Relations of Production in Social Economy Organizations

When social economy organizations (SEOs) emerge in a capitalist economy, they must contend with private property and competitive markets. Marx argues that when we look at the distribution of property, we should not approach it as a stratification of value amongst individuals, but rather, "before distribution can be the distribution of products, it is: (1) the distribution of the instruments of production, and (2) which is a further specification of the same relation, the distribution of the members of the society among the different kinds of production. (Grundisse, pg 96)" When people hold unequal assets, they sort into a pattern in which they relate to productive assets differently – they may work for themselves, hire other people, provide credit, sell their labor for wages, or burrow credit – through market exchange (Roemer, 1981). Unequal ownership of assets entails differential power over the production process.

The different ways of relating to the means of production reflect qualitatively different sources of returns for the relatively asset-rich and asset-poor – ownership of assets versus labor. Exploitation is the transfer of labor effort from the asset-poor to the asset-rich through interdependent market exchange (Roemer, 1983). Wright argues that exploitation renders social relations between unequally-endowed actors as inherently antagonistic because the capacity of the asset-rich to exact labor effort from the asset-poor depends on the material deprivation of the asset-poor (1997). However, the asset-rich rely on the cooperation of the asset-poor because they depend on the asset-poor's labor (Wright, 1997).

SEOs produce "bubbles" for different production/distribution relations than would occur otherwise in a capitalist economy. They do not change the fact that, outside the organizations, private property is unevenly distributed amongst people. However, within the context of the organization, they simulate production/distribution relations in which people's ownership of, or claim to, assets/products is based on their labor/need. The extent to which SEOs connect assets/products to labor/need falls along a continuum of rights and powers amongst the different types of SEOs. At one end, the SEO's assets/products are owned and employed by stakeholders based on their labor/need in production/distribution. In the middle, stakeholders employ outside assets based on their labor/need in production/distribution, which may be subject to external lines of accountability. At the other end, owners of assets/products take into account the needs of stakeholders when exercising their property rights. Along this continuum, different property relations produce qualitatively different relations of production/distribution.

For my project, I will examine production. While production and distribution are interrelated, the constraints of private property and competitive markets drive an awkward wedge between the ways that SEOs can address each side. As an ideal type, the coupling of assets to labor within an SEO means that workers relate to the means of production in the same way and hence, must organize these processes by means of social integration and participation rather than hierarchy and directives. However, I argue that equal rights to assets is a necessary, but not sufficient condition to maintain egalitarian relations of production. Equal power over production must be actively organized through association.

Wright argues that when social action is based in freedom of association, power and mobilization rests on actors' abilities to "convince" (2010). The power to convince is a combination of engaging people's reason and affect – that is, fomenting and directing hot, emotional passion into calculated, purposive action (Alinsky, 1971). Production entails a continuous process of reproducing social relations. The "politics of production" in SEOs are embedded in institutional arrangements and informal networks which determine the nature of resources, incentives, and constraints (Burawoy, 1979; Granovetter, 1987).

Association, a necessary condition for equal power over production, is unstable and must be actively reproduced within SEOs because there are contradicting drives for directing material resources and motivational resources within the production process. Association presents a

tension between participation and direction. Offe and Wiesenthal argue that while assets are liquid and can be combined seamlessly, people possess “insuperable individuality,” and organizations must produce a “willingness to act” amongst a diversity of interests (1983). Since association is necessary yet difficult to maintain, stakeholders can formally have equal rights to assets but not equal substantive power over production. People can exercise different control over productive assets in production and derive returns differently under these conditions.

When unequal power over production is not the result of unequal rights to assets, where does it come from? I hypothesize that technical and organizational conditions in a workplace which yield an unequal distribution of autonomy amongst workers can produce differential power over production which is cumulative over time. Autonomy is the worker’s capacity to control the speed, intensity, and means by which they complete their work tasks. Positions which entail more autonomy are more likely to produce nonstandard skills and practices for their occupants. Freeland argues that within a division of labor, there is a tension between the distribution of expertise resulting from specialization and the distribution of decision-making (1996). The way a division of labor is organized can produce rents and differential power reflecting unequal access to information resulting from specialization and expertise.

The technical and organizational conditions of a workplace shape workers’ autonomy, but these factors are contingent on the relative power of workers to define the organization of the technical divisions of labor. The same production can occur utilizing a number of different technologies and ways of organizing the labor process. Hence, technology is not simply a given, it is chosen. Within different types of SEOs, different property relations produce qualitatively different relations of production which engender different levels of worker power. Outside of property relations, inequalities based on race and gender can also create disparities in power.

Initial accumulations of influence via accumulations of autonomy within production are cumulative. I speculate that even in an ideal type of SEO, there is the possibility for a pattern of unequal control over economic activity to crystallize as positions apart from the individuals occupying them (and partially from their personal level of knowledge, capacity and experience), which are reproduced through positive feedback through the physical aspects of production, unless there are counteracting mechanisms.

Method

I will explore: How does the type of SEO impact how individual attributes, technical and organizational conditions of production impact the level of autonomy that workers have in the production process? Do disparities in autonomy amongst workers produce unequal power over the production process?

I want to survey workers in a large sample of geographically proximate SEOs. Maybe Canada or Spain? My questions for workers will look something like:

- How much personal control do you have over the speed, intensity, and means (<-split into separate questions?) by which you complete your job tasks? [Ordinal scale]
- How much personal control do you have over what is produced and the technology and organization employed in how goods and services are produced by your organization? [Ordinal scale]

Then, I need to collect SEO data. First, I will look at worker attributes. I will look at level of required education for a position – high school, training program, college and graduate school. I will look at training time – the number of weeks it is expected for a new worker to become reasonably proficient at his/her job. I will look at gender composition of the workplace.

Next, I will look at technological conditions. I do not know what would be a good way of measuring the level of automation of a job. I will look at capital-intensity. Use of computers? Hand tools?

Then, I will look at the organization of production. I will measure the ratio of administrative to non-administrative workers. I will look at the number of hierarchical levels. I will look at the degree of formalization.

Finally, I will compare different types of SEOs. I will divide the organizations up into worker cooperatives, producer cooperatives, consumer cooperatives, solidarity cooperatives, and social enterprises. I know that membership to some of these SEOs is unrelated to production. However, I want to see if there are residual effects. I will differentiate the non-profits. I will measure the firm's share of revenue from market exchange, private sources of funding (need to differentiate more?) and state sources of funding. Share of volunteer labor in total labor?

I hypothesize that there will be a positive correlation of bureaucratization and mechanization with discrepancies in autonomy amongst workers, which will be highest in social enterprise and consumer cooperatives, then producer cooperatives, and lowest in solidarity and workers' cooperatives.

I do not know if there will be any trend in the correlation between the worker attributes with autonomy discrepancies with the types of SEOs.

I hypothesize that higher discrepancies in worker autonomy will be correlated with higher discrepancies in worker power over production.

There are a few problems with my approach: 1. My data will be based on workers' perceptions of autonomy and power, not on any objective measures. 2. How will I collect the data on the technological and organizational characteristics of the SEO? Should I have one survey for workers and one survey for a representative of the organization? 3. Do my measures and questions make sense or mean the same thing across sectors? Should I focus on one sector?