
The future of labor under modern capitalism from the perspective of political economy

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Abstract

A significant part of modern heterodox economists emphasize the need to involve political economy (not necessarily Marxist) in the analysis of long-term tendencies, as far as standard analytical instrumentarium may be relevant mainly for short run and does not highlight the social impact of economic processes. Due to "stigmatization" of political economy, a sharp socio-economic changes, prompted by technological advances and digital revolution, were interpreted by different sociological theories (like postindustrial studies etc.). These paradigms predicted in a utopian way the future flowering of human creativity, however, they didn't specify the social forms of realization of such activities as well as sources of means of subsistence for its subjects under capitalism.

The technological changes in developed countries caused the reduction of employment share in the material production. From the Marxist viewpoint such development looks tragically for capitalism. The rise of organic composition of capital leads to the decrease of the rate of profit, mass of wages, and results eventually in the fall of national income. The production of relative surplus value in this case may be a contracting tendency, but it doesn't involve the output of service industries (because of the Baumol's cost disease). Even the increase of share of creative labour won't be a panacea, because such kind of activity is heterogenous and non-reproducible, thus, in the Marxian framework it does not create value and is not capitalistically productive.

Due to globalization, a wide mass of routine labour has moved to the less developed countries and, according to some radical thinkers in the field of development economics, there is an inequivalent exchange between the center and periphery. But, for example, evidence from China shows that its economic growth is accompanied now by the rise of R&D activity and innovation. Such a tendency can be taken up in further or nearer future by other development economies.

So, what would happen, when all countries replace routine, manual work (although in reality it may take centuries)?.

From the neoclassical view, the outcomes of technological progress look more optimistic, but yet questionable. What form of income will labourer receive in a highly innovative economy? Wages will be available only for high-tech hired employees, profit – for owners of capital, enterprise income – only for successful innovators. But what will happen to people, who do not possess capital and are not engaged in creative work? Should they get social aid or universal basic income? Or economic incentives will turn them into more or less innovative workers? (This question touches interdisciplinary aspects and psychology: does any

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mentally capable person have a sufficient creative potential? By definition, creative work is an intrinsically motivated process. Can some social transformations externalize it?). Thus, a political-economic approach may provide a broader framework for studying transformation of labour under modern capitalism. The practical outcomes of research are associated with a need of providing a legal framework for relative freedom of creative and intellectual work, protecting it from overexploitation. The necessity of broader socialization of labour relations and provision of public goods (first and foremost - education) for further transformation of modern capitalism under the new stage of technological revolution should be also emphasized.

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