results were mixed. Many companies which focused on out-sourcing became global giants such as Compass, G4, Serco, Capita. On the other hand, inefficiencies intensified, delivery standards fell, and in the end the government had to subsidize the whole mess through Tax Credits. Tax Credits at \$30 billion was over half the disposable income of non-financial corporations in the UK in 2016. <https://www.ons.gov.uk/economy/grossdomesticproductgdp/compendium/unitedkingdomnationalaccountsthebluebook/2020/nonfinancialcorporations> (Tables 3.1.1 to 3.1.11 relate to non-financial corporations as a whole.)

Thus on balance, and viewed from the perspective of profits, Thatcher’s legacy is negative. Compared to many countries in Europe which retained public services and municipal housing, Britain has, with the exception of the NHS, more expensive social-care, child-care, nursery costs, education (academization) and housing in the UK. The costs of education can be seen in the graph below. Seems the outrageous salaries paid to heads of the academies was already making itself felt by 2013. 2013 was no aberration, in 2018 the UK’s expenditure was the third highest in the OECD, fifty percent above the average. <https://www.statista.com/chart/15434/the-countries-spending-the-most-on-education/>

Graph 1.



Moving on to Domestic Labour. The social context of this labour is defined by the absence of both the purchase and the sale. When Mrs. Smith gets home and cooks, she is not paid for this. There is no wage. There is no employer. Nor is there a sale. Mrs. Smith does not approach the dining table armed with a cash register or card reader insisting her family pays for their supper, though she may wish this was the case because her family would be more inclined to help cook.

So we can see what distinguishes the three great forms of labour found within a capitalist society, is whether both, or only one, or none of the two exchanges that binds the labour of the individual to that of society, is present.

Charity work.

Charity work falls in the same category as Domestic Labour. In other words it acts as a subsidy to capitalist production by either compensating for paid work or providing services enabling the continued exploitation of workers. Most charity work is unpaid. Most of the proceeds of charity work is unsold. It is free labour donated in the service of the economic system and dependent on kind hearts.

More importantly, how big is it? Charity work provided by Thatcher's children, the volunteers, is huge. Thatcher has succeeded beyond her wildest dreams. She has cut the state while fostering a whole army of selfless volunteers. Today there are about 168,000 charities spread across England and Wales. According to the "Community Life Survey", over two billion hours are spent volunteering each year in the UK. 50% of adults volunteer. This amounts to 1.25 million full-time employees, 6% of the total, equal to the total employment across the manufacturing, construction and real estate sectors. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835686/Value_of_Charity_-_Oct_19_-_published.pdf

The gross value added by manufacturing, construction and real estate (netting out owner occupier rents) amounted to £410 billion in 2018 or 19% of total GDP (£2,140 billion). However, the charity sector only added £15 billion to total GDP (mainly based on the income and costs of Charities). Let us play a mind

game. Let us assume that these 1.25 million full time employee equivalents found paid work, but given their demographics they were only one quarter as productive, that the average rate of exploitation applied, and finally that their income was voluntarily taxed at 100% because it was for a good cause; what would their financial contribution be? It would be one eighth of £410 billion or £50 billion a year.

£50 billion is a big sum. That is the equivalent of providing 1.5 million extra state workers such as teachers, nurses, and carers. If they in turn paid normal tax, the money flowing into the exchequer would top £60 billion. This would have been sufficient to reverse the cuts each year during the period of austerity, which actually never ended. And there would have been enough left over to ensure that the NHS, housing, education, social-care and local councils were better funded. The creation of these decent jobs additionally would have alleviated poverty and reduced the North South divide.

But this is a pipe dream, the equivalent of the capitalists handing over their profits to workers in the spirit of Xmas. Instead, the on-going cuts to the state provision of services, the relentless privatization particularly of the NHS, has led to a greater dependency on volunteers, charities and foodbanks.

The communist division of labour.

The division of labour into its productive, unproductive and domestic forms is unique to capitalism. The first produces profits, the second assists the circulation and realisation of these profits and the final form subsidizes wages elevating profits. All these forms disappear with the disappearance of capitalist private property and production for profit. In a communist society the labour of the individual immediately and directly becomes part of the labour of society. It does not require to be exchanged first. This means that all necessary labour becomes social. There is no longer any unpaid labour produced within production or outside it either.

What this means practically is two major events. Firstly the total labour time of society is diminished by delayering unproductive labour much of which is unnecessary now. Who needs lawyers to argue over the private property of the rich? Such workers are reassigned to productive work making possible a shortening of the working week or day without a reduction in standards of living. Equally important, unpaid domestic labour ends. Here we are not discussing its abolition in the vulgar sense. Social workers will not replace parents raising children. What we are discussing is something quintessentially human, any parent needing to be off work during pregnancy or afterwards, any person electing to care for a loved one in need, will not lose a penny of their income when doing so. A humane society does not distinguish between labour necessary to produce things and labour necessary to nurture, educate and care for each other.

What such a society will not do is encourage voluntary work, charities. They belong to an unequal society, a society which profits from this labour by reducing its costs and expenses. This form of labour has no place in a communist society, and it is elitist to suggest otherwise.

In the meantime, today, it is necessary for the unions to get involved in supporting their communities. This winter is crunch time. With prices exploding, taxes rising, benefit cuts and wage freezes for whole swathes of workers, its fight or blight for workers. It was always in expectation of this moment that we set up the Holiday Hunger project in my city, a union led community project under the slogans "*Solidarity not Charity*", "*to provide the assistance while organizing the resistance*". It almost succeeded. Its two biggest problems in the end were the so-called revolutionaries in our branch, particularly SWPers, you know the ones who think they are Marx's gift to the working class, who are clueless when it comes to

systematic community work, and the charity which owned and ran the community center home to the project. But it was the right initiative, and it grew into a very large trade union led project.

Our object must remain, politics alongside parcels. The unions need to organise communities to defend themselves against this onslaught. We need to get communities focused on the big picture thereby smothering the back biting that often divides them. Above all we need to instill the recognition that only through self-empowerment will change come about. That politicians can and will betray communities as long as communities passively rely on them for change.

The operative slogans should be.

We will not starve in silence.

2008 never again, this time the rich must feel the pain.

Benefit cuts and wage freezes - one fight.

Defend and extend the £20.

This fight is ideologically much more possible. The lies that cocooned the Tory Party, woven by the media at the time of the last election, are rapidly unravelling in the heat of events. Johnson's approval rating has fallen to the 45% cliff edge. He talked on US TV about helping change nappies, he must be wondering when the poop will stop, because this is a government, which because of its incompetence, creates crises after crises.

The objective conditions for a winter of discontent are present. The Tories know this. Their police bill is aimed at curbing dissent. They are tampering with the electoral system itself to compensate for their falling popularity. They are restricting the judiciary in order to enhance rule by Cabinet. Yes, they are taking back control, but it is centralized top-down control at the expense of the working class.

Johnson promised "*LEVELLING UP*", he is exposed for "*PEDDLING crUP*". Its time to make him eat his words. The unions need to go onto a war footing, because war has been already been declared against the working class.

Note 1, there are two classes of unproductive labour. The first, functional has been described. The second, is personal unproductive labour. It covers the servants, gardeners, chauffeurs, pilots, masseurs, accountants, lawyers, advisers, party planners who work directly for the capitalists in a private capacity. The importance of distinguishing the one from the other is that functional unproductive labour is paid for out of capital (variable) while personal unproductive labour is paid for out of revenue, the money capitalists receive from their investments such as dividends or rents.

Brian Green, 26th September 2021.