

Conceptualising Future Labour Markets

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An enquiry into what future labour markets might look like is, necessarily, an enquiry into what future labour market *institutions* might look like. Any such enquiry requires a *conceptual apparatus* (i.e. theory, meta-theory and model) capable of dealing with labour markets *and* institutions. The conceptual apparatus of orthodox labour economics is incapable of this. An alternative conceptual apparatus, the '*socio-economics of labour markets*', augmented with critical realist meta-theory, is capable of dealing with future labour markets. This claim is demonstrated via the example of future labour markets based on *Basic Income*.

KEYWORDS: labour markets, labour market institutions, future.

Introduction

This paper contributes to the theme of *Organising for Future Alternatives* by reflecting on future *labour markets* (LMs). Let me start with four preliminary remarks, followed by a note on the format.

First, enquiring into what future LMs might look like is only worth the effort if we have a *fundamentally* different future in mind. Predicting minor future changes, such as 'the magnitude of the median elasticity of labour supply for women will rise from 0.3 to 0.6 by 2020', is not only uninteresting, it is also based upon the assumption that future LMs will not be different from today's. More interesting scenarios might involve future LMs that, for example: (i) do not have labour supply curves, perhaps because a future fascist government outlaws trade unions and uses para-military organisations to force everyone to work at set wage rates; (ii) are further developments (in degree and scope) of the kind of 'institutionalised' LMs found in Sweden in the 1970s and 80s; (iii) are the outcome of an extremely radical neo-liberal government prepared to use the state apparatus to *completely* abolish all social security payments; or (iv) are based upon *Basic Income*.

Second, these four examples involve fundamentally different *institutional systems, arrangements, environments, or LM institutions* (LMIs) for short. An enquiry into what future LMs might look like is, therefore, necessarily an enquiry into what *future LMIs* might look like. The analysis of (present and) future LMs *and* LMIs are, therefore, interwoven.

Third, any enquiry into what future LMs might look like requires a *conceptual apparatus* (i.e. theory, meta-theory and model) capable of dealing with LMs *and* LMIs. And here we run into a problem: the conceptual apparatus of orthodox labour economics (OLE) is incapable of dealing with (present and) future LMIs, and, therefore, future LMs.

Fourth, I offer an alternative conceptual apparatus based upon what I have referred to elsewhere as the '*socio-economics of labour markets*' (SELM)¹, albeit augmented with critical realist (CR) meta-theory. Referring to this as the *SELM^{CR}* perspective, I argue it is capable of dealing with (present and) future LMIs, and, therefore, future LMs. It is based upon ideas I have been working on for several years.²

Part one of the paper summarizes the conceptual apparatus of OLE. Part two starts with a simple supply and demand model and then successively adds three conceptions of LMIs. It shows why OLE is incapable of dealing with future LMIs and LMs. Part three considers a kind of 'half-way house' between OLE and *SELM^{CR}* models. Part four sets out the *SELM^{CR}* perspective. It deconstructs the term 'institution', replacing it with 'socio-economic phenomena', and then shows that the conceptual apparatus of *SELM^{CR}* can deal

¹ See Fleetwood 2006 for examples of who is included in this group.

² Fleetwood 1999, 2001, 2006, 2010, 2014. See also Wilson 2007a and 2007b.

with socio-economic phenomena and, therefore, future LMs. The conclusion shows this via the example of a LM based on *Basic Income*.

1. The conceptual apparatus of the OLE perspective

The conceptual apparatus on which OLE models are based, consists of:³

- An ill-conceived jumble of the deductive nomological (D-N), hypothetico-deductive (H-D), inductive-statistical (IS), and/or covering law model of 'explanation' - conflated with prediction.
- An empirical realist ontology consisting of (a) atomistic, observed or observable events; and (b) individuals - and nothing else. OLE (should) have no conception of anything (e.g. LMIs) existing *independently of agents* that influences their actions. LMIs are nothing more than the outcome of agents' actions, typically, in the form of regular patterns of events. OLEs have only an *agency-agency* relation. This is termed 'ontological individualism'.
- A commitment to methodological individualism, that is, to the belief that an understanding of the social world is gained (solely) from an understanding of individuals' actions. It follows from ontological individualism.
- A concept of agency as *rational economic man* (REM). Some use REM because they assume it is a reasonable approximation to real people, and others use it simply because it is mathematically tractable.
- A commitment to the regularity view of causation and the regularity view of law, whereby a law is an event regularity. This can take a probabilistic or stochastic form, as in the case of statistical laws.
- An epistemology based upon the presumed existence of event regularities and, therefore, of laws or law-like associations between quantified events (i.e. variables) that can be stated as predictions or hypotheses and then tested.
- A commitment to mathematics and statistics, quantification and measurement of LM phenomena, and quantitative research techniques.
- OLEs believe this constitutes a 'scientific' approach.

Application of this conceptual apparatus is responsible for the way LMs are modeled, to which we now turn.

2.0 Orthodox labour economics models

This section starts with the simple supply and demand model, before successively adding three conceptions of LMIs.

2.1 The simple model

OLE textbooks invariably start by introducing a simple, labour supply and demand model of LMIs – as in the following example:

The most pervasive theory of the labour market is the neoclassical theory of labour supply and labour demand interacting to determine an optimal combination of wages and employment...it is a background against which we can examine theoretical extensions.⁴

LMs are conceived of as labour supply and labour demand functions or curves, and often expressed in the well-known labour supply and demand diagram of figure 1.

Figure 1. The simple orthodox model

Whilst this model is an idealisation, labour supply and demand curves are believed to exist in *all* LMIs - i.e. they are not just useful theoretical constructs. LMIs merely complicate their operation. The degree of model complexity is an *epistemological* matter and does not alter the *ontological* point. Hyclak, Johnes &

³ For further elaboration see Fleetwood 2014 and Lawson 1997 and 2003. See Hodgson 2007 on types of individualism and Fleetwood 2012 on tendencies.

⁴ Smith 2003, 2.

Thornton⁵ probably speak for the majority of labour economists when they claim that: 'Adjustment to a demand and supply equilibrium may be complicated by institutional factors, but we would nevertheless expect supply and demand to be major influences on labour market outcomes'.

To enquire about future LMs is to enquire about future LMIs. On the basis of this simple model, such an enquiry is impossible because *there are no LMIs*: the model is an 'institutional' void. A useful analogy would be of a diagram of a section of a motorway bridge 'hanging' in mid-air without any supporting pillars.

2.2. The simple model with LMIs as exogenous restrictions

In this model, LMs are still conceptualised as labour supply and demand curves, but it now includes exogenous LMIs. The most common, and uncontroversial, conception views LMIs as *restrictions* on the operation of LMs. A glance at figure 2, illustrates a distinction between LMs (denoted as the central circle) and LMIs (denoted as the peripheral circle). LMs and LMIs are two different phenomena, which they have to be if the former is restricted by the latter.

Figure 2. The orthodox model with LMIs as exogenous restrictions

Good examples of LMIs as restrictions are trade unions. When OLEs recognised the influence of unions on LMs, unions were the 'intellectual property', as it were, of the discipline of industrial relations (IR). A process of 'economics imperialism' then ensued.⁶ OLEs took unions from IR and started to analyse them via their own conceptual apparatus. The requirement of this apparatus, however, empties the concept of 'unions' of everything that makes them important in the first place. The richness with which unions are analysed in IR has vanished, resulting in an *impoverished* conception of unions. Union objectives are reduced to the maximization of union membership, or the wages of the median voter. The purposes of unions as organisations that service, organise, or act militantly, are blissfully ignored. There is no recognition that unions are deeply interwoven into the 'political fabric' of society and have relationships with political agencies that influence their actions. There is no recognition of the various inter-union conflicts and, therefore, no analysis of the way union leaders are caught between supporting workers in their day-to-day struggle to ameliorate exploitation, alienation and commodification; whilst simultaneously negotiating the terms upon which the exploitation, alienation and commodification is to continue. There is no recognition of the role of political ideology and, therefore, no way of analysing the influence that post-Thatcher political ideology has had on UK trade unions.⁷

The lessons of this example can be generalised to other LMIs. When transposed into the discipline of OLE, the requirements of the conceptual apparatus empties LMIs of everything that makes them important in the first place, resulting in *impoverished* conceptions of LMIs. To enquire about future LMs is to enquire about future LMIs, but a model with such impoverished conceptions of LMIs is incapable of dealing with future LMIs and LMs.

2.3 More complex model with LMIs as endogenous restrictions and improvers

In this model, LMs are still conceptualised as labour supply and demand curves, but now endogenous LMIs are included that, whilst restricting, can also *improve* the operation of LMs. As St Paul puts it, 'if they [institutions] hurt everybody, they would not be observed in practice'.⁸ LMIs can make LMs operate more efficiently, more equitably, can help counteract market failure, and or counteract the negative consequences arising from other institutions.⁹ Consider an example whereby a pre-existing LM 'institution', a union, restricts an agent's ability to act. The union might negotiate above market clearing wage rates, causing some agents to lose their jobs, thereby, incurring a loss in rent. This creates re-

⁵ Hyclak, Johnes & Thornton 2004, 19.

⁶ Milonakis & Fine 2009.

⁷ See Fleetwood 1999.

⁸ St Paul 2000, 1.

⁹ See Boeri & van Ours 2008, and Blau & Kahn 1999: 1405.

distributional conflict *qua* rent-seeking and rent-capturing activities. To alleviate this conflict, another LM 'institution' (employment protection legislation) is introduced, even though this introduces a (further) restriction on the number of workers losing their jobs.

Figure 3. The orthodox model with LMIs as restrictions and improvers

Consider the following comment where St Paul explains how LMIs emerge via a political process involving two conflicting groups (A and B).

These two groups interact with one another in the market place and jointly decide, by some political mechanism that we do not actually need to specify, on common policies and institutions. Assume group A is more powerful than group B, so that its members can design institutions in the way that suits them best – to put it another way, the 'decisive voter' is a member of group A. There are many ways that group A can increase its welfare by manipulating institutions, but one possibility is simply to introduce a regulation that alters the functioning of the labour market in such a way that in equilibrium group A will be better off...Therefore such a regulation redistributes from group B to group A. We thus see how the existence of redistributive conflict between the two groups opens the possibility of the emergence of a constituency in favour of labour market rigidities.¹⁰

At first glance, this looks like a sophisticated, multi-disciplinary account of how LMIs emerge by improving the welfare of one group of LM agents. But let us look closer at this via his account of power in a political context. Although he does not make it clear, St Paul appears to conceive of power from a Weberian perspective, as a narrow economic phenomena, as *market* power due, for example, to the possession of a rare talent or costly (to acquire) skill. But throughout the book, St Paul recognises the existence of many *social domains* and many *socio-economic phenomena* that influence LMIs, so why remain wedded to the narrow economic domain? Why not take a multi-disciplinary perspective and opt for the kind of neo-Marxist conception of power, deriving from the work of Lukes, or Foucault, that is commonly found in contemporary political science. This conception of power (or something as sophisticated) would be necessary to investigate power and LMIs thoroughly. Lacking this sophistication, however, St Paul ends up with an impoverished account of power and LMIs.

- Power is *multi-dimensional* and *qualitative*. It is multi-dimensional in the sense that it has, inter alia, political, economic, sociological, legal, cultural, ideological and hegemonic, dimensions to it. It is *qualitative* in the sense that these dimensions are, largely, non-quantifiable – e.g. how do we (meaningfully) quantify 'ideological manipulation'? St Paul ends up reducing this multi-dimensional, qualitative phenomenon to a one-dimensional *quantitative* phenomenon – i.e. conflict over income distribution. Whilst such conflict is not unimportant, it is just *one* dimension of power – i.e. the one that can be quantified.
- He cannot explain how and why processes of apparently joint-decision making are often exercises in manipulation by the more powerful group, masquerading as joint-decision making, nor can he explain how this manipulation process works.
- He cannot explain how and why, via this manipulated joint-decision making process, certain LMIs appear on the policy agenda or, perhaps more importantly, why some *do not* appear on the agenda - who is keeping them off, how and why?
- He cannot explain how and why the LMIs that do appear are designed the way they are and not in some other way. There are, for example, many different kinds of voting systems, and they have different implications for the types and degrees of democracy as well as for who does and does not get to vote.
- His explanation of how institutions are created is banal. The idea that, for example, minimum wage legislation (MWL) was created by two groups (A and B) jointly deciding on it, by some

¹⁰ St Paul 2000, 46.

political mechanism that we do not actually need to specify, is a good example of what is often, pejoratively, called 'mathematical politics'. Mathematical tractability drives the (banal) political conceptions.

The lessons of the example of power can be generalised for many other LMIs. If a LMI such as MWL is (mis)understood to be created by two groups jointly deciding on it then, presumably, future LMIs such as employment protection legislation (EPL), would be created in a similar fashion. St Paul thinks so, writing:

Throughout this book we want to explain labour market institutions as the outcome of political choices by selfish agents, although our results are not incompatible with some degree of altruism.¹¹

When LMIs are transposed into the discipline of OLE, the requirement of the OLE perspective empties them of everything that makes them important in the first place, resulting in *impoverished* conceptions of LMIs. Once again, a model with such impoverished conceptions of LMIs is incapable of dealing with future LMIs and LMs.

2.4. The orthodox model with LMIs as enablers

In this model, LMs are still conceptualised as labour supply and demand curves, but now LMIs that *enable* LMs to function are included. On the one hand, it makes the model more able to deal with the future; but on the other hand, it introduces a serious conceptual problem – which I will come to in a moment. Some LMIs are understood by OLEs as necessary, not just to improve LMs, but to enable them to function. The paradigm example is private property. Private property is necessary to ensure that those who offer to sell their labouring services, own these services, that is, own themselves - the alternative would be some kind of slavery or serfdom, not a 'freely' entered-into exchange. Private property is also necessary to ensure that those who employ labouring services retain ownership of the goods and services produced by those they employ – the alternative would be employees laying claim to the commodities they produced on their employers' premises. Without private property, then, buying and selling labouring services could not occur. This is well understood and uncontroversial. Enabling is already implicitly recognised in the example of private property.

Figure 4. The orthodox model with LMIs as enablers

What is true of private property is, of course, also true of *hundreds* of other LMIs - e.g. labour and social security law, employment contracts, schools, universities, LM intermediaries like job-centres, households etc. And now the conceptual problem noted above surfaces. If LMIs enable LMs to function in the first place, then the distinction between LMs and LMIs, so clear in the previous models, disappears. I illustrate this in figure 4, by making the circle denoted LMIs as enablers partially overlap on the center circle denoting LMs. The relation between LMs and LMIs as enablers has become unclear because LMs and LMIs as enablers have, somehow, inexplicably, merged into one phenomenon. This problem re-emerges in the next model, where it is easier to elaborate, so I will leave matters here for the time being and simply end with the following point. A model that cannot conceptualise the relation between LMs and LMIs is incapable of dealing with future LMIs and LMs.

Pause for reflection

One leading OLE recently observed that: 'Currently, labour economics consists of the competitive model with bits bolted onto it to explain away anomalies. The result is often not a pretty sight'.¹² Many of the 'bits bolted on' are LMIs. OLEs know that LMIs are 'non-economic', 'social', 'political', 'cultural' (etc.), but 'turn a blind eye' to the fact that LMIs cannot be analysed (properly) via their conceptual apparatus. LMIs, then, end up being under-defined, under-explained, under-elaborated, under-theorized and under-researched. Why, then, do OLEs not abandon, or at least radically overhaul, this apparatus? There are two reasons. First, contemporary OLEs consider this apparatus responsible for the advancement of the

¹¹ St Paul 2000, 72.

¹² Manning 2003, 11.

discipline.¹³ Abandoning it would be interpreted as taking their discipline back to a 'pre-scientific' stage: most would be unwilling to do this. Second, contemporary OLEs are trained exclusively in mathematical and econometric techniques, and would be *unable* (at least not without significant re-training) to adopt the kind of alternative perspective (discussed in part four) capable of dealing with LMIs.

Two comments are necessary to nuance the above claims. First, even when OLEs do try to analyse LMIs, commitment to their conceptual apparatus results in impoverished conceptions of LMIs. Second, Blau & Kahn (1999: 1400) correctly observe that: 'Over the last 10 years there has been an explosion of research on the economic impact of such institutions'. A small army of OLEs are permanently engaged in measuring the 'impact' of various LMIs on various outcomes. Whilst measurement is no substitute for analysis, measurement is all that their conceptual apparatus has to offer.

3.0 SELM model

This model can be thought of as a version of SELM *without CR*, where LMs are conceptualised as labour supply and demand curves, but now with the inclusion of LMIs that restrict, improve, enable and also embed LMs.¹⁴ I consider embedding to encapsulate restricting, improving and enabling – see figure 5.

The term 'embedding' rarely appears in OLE, but is common in economic sociology. Whilst there is no clear definition of 'embedding', it is commonly used to refer to the *enmeshing* of 'economic' phenomena in wider 'social' or 'institutional' phenomena – i.e. the enmeshing of LMs within LMIs. The distinction between this version of SELM from OLE is, primarily, one of emphasis: the former are willing to accept a far more significant role for the influence of LMIs on LMs.

Sometimes, the *concept* of embedding is implied, but without the term. For example, two SELMs define *social structures of accumulation* with reference to the:

specific institutional environment within which the accumulation of capitalist profits takes place, including such things as core technological systems, the way organisations are organised, the monetary and credit systems, the pattern of government involvement, and the character of class conflict over the accumulation process.¹⁵

This is a fairly clear reference to the embedding of processes of accumulation within specific institutional environments.

Figure 5. SELM model with LMIs as embedding

If LMs are embedded in LMIs, and LMIs significantly influence LMs, then LMIs must be analysed as phenomena in their own right. Whilst this is a step in the right direction, it runs into the same problem that we noted in 2.4. In figure 5, the southern and western circles (enablers and embedders) represents LMIs that *cannot* be conceived of as separate, and different, to LMs. This is inconsistent with, and inconceivable in terms of, all the main tenets of OLE. And yet this conceptualisation makes perfect sense. LMIs like job-centres (or similar organisations to handle information flows) are absolutely necessary to carry out the LM activities that OLEs refer to as *searching*. Without job centres, LM agents would be unable to search. In what way, then, is a job centre *not* (somehow) part of LMs? LMIs like employment contracts are absolutely necessary to carry out the activity of registering the exchange of labour power that OLEs refer to as *matching*. Without employment contracts, LM agents would be unable to complete the matching process.

The problem is *not* that LMs and LMIs have merged into one phenomenon. The problem is that OLEs and SELMs do not have the conceptual apparatus capable of theorizing this merging. We will see in part four, the SELM^{CR} model, substitutes the concept of 'merging' with that of 'emerging' and, thereby, solves the

¹³ See for example Fallon & Verry 1988; ix; Laing 2011: Appendix A-3; and McConnell et al 2006: 3.

¹⁴ For further comments on embedding, see Fleetwood 2010 and Krippner 2001.

¹⁵ Wallace & Brady 2001, 104.

problem. OLEs and SELMs are left, unable to conceptualise LMIs or the relation between LMIs and LMs and, therefore, unable to conceptualise LMs themselves. Others have spotted similar problems.

I argue that the notion of embeddedness has deflected attention away from important theoretical problems. In particular, I suggest that the relative neglect of the concept of the market in economic sociology is a result of the way in which the notion of embeddedness has been formulated. Quite paradoxically, the basic intuition that markets are socially embedded - while containing an important insight - has led economic sociologists to take the market itself for granted. As a result, economic sociology has done scarcely better than economics in elaborating the concept of the market as a theoretical object in its own right.¹⁶

A model that is incapable of conceptualising present LMs is incapable of conceptualising future LMs.

4.0 Critical realist augmented socio-economic model

To the extent that there is a distinct 'SELM^{CR} perspective', it could be summarised as follows.

- The D-N, H-D, IS, and/or covering law models of 'explanation' are replaced with a causal explanatory method.
- The empirical realist ontology, along with ontological and methodological individualism, is replaced with an ontology where agents reproduce or transform socio-economic phenomena.
- REM is replaced with a conception of a human agent that is consciously deliberating and unconsciously acting upon habit.
- The regularity view of causation and the regularity view of law are replaced with a conception of causality as power or tendency.
- An epistemology based upon event regularities, and therefore closed systems, is replaced with one based on open systems and explanation – i.e. not prediction.
- There is no *a priori* commitment to quantification, measurement, quantitative research techniques, mathematics or statistics.

All of the above ideas are well known to CRs. Instead of repeating them, I will elaborate only those germane to the analysis of LMs. The section will unfold as follows. I will deconstruct the term 'institution' (LMI), replace it with '*socio-economic phenomena*' and define the latter; consider time, cause and outcome; introduce the morphostatic-morphogenetic approach, and use this to consider the way socio-economic phenomena constitute LMs; consider the concept of emergence, and mention open and closed systems. This paves the way to build the SELM^{CR} model.

4.1 From 'institutions' to socio-economic phenomena

Up to this point, I have used the term 'institutions' uncritically. In the OLE literature, the term is used to refer to almost anything that is understood to be 'non-economic', 'social', 'political', 'cultural', 'institutional' or such like. SELMs usually treat 'institutions' with more care, but I believe we can do better by deconstructing the term using CR insights.¹⁷

OLEs routinely refer to the following as 'institutions':

shirking, efficiency wages, free-riders, moral hazards, promotion tournaments, worker's social status, self-esteem and independence, attitudes, social stigma, notions of fairness and justice, social dialogue, families, family background, kinship networks, culture, occupational licensing, money, early retirement, regulation of working hours, work rules, employment contracts, arduousness of work, probationary period, job search, job crowding, job-queuing, job competition, job matching, job-evaluation, job-ladders, non-wage job attributes, life-cycles, implicit contracts, psychological contracts, bargaining, bargaining power, principles and agents, insiders and outsiders, discrimination, political systems, local, national and supra-national states, social security offices and job-centres, payroll taxes, unions, migration, education, skills, retraining,

¹⁶ See Krippner 2001, 776.

¹⁷ See Fleetwood 2008a and 2008b.

schools, colleges, universities, human capital, screening effects, payment systems such as performance related pay and profit sharing, industrial relations systems, codetermination, degree of centralization of the pay setting system, works councils, legislation (e.g.) employment protection, health and safety, working hours, minimum wages, and unemployment benefits, active LM policies, migration policies, retirement programs, home ownership, institutional structures, arrangements, or frameworks such as the corporate governance and financial system, the system of inter-company relation and last but by no means least, LMs themselves.

Portes¹⁸ refers to this, pejoratively, as the ‘institutions are everything’ approach. There seems to be no rhyme or reason why many of these phenomena are LMs; category mistakes abound; and many of them are not institutions at all. Sorting-out this jumble would take another paper, but some clarification is necessary in order to proceed, so I will make a series of clarificatory points.

Institutions are often associated with *socio-economic phenomena*¹⁹ like: *agreements, codes, conventions, culture, customs, laws, mechanisms, mores, networks, norms, obligations, organisations, practices, precedents, procedures, regulations, routines, rules, social structures, rituals, precedents, values and habits*. Allow me to draw your attention to several noteworthy points. The generic term ‘*socio-economic phenomena*’, therefore, replaces the term ‘institution’.

Clearly, many of the ‘institutions’ listed above are better understood as something else. The list is long, so I offer the following examples.

- Unions, families, universities and job-centres, are better understood as *organisations*.
- Social class, gender, race and demography are better understood as *social structures*.
- Worker’s social status, self-esteem, social stigma, and notions of fairness and justice are better understood as *values and mores*.
- Regulations on working hours, employment contracts, legislation relating to employment protection, health and safety, working hours and minimum wages are better understood as *agreements, codes, conventions, laws, or regulations*.
- Implicit contracts, psychological contracts, work rules, and rules and norms conditioning shirking, are better understood as *rules or norms*.
- Promotion tournaments, various kinds of bargaining, and payment systems are better understood as *mechanisms*.

Not all socio-economic phenomena are, clearly, LM phenomena. For brevity I try to use the term ‘*socio-economic phenomena*’, without the prefix LM, but where confusion might arise, I will refer to ‘LM (oriented) socio-economic phenomena’.

Some socio-economic phenomena *pre-date* agents’ interaction with them, that is, they make agents’ actions possible, or they causally condition agents’ actions. Other socio-economic phenomena *post-date* agents’ engagement with them. The latter are *not* the causal conditions of actions, but observed outcomes, in the form of the actions themselves. If and when there is a rough and ready pattern to these actions, we might observe (say) a routine.

The phenomena that causally condition actions, and the phenomena that are actions/outcomes, are all ‘*socio-economic phenomena*’. When I say that agents *draw upon* or *reproduce* or *transform* socio-economic phenomena, then I am referring to phenomena that causally condition agents’ actions.

Whilst the socio-economic phenomena drawn upon by agents causally condition their actions, they do not *determine* these actions. The rules of grammar causally condition the sentence I am typing at the moment, but they do not determine this sentence.

¹⁸ Portes 2006.

¹⁹ I stick with this (unsatisfactory) term for brevity. More accurate terms like ‘social-economic-legal-historical-political-ethical-cultural phenomena’ are too clumsy. Previously, Fleetwood 2010, I referred to Institutions, Structures, Organisations and Mechanisms (ISOMS).

The socio-economic phenomena drawn upon by agents exert their causal influence in two different ways.

- a) Acting *unconsciously, implicitly and tacitly*, agents draw upon socio-economic phenomena such as the institutions, rules, norms, values and mores that causally condition their actions.
- b) Acting *consciously, explicitly and non-tacitly*, agents draw upon socio-economic phenomena such as the agreements, codes, conventions, laws, obligations, precedents, procedures, regulations, social structures and organisations that causally condition their actions.

Some rules, norms, values or mores may well have started off by being consciously drawn upon. Whilst known consciously, many laws are, in practice, drawn upon unconsciously.²⁰

The socio-economic phenomena drawn upon by agents are *irreducible* to agents' actions (the mistake of individualism); and agents' actions are *irreducible* to socio-economic phenomena (the mistake of holism).

Socio-economic phenomena exist independently of our identification of them. Women, for example, need not be cognisant of the sexist rules and norms that often causally condition their LM activities.

Table 1 classifies these socio-economic phenomena. The classification and meaning will become clear as the section unfolds, but note the following. I present these socio-economic phenomena in different cells of the table because (in this paper) I am keen to emphasise difference. A more sophisticated analysis should consider the ways that they overlap, as agents reproduce and transform several of them at the same time.

Table 1. Differentiating between socio-economic phenomena

4.2 Time, cause and outcome

One of the most common mistakes in social science is to confuse the temporal sequence involving agents, the socio-economic phenomena they draw upon, and the resulting action/outcome. It is, for example, extremely common to find institutions conceived of simultaneously as phenomena that *causally influence* agents' actions, and as *patterns of agents' actions*, typically in the form of regularities. A moment's reflection reveals why this cannot be correct. In order for a language speaker to utter a sentence, she has to draw upon rules of grammar. These rules *must*, logically, exist prior to the utterance and causally condition it. In the utterance, the rules of grammar are reproduced or transformed. I return to this below.

4.3 Brief definitions of socio-economic phenomena

This section offers no more than brief definitions of these socio-economic phenomena. They can, and indeed should, be elaborated with more sophistication, but this will have to wait for another time. The point to grasp is, simply, that agents reproduce or transform different socio-economic phenomena in different ways.

Culture is a notoriously slippery concept.²¹ For Archer, culture 'is taken to refer to all intelligibilia, that is, to any item which has the dispositional capacity of being understood by someone'.²² Whilst I think this is correct, in practice we end up using it to refer to phenomena that ought not to be placed in the same category. For example, a norm, code or ritual, are all cultural, yet, as we will see below, they are very different. I propose not to use the term.

Network is also a slippery concept.²³ At its most general, the term refers to units or entities (e.g. human agents) standing in special relations to one another. This could make networks the same as 'social structures'. This could also make networks the outcome of agents' actions and not, therefore, socio-

²⁰ See Elder Vass 2006, 175.

²¹ See Jackson 2009.

²² Archer 1995, 180.

²³ Even Thompson's 2003 fairly thorough survey of the main three conceptions of networks leaves the reader unclear about the ontological status of networks.

economic phenomena drawn upon by agents. Whilst I have some sympathy with the term, I have never yet come across a working definition, and so I propose not to use the term.

A *social structure* is a latticework of internal relations between entities that may enable and constrain (but do not determine) the plans and actions of agents who reproduce and/or transform these relations. A social structure causally conditions agents' actions.

An *organisation* consists of a specific set of people who, consciously *and* unconsciously,²⁴ reproduce and transform a specific set of socio-economic phenomena that govern the criteria that establish the organisation's boundaries and distinguish members from non-members, the principles of sovereignty concerning who is in charge, and the chains of command delineating responsibilities within the organisation. An organisation causally conditions agents' actions.

An *institution* is a system of established rules, norms, mores and values that become (usually unconsciously) embodied or internalized within agents as habits (via a process of habituation, but not restricted to it) to assist in rendering (relatively) predictable the intentions and actions of agents who reproduce or transform these phenomena, whilst simultaneously reproducing and transforming themselves and who may, via a process of reconstitutive downward causation, have their intentions and actions transformed.

Sometimes, *practices, customs, rituals and routines* are interpreted as the *observed actions/outcomes*; and sometimes they are interpreted as the *causal conditions* of agents' actions. My reading of the literature leads me to conclude that the former is the most common interpretation. There are two possible reasons for this – apart from sheer confusion. First, practices, customs, rituals and routines are highly suggestive of action, activity, doings, goings-on, and so it makes sense to interpret them as observed actions/outcomes. Second, if they are observed actions/outcomes, then something else must be causally conditioning the agents' actions that cause them. It makes no sense to have practices, customs, rituals and routines both as observed actions/outcomes and as causally conditioning agents' actions. For these reasons, I interpret practices, customs, rituals and routines as the *observed outcomes/actions* of agents' actions – with apologies to those who use customs, rituals and routines as causally conditioning.

Agents engage with *laws and regulations consciously and explicitly*. What differentiates laws, directives and regulations from the other socio-economic phenomena conditioning agents' actions, especially their close relatives agreements, codes, procedures and precedents (below), is (a) they are usually written down; (b) they are often enshrined in the legislation of a nation state or supra-nation state; and (c) transgressions invite state-enforced sanctions. Laws and regulations causally condition agents' actions.

Agents engage with *agreements, codes, conventions, obligations, procedures, precedents consciously and explicitly* - although the degree of awareness can vary. What differentiates agreements, codes, conventions, obligations, procedures and precedents from their close relatives laws, directives and regulations is they do not have to be (although they sometimes are) written down; they are often not enshrined in legislation; they often operate at the organisational level; and where transgressions invite sanctions they are not state-enforced. Agreements, codes, conventions, obligations, procedures, and precedents causally condition agents' actions.

Values and mores are similar to rules and norms, but with an ethical dimension. To know what to do in a given situation extends to knowing what is morally acceptable.²⁵

I use the terms *'norms'* and *'rules'* interchangeably. I interpret rules as *rules of thumb, unconsciously, implicitly and tacitly understood, and loosely followed* – i.e. not the precise rules, consciously, explicitly and non-tacitly understood, and precisely followed as used in Game Theory. What matters, is that agents can, and very often do, draw upon rules and norms without deliberation – although, if pushed, agents may

²⁴ This is why 'organisation' appears twice in table 1 – as does 'mechanism' discussed below.

²⁵ See van Staveren 2001, chapter 7.

be able to identify the rule or norm they are drawing upon. Rules and norms causally condition agents' actions.

Rules and norms (and mores and values) are inextricably bound up with habits, so much so that they are often (mistakenly) conflated. Rules and norms exist external to agents, whereas habits are internal to agents, i.e. in the nervous system. The important question is: how to habits get internalized? Previously, I accepted the Institutional idea that internalization of rules occurs via a process of habituation. I now think this is not entirely correct – but it cannot simply be ignored because habits must be dealt with. Habituation requires repetition. Whilst some rules and norms are repeatedly engaged with, triggering the habituation process, other rules and norms may be internalized without repetition. Whilst I believe rules and norms are internalized as habits, there may be different ways of internalizing them. To the best of my knowledge, no-one has explained this and it remains a mystery.

Following Hodgson²⁶ I define a habit as the tendency to repeat the same act in similar conditions. A habit should not be thought of as an observable behaviour, pattern, action or outcome, but as a *disposition, capacity, power or tendency*. Kleptomaniacs possess the habit of stealing, but this does not mean they steal all the time: sometimes they do and sometimes they do not. The habit is, however, always present as a tendency to steal. A habit, then, is a tendency located within the agent. Habits are (ontologically speaking) different to socio-economic phenomena.²⁷

The term '*mechanisms*' or sometimes '*causal mechanisms*' is used to refer to any (non-agential) phenomena with causal power. Any socio-economic phenomena could, then, be called a '*mechanism*'. I suggest the term be used to refer to phenomena that are systematic clusters²⁸ of socio-economic phenomena, but not institutions or organisations. I have in mind devices for recruiting, such as interviews or psychometric tests, payment systems, strikes, lock-outs, bargaining processes and so on. A mechanism, then, is a cluster of socio-economic phenomena, consciously and/or unconsciously reproduced and transformed. A mechanism causally conditions agents' actions. In part four, I will define LMs as mechanisms.

4.4 The morphostatic-morphogenetic (M-M) approach

The '*morphostatic-morphogenetic (M-M) approach*' is rooted in five crucial ideas:²⁹

- i) Agents and socio-economic phenomena (i.e. not just '*structures*') are different kinds of things.
- ii) Socio-economic phenomena are rooted in, but irreducible to, agents' actions.
- iii) In order to undertake any form of action, agents must draw upon socio-economic phenomena.
- iv) When agents draw upon socio-economic phenomena, there is an important temporal separation between past, present and future, so that at any (present) moment these socio-economic phenomena pre-date their actions.
- v) Agents then reproduce or transform these socio-economic phenomena.

LM agents enter a world replete with LM (oriented) socio-economic phenomena - e.g. laws of private property. This particular cohort of LM agents did not produce these socio-economic phenomena, but in order to act they have no option but to draw upon them. By doing so, they reproduce them (hence *morphostasis*), or *transform* them (hence *morphogenesis*) so that they continue to exist independently of them in the next time period, ready to be drawn upon by other LM agents. LM (oriented) socio-economic phenomena are, therefore, emergent from, but rooted in, agents' actions. As they reproduce or transform socio-economic phenomena, agents simultaneously reproduce or transform *themselves* as LM agents. Because the reproduction or transformation of socio-economic phenomena occurs via the actions of agents, these phenomena are *rooted in* the actions of agents.

²⁶ Hodgson 2003, 169.

²⁷ See Camici 2006; Lawson 1997 and 2003; and Fleetwood 2008b.

²⁸ If it was just one socio-economic phenomenon (e.g. a rule) we could simply use '*rule*' without referring to a '*mechanism*'.

²⁹ Archer 1995, 1998.

4.5 Socio-economic phenomena's role as constituting LMs

Using the work of Searle, we are able to make an important distinction between two types of rules: *regulative* and *constitutive rules*.

Some rules regulate antecedently existing forms of behavior. For example, the rules of polite table behavior regulate eating, but eating exists independently of those rules. Some rules, on the other hand, do not merely regulate but create or define new forms of behavior: the rules of chess, for example, do not merely regulate an antecedently existing activity called playing chess; they, as it were, create the possibility of or define that activity. The activity of playing chess is constituted by action in accordance with these rules. Chess has no existence apart from these rules....Regulative rules regulate activities whose existence is independent of the rules; constitutive rules constitute (and also regulate) forms of activity whose existence is logically dependent on the rules.³⁰

In what follows, I make three moves: (i) I extend this distinction beyond rules, to *all* socio-economic phenomena that are reproduced or transformed by agents; (ii) I focus upon the *constitutive* aspect of socio-economic phenomena; and (iii) I transpose this into a LM context.

Some LM (oriented) socio-economic phenomena *constitute* LMs. Just as chess has no existence apart from the rules of chess, LMs have no existence apart from the socio-economic phenomena that *constitute* them. To say socio-economic phenomena *constitute* LMs, is to say that LMs are (socially) constructed, made, or built out of, some stuff called socio-economic phenomena. Indeed, we could say LMs are socially constructed from socio-economic phenomena. No-one would deny that without the laws of private property (discussed in part 1.3) there would be no LMs. But the laws of private property do not merely regulate antecedently existing entities called LMs; *these laws, in part, constitute LMs*. And what goes for private property goes for scores of other socio-economic phenomena. Without LM (oriented) socio-economic phenomena there simply would be no LMs. Following, but extending Fleetwood, I argue that LMs *just are, or are constituted by*, socio-economic phenomena, meaning that LMs have no existence apart from the socio-economic phenomena that *constitute* them.

4.6 Emergence

The concept of *emergence*³¹ is necessary to avoid the problem facing OLEs (part 2.4) where LMs and socio-economic phenomena (or LMIs as enablers) merged into one ambiguous, amorphous concept. A simple analogy may help.

A sandcastle is made out of, or constituted by, sand. However, it is misleading to say that a sandcastle *just is* sand because a sandcastle is more than *just* sand, it is more than just a *pile* of sand. Sand can be just a pile and not constitute anything, except a pile of grains of sand. But sand can be arranged in many ways. When sand is arranged in a particular way, it can constitute a sandcastle. A sandcastle emerges from the sand. Whilst a pile of sand is reducible to (grains of) sand, a sandcastle is not. A sandcastle is irreducible to the sand that constitutes it. Put these concepts together and we can say that a sandcastle is emergent from, but irreducible to, the sand that constitutes it. It is not that sand and sandcastle have merged; rather, a sandcastle has emerged from sand.

A LM is made out of, or constituted by, socio-economic phenomena. It is misleading to say that a LM *just is* socio-economic phenomena because a LM is more than *just* socio-economic phenomena, it is more than just a *pile* of socio-economic phenomena. Socio-economic phenomena can be arranged many ways. When socio-economic phenomena are arranged in a particular way, they can constitute a LM. A LM emerges from socio-economic phenomena. If a LM is more than a pile of socio-economic phenomena, then it is irreducible to the socio-economic phenomena that constitute it. Put these concepts together and we can say that *LMs are emergent from, but irreducible to, the LM (oriented) socio-economic phenomena*

³⁰ Searle 1964, 53.

³¹ On emergence see Elder-Vass 2007a, 2007b and 2007c and 2010.

that constitute them. LMs and socio-economic phenomena have not merged (ambiguously and amorously), but LMs have *emerged* from socio-economic phenomena.

4.7 Open systems

CRs, like myself, reject the existence of labour supply and demand curves because LMs are *open* not *closed* systems – i.e. there are no event regularities between wage rates and quantities of labouring services supplied and demanded.³² This does not mean there are no forces generated by changes in labour demand, labour supply, and/or in wage rates. It does mean that these forces are unlikely to be law-like. This is why these forces do not appear in the SELM^{CR} model as supply and demand curves.

4.8. SELM^{CR} model³³

Armed with this conceptual apparatus, it is now relatively straightforward to build the SELM^{CR} model – schematised in figure 6. I have deliberately kept the same diagrammatic form as in parts two and three, in order to make it graphically clear how the SELM^{CR} model differs from those discussed above. This (highly abstract) model captures the following characteristics about LMs.

- LMs are mechanisms. Note that LMs also contain mechanisms – i.e. ‘sub’ mechanisms, as it were.
- LM agents (job-searchers and worker-searchers) enter into a pre-existing environment replete with LM (oriented) socio-economic phenomena - i.e. not just LMIs. In order to formulate, and initiate, LM oriented plans and actions, LM agents have no option but to draw upon these socio-economic phenomena. These phenomena causally condition, but do not determine, their plans and actions.
- By drawing unconsciously, implicitly and tacitly upon socio-economic phenomena like institutions, rules, norms, values and mores; and consciously, explicitly and non-tacitly upon socio-economic phenomena like agreements, codes, conventions, laws, obligations, precedents, procedures, regulations, social structures and organisations, LM agents reproduce or transform these socio-economic phenomena.
- LMs are, or are *constituted* by, these socio-economic phenomena.
- Labour markets emerge from, but are irreducible to, those socio-economic phenomena reproduced or transformed by LM agents.
- As LM agents reproduce or transform these socio-economic phenomena, they simultaneously reproduce or transform themselves as LM agents – e.g. as job searchers, worker-searchers, unemployed, skilled, low-paid, discouraged etc. Via this reproduction or transformation LMs, and agents, continue their existence into the future.
- Activities such as creating and destroying jobs; searching for jobs; finding or not finding jobs; searching for workers; finding or not finding workers; discriminating or being discriminated against; accepting or rejecting job offers; bargaining over pay and conditions; joining unions; becoming self-employed; setting crewing levels and, therefore, ultimately employment and unemployment levels, are all made possible by LM agents drawing upon the socio-economic phenomena that constitute LMs.
- This conception allows us to overcome the problem (figure 5) where LMIs as enablers and embedders (somehow) inexplicably merged with LMs – albeit now with socio-economic phenomena in place of LMIs. The SELM^{CR} perspective allows us to understand this, not as an inexplicable case of *merging*, but an explicable case of *emerging*.

At this point, a definition of LM can be given:

LMs, as mechanisms, are constituted by, emergent from, but irreducible, to clusters of LM (oriented) socio-economic phenomena that are consciously and/or unconsciously reproduced or transformed by job-searchers seeking to ‘sell’ the quasi-commodity labor power in order to secure their means of

³² Fleetwood 2014a.

³³ Despite differences in appearance, this model is entirely consistent with the model I sketched in Fleetwood (2010: 735, fig 5). Apparent differences are due to me ‘telling two different stories’ as it were.

survival, and by worker-searchers seeking to 'buy' labor power in order to produce commodities for profit, or non-commodities to satisfy socially sanctioned needs. By matching job-searchers and worker-searchers in this way, LMs enable (approximately) the right number of people, with (approximately) the right skills and attributes, to be in (approximately) the right places, at (approximately) the right times to produce commodities and non-commodities.

Figure 6. SELM^{CR} model of LMs as mechanisms

Some readers may be tempted to think that, whatever the merits of the SELM^{CR} model, it is simply *not* a model of LMs. They may think this because they have (some vestiges of) OLE in mind. Consider two comments from OLEs:

[The market is an] arrangement whereby buyers and sellers interact to determine the prices of a commodity.³⁴

The *labour market*] is 'the "place" where labour supply and labour demand come together, to determine the prices and quantities of labour services exchanged.'³⁵

What is crucial for OLE conceptions of (all) markets, is that they are arrangements or places not simply where people exchange things, but where the prices of these things are determined by the forces of supply and demand. This is why OLEs conceive of LMs as labour supply and demand curves. The SELM^{CR} model has a different conception of markets. The model depicts a labour *market* because workers exchange a commodity (labour power) for a wage. If workers were slaves, or semi-feudal labourers, then they would not be exchanging a commodity for a wage. Commodification, then, is the defining feature of LMs. Wages are not primarily (if at all) determined by the forces of supply and demand, but by the interaction of agents with the whole range of socio-economic phenomena that constitute the LM.

Conclusion: a future labour market with Basic Income

This section considers a future LM based upon Basic Income (BI). This is not entirely within the realm of what is often referred to as 'concrete utopianism'³⁶ because the aim is less practical and more meta-theoretical – i.e. to show that unlike OLE, SELM^{CR} is capable of dealing with this kind of future LM. There are several versions of BI, so I start with an outline of the ideas common to most BI schemes.

BI would be paid to each individual citizen and, therefore, universal. It would be paid as a matter of right not privilege. It would have no work requirement, no means test and the eligibility criteria is simply citizenship. It would be independent of current employment status; willingness to seek work; past work history; income from other sources; race, gender, sexual orientation; 'marital' status; and household composition.

BI would involve a merger of welfare and tax systems. It would be funded by various schemes, including: a variety of new tax revenues; the closure of tax loopholes for the rich; the elimination of no longer needed welfare schemes; and cuts in defense spending. It would consolidate anything from a handful to scores of different transfer payments into one payment, reducing administration costs and springing many poverty traps.

BI would, eventually, be set at a level sufficient to live on. It would, therefore, remove, or reduce, the negative incentives to work, that is, the compulsion caused (for the majority of workers) by non-ownership of capital – i.e. work or starve, or work or rot on the dole. Without this negative compulsion, potential employers would be forced to make work more attractive in order to recruit and retain workers – i.e. create

³⁴ Samuelson & Nordhaus 1998, 750.

³⁵ Bosworth *et al* 1996, 3.

³⁶ Hartwig 2007, 74-5.

positive incentives. This might involve a general improvement in working conditions – i.e. the introduction of genuine empowerment techniques, genuine teamwork; labour processes designed to increase autonomy and reduce technological alienation; and so on.

There are, fundamentally, three objections to BI. The first relates to cost. To be effective BI would have to be sufficient to live on, and at this level it would, arguably, be unaffordable. The second is rooted in the idea that no-one should get something for nothing? The third relates to perverse labour supply incentives. In the OLE perspective, if a rational agent was offered a BI, he would work a few hours less, take a few hours more leisure, or even stop work altogether – this is reminiscent of the thinking behind ‘shirking’ models. BI, then, will result in a serious reduction in labour supply and, so to repeat a common example, ‘we’d all be surfing in Malibu’! These objections have been debated and I will not reproduce them here. What I will do, however, is elaborate upon the last objection to show how the SELM^{CR} perspective *is* capable of dealing with it.

A thorough enquiry into what a future LM based upon BI might look like, would revolve around conjecturing, making informed guesses, or hypothesizing about the socio-economic phenomena that LM agents would have to draw upon in order to fulfill their LM oriented plans and actions. It would, clearly, take another paper (or more) to elaborate upon *all* the new agreements, codes, conventions, laws, mechanisms, mores, norms, obligations, organisations, precedents, procedures, regulations, rules, structures, precedents and values that would be involved, and to explain how LM agents would draw upon them all. But in practice, there is no reason why this cannot be done. I will proceed, however, by considering just one issue: *the work ethic*.

The SELM^{CR} perspective would replace the unrealistic concept of REM not only with a realistic concept of genuine agency, but one where agents’ plans and actions are causally conditioned, but not determined, by the socio-economic phenomena they draw upon. This would open a space for thinking about conscious deliberation; unconscious habit; and the evolution of preferences due to *positive* aspects of work that a BI scheme would involve. And this in turn would open a space for thinking about the existing *negative* work ethic.

What keeps millions of people supplying their labour power? The answer, according to OLE theory, is not the work ethic, but exogenously given preferences for income over leisure. Whilst few OLEs would deny the existence of the work ethic, the existence of a preference unconnected to income, that influences REMs plans and actions, is, quite literally, inconceivable within the OLE perspective. The best OLE could do is transpose the work ethic into a given (but unexplained) preference and then deduce any consequences that follow.³⁷ The OLE perspective is, therefore, incapable of analysing the work ethic. The SELM^{CR} perspective, by contrast, is capable of doing this. Let us see how.

The current work ethic is a negative work ethic, as Dore points out.

having a job (making it clear to others that you are somebody who has some value in the labour market) is a precondition for first-class citizen self-respect. And one’s earned income is seen as deserved - because it is a measure of the value the market...places on your personal qualities. But the work ethic is about duty, not about seeking positive rewards of recognition and accomplishment. It is about avoiding the charge of being a free-riding layabout. It is what makes our current welfare-to-work programs politically acceptable.³⁸

The negative work ethic is constituted by a set of mores and values which I take to be encapsulated in Dore’s reference to not ‘being a free-riding layabout’. These mores and values may be disseminated in linguistic and semiotic form, often in newspaper and magazine articles, books and posters as written text and images. They are unconsciously understood; causally condition agents’ plans and actions; exist

³⁷ See Spencer (2006, 2009) for a critical evaluation of OLE and labour supply.

³⁸ Dore 2000, 83.

independently of our identification of them; and are *irreducible* to agents' actions. As such they are, literally, inconceivable for OLEs committed to methodological and ontological individualism.

But *consciously* understood agreements, codes, conventions, laws, obligations, precedents, procedures and regulations play a role also. Unemployed workers, typically, face a raft of laws, obligations and regulations specifically designed to coerce them into accepting a job (often *any* job) and, thereby, not claiming unemployment benefit. The laws, obligations and regulations specifically designed to coerce them into accepting a job work in two ways: (i) it makes unemployed workers feel like they are 'free-riding layabouts'; (ii) it makes the employed believe that the unemployed are 'free-riding layabouts'.

Something similar probably affects employed workers who, typically, face a raft of agreements, codes, conventions, obligations, precedents, procedures and regulations specifically designed, often by dedicated HR managers, to ensure they keep working hard, remain committed, loyal, obedient and willing to 'go the extra mile'. The obligations and regulations are specifically designed to coerce them into working hard, remain committed, loyal, obedient and willing to 'go the extra mile', work by making employees anxious not to be seen by managers and colleagues as 'free-riding layabouts'. In both cases, socio-economic phenomena are working at the level of consciousness. It is, however, very likely that they reinforce the mores and values. If so, then they reinforce the negative work ethic.

Where do the mores and values that constitute the negative work ethic, as well as the agreements, codes, conventions, laws, obligations, precedents, procedures and regulations that reinforce it, come from? The answer almost certainly involves the social structure of class. As Marx once put it; 'the dominant ideas of the epoch are the ideas of the ruling class'. Offe urges us not to:

ignore deep traces that more than one hundred years of the hegemony of industrial capitalism have imprinted on ideas, intuitions, and expectations. In fact these hegemonic forces have forged an inter-class alliance founded on a work-centered normative belief system that appears to be largely immune to revision, even under the impact of manifest changes of social and economic realities....Although we can no longer ensure every adult a permanent job that pays a decent wage, this empirically obsolete vision of 'normality' is more firmly entrenched than ever at the normative level.³⁹

The design and promotion of the negative work ethic by the ruling class is an example of ideological engineering. Whilst many commentators (rightly) balked at the ideological engineering associated with the 'Stakhanovites' and 'New Soviet Man' in the old USSR, something similar was, and still is, going on all over the world today. The rights and wrongs of this ideological engineering are beside the point here. What matters are two facts; the work ethic, albeit a negative one (i) is designed and promoted; and (ii) it works – albeit not very well.

For BI to work (well), however, a *positive* work ethic would be necessary, raising an interesting question: In future, might it be possible to design and promote a *positive* work ethic, as part of a LM based on BI? I answer this question by offering a *working hypothesis* about how a positive work ethic might be designed and promoted based upon the SELM^{CR} model of LMs. Figure 7 illustrates the working hypothesis diagrammatically and a commentary follows.

Fig 7. Design and introduction of a positive work ethic: a working hypothesis

BI would require the state to introduce a new set of consciously understood agreements, codes, conventions, laws, obligations, precedents, procedures and regulations relating to systems of the payment (of BI) and tax and welfare systems.

As BI is 'rolled out', firms would find it necessary to offer improved working conditions. This would work, in the private sector via firms' enlightened self-interest, but in the public sector it might work via a general

³⁹ Offe 2000, 114.

commitment to improving working conditions. Improved working conditions would, in turn, create positive incentives to seek jobs in the first place, and to work more efficiently once in a job. This would contribute towards a new, positive, work ethic.

The state might initiate a social marketing campaign to influence popular culture and, to paraphrase Offe, create a new 'vision of normality'. It might promote new, positive, mores and values associated with actively seeking jobs, and working more efficiently. It might replace discourses such as 'don't be a free-riding layabout' with discourses like 'be a good team player'. Whilst this can come over as politically naïve, I am well aware of the potential for ideological manipulation - in modern corporations, not just the ex-USSR. But this is not inevitable and context matters. Few would have a problem with the dissemination of mores and values promoting of anti-sexist or anti-racist discourses in the workplace, and this is the kind of thing I have in mind. These mores and values might be disseminated in linguistic and semiotic form, in newspapers, magazines, books and posters, as written text and images – as is currently done for the negative work ethic. Depending upon the political climate, some employers, along with other stakeholders (e.g. unions, political parties, NGOs, churches) might join in the promotion of these new mores and values because they recognise the positive role they play for society as a whole.

As the new consciously understood agreements, codes, conventions, laws, obligations, precedents, procedures and regulations gradually take effect, they might start to 'sink in', reinforcing the unconscious mores and values, perhaps even becoming internalized as habits.

In conclusion, commitment to their conceptual apparatus makes OLEs unwilling, and unable, to define, explain, elaborate upon, theorise and carry out research into, the socio-economic phenomena associated with the future design and promotion of a *positive* work ethic. Commitment to an entirely different conceptual apparatus, however, leaves advocates of the SELM^{CR} perspective willing and able to define, explain, elaborate upon, theorise and carry out research into the socio-economic phenomena associated with the future design and promotion of a *positive* work ethic. And if it can do this for one of the socio-economic phenomena that might constitute future LMs, there is no reason why it cannot do the same for other future socio-economic phenomena. An enquiry into what future LMs might look like, then, requires something like the SELM^{CR} perspective.

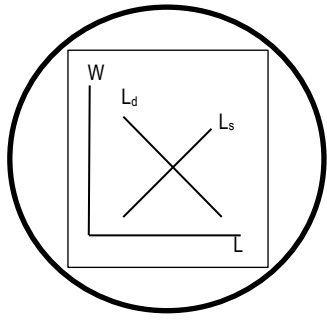


Figure 1. The simple orthodox model

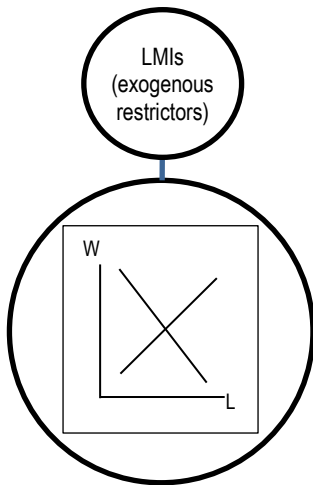


Figure 2 The orthodox model with LMIs as exogenous restrictions

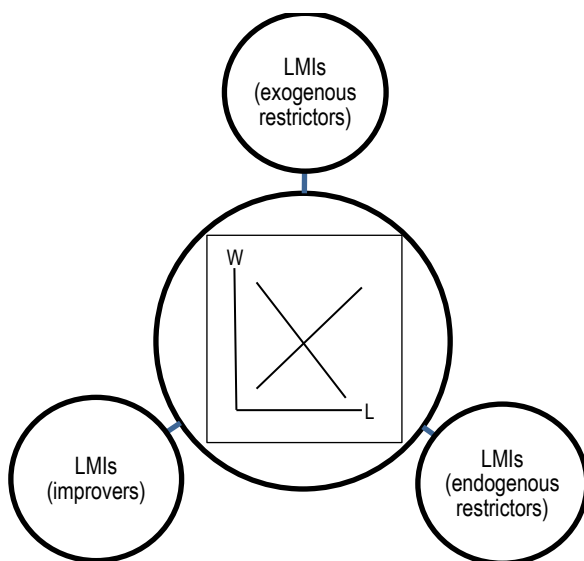


Figure 3. The orthodox model with LMIs as endogenous restrictions and improvers

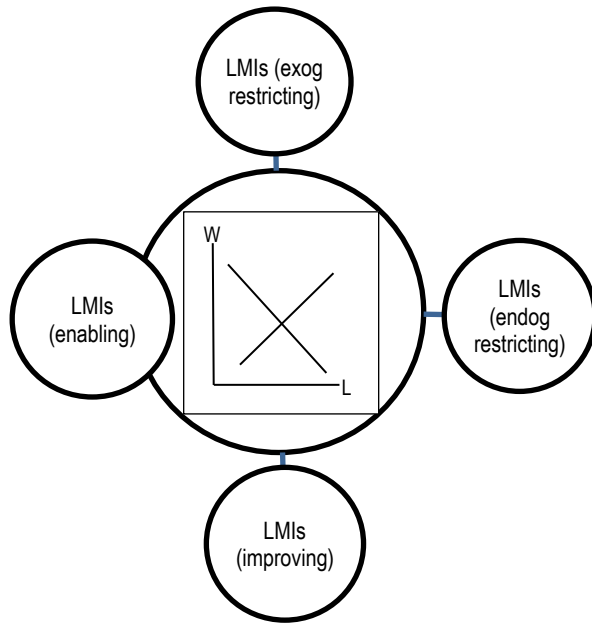


Figure 4. The orthodox model with LMIs as enablers

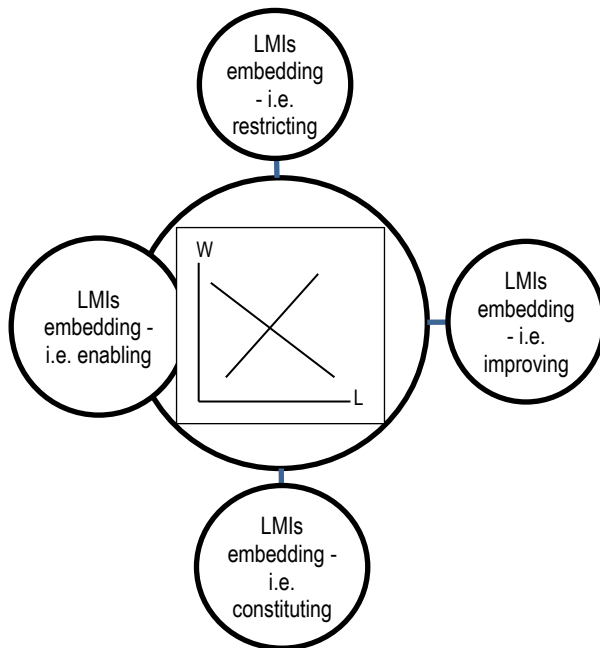


Figure 5. 'Half-way house' model with LMIs as embedding

Socio-economic phenomena causally conditioning agents' actions		Socio-economic phenomena as outcomes or patterns in agents' actions	Agential phenomena
Unconsciously, implicitly, tacitly understood	Consciously, explicitly, non-tacitly understood		
institutions	agreements	practices	habits
norms	codes	rituals	
rules	conventions	routines	
values	laws	networks	
mores	obligations		
	precedents		
	procedures		
	regulations		
	social structures		
organisations ²⁴	organisations		
mechanisms ²⁴	mechanisms		

Table 1. Differentiating between socio-economic phenomena

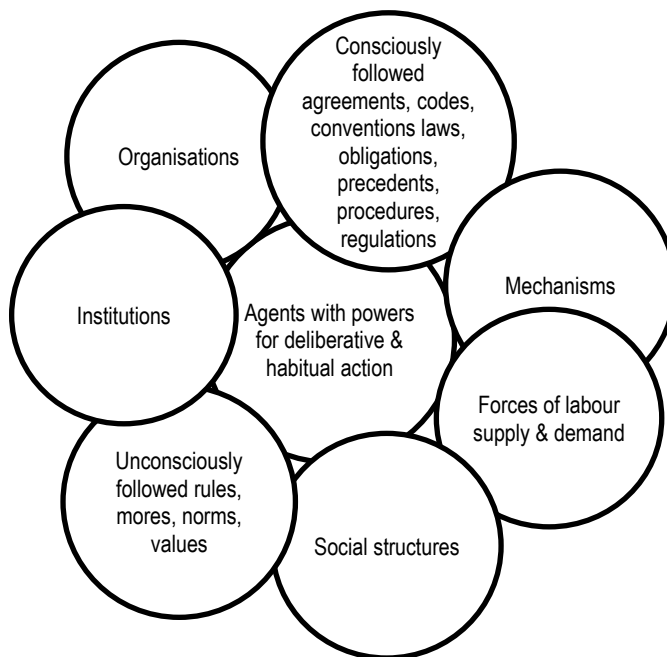


Figure 6. SELM^{CR} model

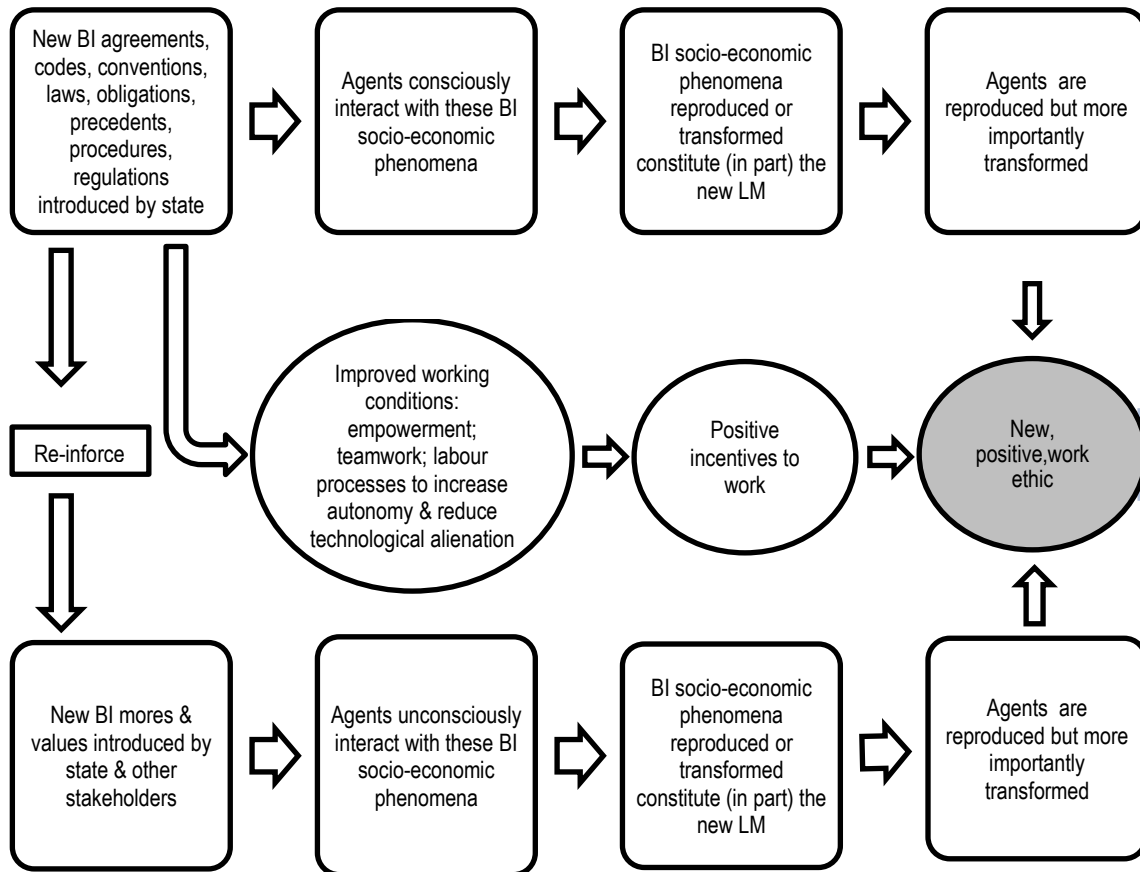


Fig 7. Design and introduction of a positive work ethic: a working hypothesis

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