PRECARIOUS EXISTENCE AND CAPITALISM: A PERMANENT STATE OF EXCEPTION

Tayyab Mahmud*

Capital needs the means of production and labor-power of the whole globe.¹

The higher the productivity of labor, the greater is the pressure of the workers on the means of employment, the more precarious therefore becomes the condition for their existence, namely the sale of their own labor-power for the increase of alien wealth, or in other words the self-valorization of capital.²

INTRODUCTION

The contemporary neoliberal era is marked by an exponential expansion of contingent, flexible and precarious labor markets. In this context, the construct of precarity emerged to signify labor conditions of permanent insecurity and precariousness.³ The term first emerged in Western Europe on the frontlines of popular political struggles triggered by rapid contraction of the Keynesian welfare state and neoliberal restructuring of labor markets. Starting in Milan in 2001, political action animated by precarity and styled

* Professor of Law and Director, Center for Global Justice, Seattle University School of Law. I am deeply indebted to the ClassCrit community for their friendship, support and intellectual engagements.

EuroMayDay spread through Europe. It focused on disappearance of stable jobs, absence of affordable housing, exponential rise of personal debt, rollback of welfare, and paucity of personal time to build effective personal relations. Demands for a social wage or citizen’s income emerged to compensate subjects for the contribution made by their communicative capacities, adaptive abilities and affective relations to the general social wealth and welfare. These developments have brought in sharp relief the impact of neoliberalism and have helped lay the ground for new social movements of the working classes. Precarity, however, coming at the heels of the era of Keynesian welfare, is mostly seen as an exception to the normal trajectory of capitalist formations, and political demands are often framed as pleas for a return to the so-called “golden age of capitalism.”

The basic argument of this paper is that under capitalism, for the working classes precarious existence is the norm rather than the exception. Precarity appears as an irregular phenomenon, as an exception, only if the Keynesian phase of capitalism and the resulting welfare state are deemed the norm. Indeed, the relatively short-lived Keynesian compromise between capital and labor was an exception, besides being limited to only one geographical sector of global capitalism, the Global North. Precarity is the outcome not only of insecurities of labor markets but also of capital’s capture and colonization of life within and beyond the workplace. Capital, since its inception, has been a global system, and relentless capital accumulation through commodification is its primary logic. Commodification unavoidably engenders destruction, disruption, dislocation, insecurity, vulnerability, susceptibility to injury and exploitation. For non-capital-owning classes, precarious existence, both as condition of labor and as ontological

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9. For a detailed account of operations of capitalism, see David Harvey, The Enigma of Capital and the Crisis of Capitalism (2010).
experience, is the natural and enduring result. Precarity, like capitalism, unfolds on different spatial, temporal and embodied registers differentially. Consequently, the scope and quantum of precarity engendered by capitalism varies across space and time. This differential and variation result from differing levels of commodification, exploitation and colonization of life by capital.

This article proceeds as follows: In Part I, I show that precarity is an unavoidable historical and structural feature of capitalism. From its inception, capitalism is a global mode of capital accumulation that rests on accumulation by dispossession, a reserve army of labor, an informal sector of the economy and appropriation of labor-value. Each of these building blocks of capitalism, both by themselves and in concert, result in precarious existence for the working classes. In Part II, I demonstrate how neoliberalism has expanded and deepened precarity. Neoliberalism is shown to be a reorganization of capitalism where hegemony of finance capital displaces Keynesian welfare. In the neoliberal era, debt sustains aggregate demand amidst precarious labor markets and facilitates assemblage of risk-taking entrepreneurial subjects responsible for their own economic security. The result is pervasive existential precarity. Finally, I argue that along the scale of precarity in the era of neoliberal globalization, undocumented immigrant labor represents the condition of hyper-precarity.

I. PRECARITY AND THE GENETIC CODE OF CAPITALISM

The emergence of precarity as a platform for social movements in Western Europe and its framing as an exception may be linked with the relative longevity of the welfare state in that geographical zone in the face of neoliberal restructuring of labor markets. However, if we look at capitalism in its wider historical and geographical scope, precarity emerges as the norm – indeed as a permanent exception to canonical mythologies of capitalism. Rather than seeing “neoliberalism as exception,” the historical trajectory of capitalism shows that Keynesian welfare emergence was the exception. In the *longue durée* of capitalism, precariousness is the historical rule; the permanent exception to its promise. Contemporary resurgence of precarity only confirms enduring “presence of the past.”

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necessitates a shift of focus from “present futures to present pasts,”13 heeding the admonition: “Always historicize!”14 Discussions of contemporary precarity take commodified wage-labor as the norm of capitalism. However, slavery and wage-labor are just “two extremes along the spectrum of labor relations” in the history of global capitalism.15 Capitalism’s arch of precarity spreads from African slaves in the Americas of the 16th century to the undocumented migrant labor of the 21st century. The enduring impulse of capitalism and its accompanying legal regimes, their claims of universality notwithstanding, is to create zones where bodies and spaces are placed on the other side of universality, a “moral and legal no man’s land, where universality finds its spatial limit.”16 Capitalist formations always produce “outcast proletariat”17 - the “disincorporated,” and “unincorporatable.”18 These “wretched of the earth,”19 are historically concentrated in the “dark places of the earth,”20 the “darker nations,”21 and the “poorer nations.”22 Consequently, to understand the link between precarious existence and capitalism, it is imperative to appreciate the global scope of the latter and jettison epistemologies imprisoned in the imaginary of the nation-state.

The nation-states are only determinate locations within a system of global economics and geopolitics. Global processes of accumulation by dispossession generate global reserves of labor-power whose cross-border movements are foundational to the worldwide systems of production,

accumulation of capital and reproduction of labor. In the hierarchically structured global market of human labor-power, gender, race and imperialism play a constitutive role and the distinct national spaces in this global system are linked by racialized forms of citizenship and explosion, as well as differential domains of precarity and security. Four interlinked historical features of capitalism furnish the contours of this process: accumulation by dispossession, the reserve army of labor, the informal economy and appropriation of labor-value by capital.

A. Global Capitalism and Accumulation by Dispossession

Capitalism was “born in the long sixteenth century,” “dripping from head to toe, from every pore, with blood and dirt.” “Discovery” of the Americas created the field of possibility for the emergence and consolidation of capitalism, a world system since its inception. Plunder of precious metals and deployment of African slaves gave birth to capitalism as a new and global mode of production. Between 1500 and 1800, more than 8 million slaves were transported from Africa to the Americas to work in mines and plantations. Slave labor and bullion extraction from Latin America, including 134,000 tons of silver between 1493 and 1800, triggered capitalism. The very use of the word capital, in the sense of bases for capitalism as a new mode of production, first came into vogue in the era of capital-intensive but slave-hungry Antillean sugar plantations. This

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26. MARX, supra note 2, at 926.

27. BECKERT, supra note 15, at 36.


29. See FERNAND BRAUDEL, 2 CIVILIZATION AND CAPITALISM, 15TH-18TH CENTURY 232 (Sian Reynold trans. 1992) (crediting the 1766 publication—translated into English in 1774—of M.
historical record underscores the global nature of capitalism and refutes the presumption that capitalism necessarily procreates wage-labor, free market and liberal legality.

Accumulation by dispossession signifies that capitalism always relies on nonmarket legal and extralegal coercive forces to facilitate asymmetrical distribution of economic gain and pain. In the geography of global capitalism, embracing different scales and spaces, accumulation by extra-economic means is facilitated by myriad legal and extra-legal regimes. These regimes range from global to local and formal to customary. Accumulation by dispossession was initiated by “ex-novo separation between producers and means of production” secured by the extra-economic coercive power of the state and the law. For example, Enclosure Acts and Game Laws of England were coercive uses of law to dispossess rural farmers, hunters, and other subsistence producers, forcing them to seek a livelihood in the “free” wage market. Labeling this phenomenon as primitive accumulation, canonical critical political economy had relegated it to the prehistory of capitalism. However, later scholarship on global political economy establishes that primitive accumulation is “a basic ontological condition for capitalist production, rather than just a historical precondition.” These interventions highlight the continuing role of coercive political force in underwriting the purportedly extra-political realm of the market, and


34. The portrayal of primitive accumulation by critical political economists was marred by historicism, Eurocentricism, and anti-peasant prejudice of their milieu. See Glassman, supra note 30, at 608, 610–12.

35. Id. at 615. For the scholarship that led to this conclusion, see generally ROSA LUXEMBURG, THE ACCUMULATION OF CAPITAL 351 (A. Schwarzschild trans. 1968) (1923); HANNAH ARENDT, IMPERIALISM: PART TWO OF THE ORIGINS OF TOTALITARIANISM (1968); PAUL BARAN, THE POLITICAL ECONOMY OF GROWTH (1957); ANDRE GUENTER FRANK, CAPITALISM AND UNDERDEVELOPMENT IN LATIN AMERICA: HISTORICAL STUDIES OF CHILE AND BRAZIL (1967); IMMANUEL WALLERSTEIN, THE CAPITALIST WORLD ECONOMY (1979).
underscore that “production of value that enters into the circuits of capitalist accumulation through parasitization of formally noncapitalist processes is a deeply embedded feature of capitalism.”

Moreover, these insights alert us that, since its origin, capitalism has been a global phenomenon that co-opts rather than displaces noncapitalist modes of production, and results in uneven development of different geographical zones within its ambit.

The enduring nature of accumulation by dispossession can be seen in the various forms of social capital that are required by capital, but not paid by it. Examples include publically funded infrastructure, gendered and often racialized household and reproductive labor, instrumental use of race, class, and nationality in immigration and land-ownership laws that consolidated agro-capital in California, and new appropriation of the commons for private accumulation whereby “the global commons are being enclosed.”

The entire panoply of forms of value extraction by means other than commodified or “free” wage labor makes for accumulation by dispossession. The unavoidable result of accumulation by dispossession is destruction, disruption, dislocation, insecurity and instability of collective and individual life – the grounds of precarious existence.

B. Capitalism and the Reserve Army of Labor

Accumulation by dispossession produces a reserve army of labor. While the “creative destruction,” of capitalism destroys traditional entitlements and subsistence economies, and estranges direct producers from their means of labor, all those dislocated are not absorbed in new production process

36. Glassman, supra note 30, at 617.
40. Hartsock, supra note 38, at 176; HARVEY, supra note 30, at 146-48.
41. See JOSEPH A. SCHUMPETER, CAPITALISM, SOCIALISM & DEMOCRACY, 82-84 (1957).
based on wage-labor. This unabsorbed labor is the so-called “surplus humanity” - populations separated from their non-capitalist means of subsistence but not integrated into the productive circuits of wage labor on a stable basis. They are those who are “condemned to the world of the excluded, the redundant, the dispensable, having nothing to lose, not even the chains of wage-slavery . . . the shadowy figures of the rejected, the marginal, the leftovers of capital’s arising, the wreckage and debris.” This is the remainder of the “sacrifice of ‘human machines’ on the pyramids of accumulation.” This reserve army of labor remains an enduring and indispensable feature of capitalism. At all stages and in all zones of its existence, capitalism produces and maintains “a disposable industrial reserve army, which belongs to capital just as absolutely as if the latter had bred it at its own cost.”

Even after its incipient stage, capital accumulation requires some measure of unemployment. Mainstream economists speak of the “natural rate” of unemployment, and its offspring, - “the non-accelerating inflation rate of unemployment,” and the “labor force reserve.” The reserve army

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43. See generally Robert Pollin, The “Reserve Army of Labor” and the “Natural Rate of Unemployment”: Can Marx, Kalecki, Friedman, and Wall Street All Be Wrong?, 30 REV. RADICAL POL. ECON. 1 (1998); Fred Magdoff & Harry Magdoff, Disposable Workers: Today’s Reserve Army of Labor, 55 MONTHLY REV. (2004).


46. MARX, supra note 2, at 783-84.

47. The unemployed serve as an instrument of economic and political control over the working class. They can serve as a backlog of strikebreakers during boom times, expelled during downturns and reabsorbed in the next upward cycle. When a capitalist economy grows rapidly and the reserve army of the unemployed is depleted, workers utilize their increased bargaining power to demand raises in wages and distribution of income in their favor. Profits are put under pressure. This leads to reduction in investment, a fall in employment, and a replenishment of the reserve army of the unemployed. See generally Pollin, supra note 43; Magdoff & Magdoff, supra note 43.


49. Labor Reserve Force is “an estimate of the deviation of the actual labor force from the labor force that would be observed if the economy was continuously at full employment.” Wayne Vroman, The Labor Force Reserve: a Re-estimate, 9 INDUS. REL.: AM. J. ECON. & SOC’y 379 (2008).
of labor helps prevent significant wage increases and corresponding decline of profits. This dovetails with disciplinary uses of the poor and the underclass in capitalism at large. The disciplinary function is underscored by the fact that the reserve army is often sutured with regional inequality and racial and gender divides.

Economists of all stripes recognize that the question of employment is not simply a matter of “free” labor markets, and that public policy plays a critical role in calibrating and managing unemployment. Fiscal and monetary policies are the primary instruments of this calibration. In the neoliberal era, these policy instruments are aimed at guarding against inflation rather than unemployment. Note that “[m]onetary policy involves a tradeoff between inflation and unemployment. Bond holders worry about inflation; workers, about jobs.”

It is no surprise, then, that in the neoliberal era, the global working class has grown by at least two-thirds to over 3 billion


53. See generally JOHN M. KEYNES, THE GENERAL THEORY OF EMPLOYMENT, INTEREST, AND MONEY (1973); PALLEY, supra note 42, at 20-23. Michal Kalecki was the first to clearly state, in an appropriately titled chapter, “Political Aspects of Full Employment,” that a capitalist economy can be sustained at full employment only if challenges to capitalists’ social and political hegemony could be contained by means of public policy. MICHAL KALEcki, SELECTED ESSAYS ON THE DYNAMICS OF THE CAPITALIST ECONOMY 1933-1970, at 138-45 (1971). The “challenge” was to devise a “solution,” even a fascist one, to capitalism’s unemployment problem whereby workers would have jobs, but they would not be permitted to exercise the political and economic power that would otherwise accrue to them in a full-employment economy. Pollin, supra note 43, at 5. In the absence of state intervention, employment depended on the confidence of the capital, which gave the latter “a powerful indirect control over government policy: everything which may shake the state of confidence must be carefully avoided because it would cause an economic crisis. But once the Government learns the trick of increasing employment by its own purchases, this powerful controlling device loses its effectiveness.” KALEcki, supra, at 139.

– with half or more of this number making up the global reserve army. Pervasive precariousness of employment and existence are a natural result.

C. Capitalism and Informal Economies

What do those not absorbed in formal markets and wage-relations do while suspended in the “imaginary waiting room” of history? They tend to their subsistence needs as best as they can by exchanging needs and capacities in networks of barter, petty trade, and casual employment, often under the radar and at the margins of the law. The result is the emergence of a “need economy” – a zone outside the formal legal frames of contract and regulation signifying “Informalization within the Accumulation-Economy.” This zone is the so-called informal economy. While ostensibly “discovered in Africa in the early 1970s,” the informal economy has been a perennial and enduring companion of the formal capitalist economy. Its emergence was contemporaneous with the emergence of capitalism, and it endures as capitalism persists. Today, the informal sector engages two-fifths of the economically active population of the Global South. Discussions of contemporary precarity must bring into sharp relief this “global informal working class,” a socio-economic stratum that “overlap[s] with but non-identical to the slum population” – now over one billion – is “the fastest growing, and most unprecedented social class on earth.” Given the exponential growth of the informal sectors of the economy, a reordering of class designation is warranted. The focus has to shift from wage-relationship to dispossession of means of producing for one’s self and reliance for subsistence and reproduction on informal economies outside the margins of

58. Id. at 237.
60. See U.N. HUMAN SETTLEMENT PROGRAM, supra note 18, at 103-04. Note here that many working in the informal sector are a hidden workforce of the formal economy. Outsourcing and subcontracting networks enable the value created by the informal sector to be funneled into the profit margins of the formal sector, while any expectation of upward mobility in the informal sector remains a “myth inspired by wishful thinking.” JAN BREMAN, THE LABOURING POOR IN INDIA: PATTERNS OF EXPLOITATION, SUBORDINATION, AND EXCLUSION 174 (2003).
legality and formal wage-labor. The zone of informal economies by definition is a zone of instability, vulnerability and insecurity – the breeding ground of precarious existence.

D. Foundational Precariousness of Commodified Labor

Separating commodified labor-power from living labor is the first step in the colonization of life by capital, and of alienation and existential precarity. Existential precarity is rooted in the state of estrangement of living labor from appropriated value produced by labor-power and congealed in commodities produced and accumulated as capital. Capitalist wage relation – the purchase of commodified labor – is capital’s appropriation and capture, through juridical arrangement of contract sanctioned by the state, of a portion of the common social cooperation, knowledge, languages and effects underpinning workers’ subjectivity. Commodified labor power amounts to a freezing and deadening of living labor into a value-creating commodity, which enables the legal fiction of buying and selling, but without presupposing the complete separation of wage workers from their labor. This process of freezing juridically appears as private property, contract and constitutional rights of abstract individual. The capture and freezing that commodified labor entails turns the potential of the social commons to sustain social cooperation towards a system of scarcity, individual competition and widespread insecurity. It is precisely the capture of living labor in the form of labor power that produces alienation, estrangement from self and others and existential precarity. And, it is the subjective compulsion to create capital by selling their labor for a wage that makes the working classes essentially precarious entities.

To appreciate precarity residing at the heart of capitalism’s commodified labor system, it is critical to distinguish between “labor” and “labor power.” What in the wage relation appears as abstract labor power pre-exists in fact as workers’ “living labor,” a productive capacity developed in social cooperative form across the social spectrum on the basis of linguistic practices, knowledges, inventiveness and affects. Living labor and social cooperation can be seen as the “social common,” a substance of social forms connecting singular subjectivities that, while retaining their respective

62. See Palmer, supra note 3, at 40.
specificity and singularity, maximize the capacity to produce and transform social reality through social cooperative encounters. Separation of labor-value from living labor and its appropriation for capital accumulation is an undermining of the social commons. Estrangement from self and others is a natural corollary – a building block of precarious existence.

II. PRECARITY IN THE NEOLIBERAL ERA

Since the late 1970s, neoliberal counter-revolution is afoot on a global scale. This has accelerated accumulation by dispossession, enlarged the surplus army of labor, and expanded the informal sectors of economies. Neoliberalism is a reorganization of capitalism where hegemony of finance capital displaces Keynesian welfare. This transformation entails a roll-back of the welfare state, breaking the power of organized labor, precarization of labor markets, financialization of the economy, and exponential expansion of debt. In this ensemble, debt sustains aggregate demand, fuels liquidity to lubricate financialization, and facilitates assemblage of entrepreneurial subjects responsible for their own economic security. Public welfare is replaced by self-care, and working classes are obliged to fund their private welfare through private debt, while calibrating their conduct with demands of a precarious labor market.

A. Neoliberal Counter-revolution

Born amidst the carnage of the Great Depression, Keynesian economics rests on the premise that capitalism is “a flawed system in that, if its development is not constrained, it will lead to periodic depressions and the perpetuation of poverty.” The linchpin of Keynesian economic theory is that aggregate demand systematically fails in capitalist economies. Consequently, capitalism can be stuck periodically, even permanently, in a

condition of slow growth, high unemployment, and excess capacity. The post-Depression policy response was the so-called Keynesian compromise between capital and labor, with national fiscal and monetary policies calibrated to aim at full employment. With this turn, the welfare state was born. The chronic aggregate demand problem of capitalism was to be resolved through full employment and enhanced purchasing power of the working classes. Welfare safety nets related to unemployment, nutrition, health, and retirement provided partial but significant reprieve from ever-expanding commodification of life procreated by capitalism. The result was a prolonged era of growth, rising wages, and mass-consumption often termed “the golden age” of capitalism.

Fordism was a system of production based on the assembly line, which was capable of high industrial productivity. It was accompanied by rigid command structures, the deskilling of workers, and “family wage” as the instrument both of managing industrial conflict and reproduction of labor. The Fordist project to break down the rhythms of human activity to confine it within rigid plans built on Taylorist techniques was accomplished by authoritarian means of control – speed-up, armed guards, shop floor spies, physical intimidation and propaganda. Only with the working-class revolts and factory sit-ins of the 1930s and the violent strike of 1941 did Ford finally recognize the workers’ union. The concessions won by the working classes during the Keynesian welfare phase were the result of their struggles. As Polanyi eloquently put it: “Laissez-faire was planned; planning was not.”

Modified Fordism, now coupled with partnership with trade unions, entered its heyday following the Second World War and provided for the expansion of Keynesian effective demand, thus underpinning a welfare regime and a system of social reproduction from the mid-1940s. By the late 1960s, this system went into an irreversible crisis and opened the door for a post-Keynesian neoliberal restructuring of the economy. The entire Fordist interlude was more contingent and shorter than generally imagined. By

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highlighting the authoritarian labor controls under Fordism and the brevity of convergence between collective bargaining and Keynesian welfare systems, the condition of precarity as the norm of capitalism comes into sharp relief.

By the early 1970s, the Keynesian welfare state appeared exhausted. The costs of accelerating demands from below for expanded economic and social rights, imperial wars outside, and declining balance of payments created a crisis for wealth-owning classes. Wealth-owning classes desired a fundamental break with the Keynesian compromise about a welfare state and full employment. Breaking the power of the working classes was an essential step towards that. This is when the neoliberal counterrevolution was launched. The inaugural and decisive event was the “Volcker Shock,” which was the “financial coup” launched in 1979 and was characterized by Volcker himself as a “triumph of central banking.” This involved radically limiting the money supply and allowing interest rates to rise exponentially to ostensibly break the back of inflation, the enemy of finance capital. The “induced recession” triggered by the Volcker Shock was intended to emasculate organized labor. While the specter of inflation was invoked, what guided the Federal Reserve was “a baseless fear of full employment.” It “wanted wages to fall, the faster the better. In crude terms, the Fed was determined to break labor.” In order to establish its credibility with finance capital, the Fed “had to demonstrate its willingness to spill blood, lots of blood, other people’s blood.” Volcker knew that there would be “blood all over the floor,” and “[t]here was blood indeed.” The Volcker Shock underscored an enduring principle of neoliberalism: “in the event of a conflict between the integrity of financial institutions and bondholders on the one hand, and the well-being of the citizens on the other, the former would be

76. GÉRARD DUMÉNIL & DOMINIQUE LÉVY, CAPITAL RESURGENT: ROOTS OF NEOLIBERAL REVOLUTION 165 (Derek Jeffers trans., 2004).
given preference.” The Keynesian welfare state, the safety net to cushion chronic precarity procreated by capitalism, was to be rolled back and any checks on unimpeded capital accumulation removed.

The scorecard of distribution of gains and costs of neoliberalism testifies to its success as a strategy of the wealth-owning classes. The rate of profit, which was 7.8 percent in 1952-1971, and fell to 6.4 percent during the 1970s, rose to 8.3 percent between 1995-2005. The share of total income received by the top 1 percent of the income bracket rose from 9 percent in 1980 to 23 percent in 2007. After three decades of neoliberalism, the average person earns less per hour worked. Incomes of the bottom 90 percent fell by 9 percent, while incomes for the top 1 percent increased by 101 percent, and those of the top 0.1 percent rose 227 percent.

Along with unemployment induced by high interest rates, the power of organized labor was crushed by direct coercive action. The smashing of the Air Traffic Controllers’ strike in 1981 was termed by Volcker as “the most important single action of the administration in helping the anti-inflation fight,” and by Alan Greenspan a “political turning point.” Henceforth, there was “a capitalist offensive that involved both political mobilization and relentless hostility to unions.” As neoliberal globalization buttressed by ideologies of market fundamentalism took hold, union power weakened. Liberalization of international trade and capital movements induced investments to flow to regions where prevailing political and social conditions kept wages depressed and allowed higher returns on investments. Wage pressure from countries with low labor costs was transmitted to the U.S. With workers in different parts of the world in direct competition,

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83. See David Harvey, Neoliberalism as Creative Destruction, 610 ANNALS AM. ACAD. POL. & SOC. SCI. 21, 31 (2007).
84. GERARD DUMENIL & DOMINIQUE LEVY, THE CRISIS OF NEOLIBERALISM 58, Fig. 4.1. (2011).
85. Id. at 46 (Fig. 3.1).
91. Id.
labor’s efforts at international solidarity fragmented. The end result is the near collapse of American unions.\(^92\)

Radical use of monetary policy and smashing the power of organized labor decisively transformed the grounds of aggregate demand from full employment to consumer debt. Financialization of the economy operationalized this historic shift.\(^93\) It was the financialized economy facilitated by the new legal regimes that turned debt, rather than full employment, as the propellant of aggregate demand.\(^94\) Between 1980 and 2008, the size of debt of all U.S. sectors as a percentage of GDP rose from 155 percent to 353 percent by 2008.\(^95\) Gross debt of households rose from 50 percent of GDP in 1980 to 98 percent of GDP in 2007.\(^96\) Outstanding consumer debt as a percentage of disposable income grew from 62 percent in 1975 to 127.2 percent in 2005.\(^97\) The flow of interest paid by households, which was 4.4 percent of GDP in 1979, rose to in 5.7 percent in 2007.\(^98\) Retrenchment and expansion of precarity was the unavoidable result. Expansion of precarious labor markets played a critical role in closing this circle.

### B. Neoliberal Precarious Labor Markets

The neoliberal era is increasingly marked by “crisis of work”\(^99\) and “contingency explosion.”\(^100\) These arise from firms’ drive to maximize labor market flexibility, changes in information technologies, work relationships in forms that avoid employee status and its accompanying legal strictures and responsibilities, and as a union avoidance tool. Besides the demise of unions and compression of wages, compelling changes in the employment landscape include the reduction of socially necessary labor, flexible contingent labor, and ever-vaster pools of free labor. The contingent workforce includes

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95. Dumenil & Levy, supra note 84, at 104.
96. Id. at 150 (Fig. 10.6).
independent contractors, contracted workers, leased employees, part-time employees, and temporary employees.101 Estimates of the numbers of contingent workers range between twenty to thirty percent.102 The “just-in-time” inventory management has led to “just-in-time labor.”103 Besides flexible labor markets and flexible wages, flexible production procreates flexible individuals, who change jobs frequently, and whose social relations are increasingly transitory and flexible.104 A growing number of workers “are living neither inside nor outside the world of work, but along its margins . . . a new netherworld, the vocational purgatory of the ‘unjob.’”105 Labor practices made possible by new information technologies have expanded the scope of immaterial labor, helping to blur the line between work and nonwork. As a result, increasingly the factory spreads throughout the whole of society.106

This new profit-making and capital accumulation mode rests on capture and appropriation of the value-making capabilities of “common work.”107 The expanding new profit-generating system is one of externalization of the production process, of “crowdsourcing,”108 and “unpaid labor”109 of the crowd. Here we see deployment of bio-labor – “life put to work, outside the times officially certified by private law.”110 Armed with new technologies, immaterial organizational systems now “pursu[e] workers in every moment of their lives . . . [and] the work day, the time of living labor, is extended and intensified.”111 Modalities of value production move “from factory to the

103. See generally SCOTT LASH & JOHN URRY, ECONOMICS OF SIGNS AND SPACE (1994).
105. PETER GOSSELIN, HIGHS WIRE 142 (2008).
107. HARDT & NEGRI, supra note 66, at 155.
111. Marazzi, supra note 109, at 41.
The consumer-as-producer phenomenon is part of this complex. Bagging one’s own groceries and IKEA may be the emblematic examples of externalizing fixed and variable costs by assigning tasks to the consumer. Similarly, costs of labor are shifted to consumers through mechanisms like externalization of program evaluation, beta-testing, technical assistance by users, and open-source program development. Another evocative example is the exponential spread of unpaid internships in all sectors of the economy, where ambitions centered on accessing education and training are channeled to produce uncompensated value by semi-servile beings.

Furthermore, the neoliberal era has produced new zones of commodification that draw into circuits of value-appropriation aspects of life that had remained outside the reach of capital accumulation. The new frontier in capital’s quest to colonize life is ever-expanding commodification of sociality – the human need for and capacity of inter-personal connectivity. Appropriation of ever-expanding zones, the commons, and commodification of public services testify to this phenomenon. Even friendship, private social relations and love, hitherto deemed to lie in a private realm of affect and authenticity beyond the reach of capital’s value-appropriation, are now increasingly mediated by value-appropriating media such as Facebook and SMS. The result is that significant parts of life and time outside formal work time and wage relations are increasingly subjected to structural imperatives of capital accumulation.

Knowledge-based innovation and value-production by highly skilled precarious labor is a distinct sign of cognitive capitalism. In this context, higher education and incessant skills-development play an increasingly critical role in establishing an individual’s ranking in the hierarchy of


employability. At the same time, public education faces disinvestment and the cost of education has soared. Unsurprisingly, reliance on debt for education and retraining soared. Surging above one trillion dollars, student-loans now exceed credit card and auto-loan debt. In this context of a financialized economy, precarization of labor, and demands for enhanced skills, increasing reliance on debt to retrain, and indeed to live, became the only available option for the working classes.

C. Discipline Through Debt

Neoliberal rationality aims at congruence between a responsible and moral individual and an economic-rational actor—prudent subjects whose moral quality rests on rational assessment of economic costs and benefits of their actions. The prescription of subjectivity to obtain interiorization of the market’s goal in the context of precarization of labor is accomplished through generalization of debt. The objective is assemblage of subjectivity that “accepts” itself as a *homo economicus*. The result is “a dependent subjectivity, a subjectivity conforming to capital, and in which the rationality of *homo economicus*, of *human capital*, replaces the idea of social rights and common goods.” This ensures self-discipline whereby time and life outside the bounds of any specific site of production remain subjected to value production.

Economic policies and an attending discourse of responsibility furnished the grounds for the symbiosis between debt and discipline. Neoliberalism fashioned “workfare regimes” intended to “throw a long shadow, shaping the norms, values, and behavior of the wider populations, and maintaining a form of order.” For example, evocatively styled, the *Personal Responsibility and Work Opportunity Act* of 1996, ended “welfare as we know it,” and instituted workfare—forced deskilled wage labor as the sole means of

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121. JAMI PECK, WORKFARE STATES 23 (2001).
support on the pretext of setting the indigent on the road to “independence.” Similarly, the Quality Housing and Work Responsibility Act of 1998 ended public housing and turned the indigent towards private rental market. Hailed by the U.S. Chamber of Commerce as an affirmation of “America’s work ethic,” workfare underscored the imperative of wage labor by issuing “a warning to all Americans who are working more and earning less, if they are working at all. There is a fate worse, and a status lower, than hard and unrewarding work.” The new behavior-related rules of workfare aim to build “habits of responsible behavior.” “Stripped down to its labor-regulatory essence,” workfare seeks “‘docile bodies’ for the new economy: flexible, self-reliant, and self-disciplining.”

Resposibilization, joined by obligation and prescription as dominant registers of subject-formation, turns on the ubiquitous neoliberal construct of “human capital.” Through the lens of human capital, wage is not the selling of labor power, but an income from a special type of capital. This capital is integral to the person who possesses it and consists of both physical predispositions and the skills acquired as a result of “investment” in education, training, and improvements in physical capacity. Human being, in this schema, is deemed a “machine-stream ensemble,” even a “capital-ability.” This actively responsible agent is a subject of the market and is obliged to enhance her quality of life through her own decisions. In this schema, everyone is an expert on herself, responsible for managing her own human capital to maximal effect. A politics of the self emerges wherein we are all induced to “work on ourselves” outside the purview of the social. This biopolitical governmentality produces a subject to represent herself as enough for herself, complete, self-sufficient, without acknowledging the necessary and unavoidable social connections – a “narcissistic separation of living labor from the public sphere . . . [where] labor becomes individual business and/or human capital.”

126. Peck, supra note 121, at 6.
128. Foucault, supra note 119, at 225.
130. Chicchi, supra note 112, at 149.
neoliberalism not only as a “partner of exchange,” but as “an entrepreneur, an entrepreneur of himself.” This entrepreneur of her/himself is “eminently governable” through the technologies of the self-fashioned by the incentive structure of the market.

Risk, which was deemed harmful and needed careful calculation and management by actuarial experts, is now represented as an opportunity to be negotiated, cultivated, and exploited by the entrepreneurial financial subject. Eliding the fact that much of human behavior is irrational, neoliberalism expects individuals to incessantly and rationally evaluate risk. Indeed, in the neoliberal ensemble, “risk is itself being more positively evaluated,” with the result that “investment appears as the most rational form of saving.” In the assemblage of investor/entrepreneur subjectivity, “[w]ithout significant capital, people are being asked to think like capitalists.” The consolidation of finance as a way of life introduces “a new set of signals... as to how life is to be lived and what it is for.” In this context, finance becomes “a way of working money over, and ultimately, a way of working over oneself.”

Tying everyday practices to global financial networks – retirement plans, pensions, purchase of goods, payment of bills, credit cards, student loans, and mortgages – induces the self-fashioning of financial subject positions and identities. Finance, then, by constituting a primary frame of interpellation of subjectivity, becomes a primary “technology of the self.” This assemblage of the risk-taking entrepreneur is facilitated by attendant discourses of rational economic actors, efficient and self-correcting markets and the tamed business cycle.

131. FOUCAULT, supra note 119 at 226.
132. Id. at 270.
139. Id. at 17; Nicholas J. Kiersey, Everyday Neoliberalism and the Subjectivity of Crisis: Post-Political Control in an Era of Financial Turmoil, 4 J. CRITICAL GLOBALIZATION STUDIES 23 (2011).
141. See Michel Foucault, Technologies of the Self, in TECHNOLOGIES OF THE SELF: A SEMINAR WITH MICHEL FOUCAULT 17 (Luther H. Martin et. al., eds. 1988).
Instability and insecurity, the lot of any risk-taking entrepreneur, multiply and produce existential precariousness when the ones playing risk-taker entrepreneur are non-capital-owner working classes whose only asset is their labor-power.

Existential precariousness, the estrangement from self and others, is accentuated by the fact that neoliberal responsibilization entails evisceration of social responsibility and promotion of an ethos of self-appreciation. In the neoliberal frame, there are no social forces, no common purpose, struggles and responsibility. What matters are individual risks, private concerns, and self-interest – all individually calculable and self-mastered. The debt economy institutes both economic and existential precariousness. New subjectivity of mass debt, as opposed to mass consumption, has to take upon itself the risks and costs externalized by both the economy and the state. “Work on the self,” for from emancipation by way of self-fulfillment, recognition and experimentation, comes to be ever-enhancing the capacity of credit-worthiness and debt-repayment. Being an “entrepreneur of the self” boils down to negotiating risks and costs procreated by shrinking public services and expanding contingent labor markets. Disguised under the injunction of “work ethic” are the constitutive uncertainties, disposabilities, and indignities of capitalist employment relations. Work increasingly becomes anxiety-ridden self-activation in labor markets in the midst of faltering social provisions and eroded safety nets. Neoliberalism, then, combines “economies of abandonment” with the “economy’s colonization of the Freudian superego.” Here state-fostered but market-centered neoliberal order aims to constitute subjectivity that would align desire, disposition and life’s trajectory along imperatives of entrepreneurship, incessant development of human capital, and self-discipline in contingent labor markets – all in the guise of free choice.

The global modalities of power overdetermined by financialized globalization ascribe subjected populations to the status of “living dead.” Necropolitics, the link between sovereignty and exposure to death, stands

142. See Michel Feher, Self-Appreciation; or, the Aspirations of Human Capital, 21 PUB. CULTURE 21, 41 (2009).
144. See generally ELIZABETH A. PVINELLI, ECONOMIES OF ABANDONMENT: SOCIAL BELONGING AND ENDURANCE IN LATE LIBERALISM (2011).
146. See generally Jason Read, A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity, 6 FOUCALT STUD. 25 (2009).
147. BUTLER & ATHANASIOU, supra note 3, at 20.
reconstituted with debt as a primary technology to eviscerate the conditions of possibility of life for increasing numbers of subjects, communities and populations.\textsuperscript{148} Here we see unfoldings of late liberal “economies of abandonment.”\textsuperscript{149} Generalization of precarious existence is the natural result.

D. Undocumented Immigrant Labor and Extreme Precarity

Under capitalism, flows of capital and movements of labor have always been connected.\textsuperscript{150} In the neo-liberal era, the phenomenon has accelerated around the world. While slaves symbolized extreme precarity in incipient capitalism, undocumented immigrant labor symbolizes extreme precarious existence in the neoliberal era. Global processes of accumulation by dispossession generate global reserves of labor-power whose cross-border movements are foundational to the worldwide systems of production, accumulation of capital and reproduction of labor. In the hierarchically structured global market in human labor-power, gender, race and imperialism play a constitutive role, and the distinct national spaces in this global system are linked by racialized forms of citizenship and exclusion, and differential domains of precarity and security.\textsuperscript{151} Neoliberal restructuring of the global economy has produced a virtually inexhaustible immigrant labor reserve. Most of migrant labor moves across state borders under programs that stipulate temporary status or in the form of undocumented workers. Borders no longer simply coincide with the limits or edges of political space but have been “transported into the middle of political space.”\textsuperscript{152}

The heightened mobility of capital in the era of financialized globalization has allowed capital to break free of nation-state constraints of the Keynesian welfare era.\textsuperscript{153} A central feature of neoliberal restructuring of the global labor markets is that capital bears no responsibility for the social reproduction of labor and the state has abandoned redistributive policies that recirculate part of appropriated value back to labor in the form of social wage and welfare safety nets. Besides mobility of capital, these new class relations have been made possible by a dramatic increase in surplus humanity – that

\begin{itemize}
\item \textsuperscript{148} See generally Achille Mbembe, \textit{Necropolitics}, 15 PUBL. CULTURE 11 (2003).
\item \textsuperscript{149} See generally Povinelli, supra note 144.
\item \textsuperscript{150} For a detailed history of the creation of global labor markets under capitalism, see LYDIA POTTS, \textit{THE WORLD LABOUR MARKET: A HISTORY OF MIGRATION} (trans., Zed Books Ltd. 1990) (1990).
\item \textsuperscript{151} See generally Ferguson, supra note 24; Farris, supra note 24.
\item \textsuperscript{152} \textit{Étienne Balibar}, \textit{WE, THE PEOPLE OF EUROPE?: REFLECTIONS ON TRANSNATIONAL CITIZENSHIP} 109 (2004).
\item \textsuperscript{153} See generally WILLIAM I. ROBINSON, \textit{A THEORY OF GLOBAL CAPITALISM: PRODUCTION, CLASS, AND STATE IN A TRANSNATIONAL WORLD} (2004).
\end{itemize}
portion of the global population that is locked out of productive participation in the capitalist economy, constituting over one-third of global labor force.\(^\text{154}\)

In 2014, the number of immigrant workers worldwide stood at 232 million.\(^\text{155}\)

This surplus labor is crucial to capital accumulation as it places downward pressure on wages everywhere and allows capital to impose discipline over those who remain active in the labor markets.\(^\text{156}\)

A large, flexible, super-controlled and super-exploited undocumented immigrant labor pool plays a key role in this complex.\(^\text{157}\) Global capital needs this labor pool to supply labor power when and where it is needed. But to maintain its general disciplinary function, labor-value is extracted from this pool under tightly controlled conditions of oppression and dehumanization that rest on their status as non-citizen immigrant labor. The primary instruments of such super-exploitability are the division of labor into citizen and immigrant, and racialization and criminalization of the latter.\(^\text{158}\)

Ever tightening state controls over immigrant labor during the neoliberal era, including denial of civil and political rights, are designed not to prevent but to control transnational flow of labor and to lock that labor into permanent insecurity and vulnerability. A condition of deportability is created and reproduced, since this condition facilitates induction and super-exploitation with impunity when needed, and expulsion without consequences when this labor becomes unnecessary. Denial of rights drives immigrant labor outside the margins of legality, absolves employers and the state of any responsibility for social reproduction of this labor, and allows for its super-exploitation together with its disposal when necessary.\(^\text{159}\)

The condition of the undocumented immigrant labor in the neoliberal era, thus, is one of hyper-precarity.


\(^{155}\) These figures do not include the millions who have migrated from the interior and rural areas of emerging markets to urban industrial centers. See Labour Migration, ILO.ORG, http://www.ilo.org/global/topics/labour-migration/lang--en/index.htm (last visited April 9, 2015). For the case of China, see Kam Wing Chan, China: Internal Migration, in THE ENCYCLOPEDIA OF GLOBAL HUMAN MIGRATION (Immanuel Ness ed., 2013).


\(^{157}\) Robinson & Santos, supra note 156, at 6.


\(^{159}\) Id. at 7; see also BEYOND STATES AND MARKETS, supra note 23; Arat-Koc, supra note 23, at 75.
In the neoliberal era myriad regimes of transnational labor mobility and recruitment from a new global labor supply system have replaced earlier colonial labor controls. Major axes of accumulation of the global economy attract labor from neighboring regions. For example, NAFTA has increased the inflow of undocumented workers from Mexico to the U.S. The proportion of Mexicans entering the U.S. soared from one quarter in the 1980s to eighty-four percent by 2000, and by 2006 more than half of Mexican-born population in the U.S. was undocumented. Immigrants accounted for approximately half of the growth of U.S. labor force between 1995 and 2010. In Canada, the annual number of temporary migrant workers admitted tripled to 300,000 in the first decade of the 2000s, and these workers increasingly worked in notoriously labor-intensive, low-wage and non-union sectors. One-quarter of all Mexicans working for wages is employed in the U.S., while one out of every three industrial workers in Mexico are either in the maquilas or other continentally integrated industries.

Dislocated from their spaces and communities of affiliation, these workers have to contend with low wages, low-status work, denial of labor rights, political disenfranchisement, state repression, racism and xenophobic nativism. The resulting heightened precarity of migrant workers appears as deliberate policy in the neoliberal era. While neoliberalism has promoted flows of both capital and labor, one is liberalized while the other punitively policed. Xenophobia and racism combine to produce cultural mores and public policies signifying that “[t]he person in whom it is embodied is not desired.”

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165. Id. at 85.
workers has created a crimmigration system.\textsuperscript{166} Evermore repressive state controls over immigration and migrant labor ensures that this immense pool of labor-power remains insecure, disorganized, disciplined and docile. Surveillance and criminalization result in a perpetual condition of deportability – a condition of profound vulnerability.\textsuperscript{167} The undocumented immigrant workers are thus rendered “disposable,”\textsuperscript{168} a “permanent labor force of the temporarily employed”\textsuperscript{169} ever available for extreme exploitation and thus hyper-precarious. Vulnerability and existential precariousness of this huge pool of labor serves functions to facilitate global accumulation of capital. Wages and working conditions outside the ambit of the law increase appropriated labor-value. The size and labor conditions of this labor pool assert a downward pressure on general wages – the canonical function of a reserve army of labor. Anti-immigrant repressive apparatus and control systems are themselves expanding sources of accumulation.\textsuperscript{170} Anti-immigrant policies and accompanying nativist, often racist, ideologies help keep the attention of relatively privileged sections of the working classes away from the crisis of global capitalism. Converting undocumented immigrant workers into scapegoats for the crisis undermines unity and coalition building among the working classes. Hyper-precarity of the undocumented immigrant labor thus helps elide general precarity.

Besides transnational flows of capital and labor, yet another spatial flow is part of economic geography of the neoliberal era: cross-border movements of wages that connect otherwise separated sites of work and those of reproduction. Immigrant labor is responsible not only for its own reproduction but also for that of its family left behind. Over half a billion people around the world receive wage remittances.\textsuperscript{171} This necessitates that social reproduction of labor power be analyzed in relation to global processes of accumulation by dispossession and the movements of laboring people and


\textsuperscript{167} Trujillo-Pagán, supra note 166, at 37; Nicholas De Genova, The Legal Production of Mexican/Migrant “Illegality,” 2 LATINO STUD. 160, 178-79 (2004).


\textsuperscript{169} Melissa W. Wright, Disposable Women and Other Myths of Global Capitalism 88 (2006).

\textsuperscript{170} These include, for example, private, for-profit detention centers, militarization of borders, and police, military, and surveillance hardware. See Robinson & Santos, supra note 156, at 1.

wages they induce. Precariousness of existence travels with the bodies and wages in this global saga.

In the classic model of commodified labor, workers suffer appropriation of labor-value during the contracted labor time. Outside the time of the wage relation, workers are formally free to exist for themselves and replenish in the sphere of social reproduction. The quantum of alienation and precarity of these workers is commensurable to the time devoted to the wage-relation. Crowd-sourcing and related modes of colonization of life by capital in the neoliberal era expand the time of value-appropriation beyond the time expended in wage-relations, and thus expand the scope of alienation and precarity. But even in this era of ultra-wage value-appropriation, workers retain autonomous time for the sphere of social reproduction that includes civil and political rights of citizenship. Undocumented immigrant labor remains undocumented immigrant twenty-four hours a day and a perpetual source of direct or indirect value appropriation. The condition of deportability precludes engagement in any normal channels of social reproduction.

Excluded from relations of reciprocity rooted in social and political community institutionalized by the state, undocumented immigrants have to bear the entire burden of self-maintenance and social reproduction. Here colonization of life by capital, initiated in wage-relation, is complete. The result is hyper-precarity – existential precariousness without limit.

CONCLUSION

Precarious existence is not a break in the normalcy of capitalist labor markets, but a perennial accompaniment of capital’s imperative since its inception to capture, freeze and colonize life. An existence of abandonment, disposability, austerity and estrangement visible in the neoliberal era is as much a product of late capitalism as a return to its origins. Neoliberalism did not create precarity; it expended and deepened it. Structural building blocks of capitalism – accumulation by dispossession, commodification of labor, reserve army of labor and appropriation of labor-value – make precarious existence a permanent feature of capitalist social formations.

Precarity is not simply a problem of political economy with a focus on labor markets and their neoliberal restructuring, but rather a biopolitical question of capital’s differential modes of capture and colonization of life within the wage-relation and beyond it. In the contemporary neoliberal era the colonizing reach of capitalism has grown to unprecedented levels. Accelerated commodification now touches the outer limits of nature and
inner limits of human being. This furnishes the scaffolding of pervasive precarity of the neoliberal era.

The scope and quantum of precarity, however, is differentially distributed over different spatial and temporal instantiations of capitalism, a global mode of production since its inception. In the classic wage-relation, the quantum of precarity is commensurate with the labor-time formally devoted to production of value. In flexible labor markets of the neoliberal era, value appropriation spills beyond formal labor-time, thus expanding the scope and quantum of precarity. Ever-deportable undocumented immigrant workers, the quintessential workforce of late capitalism subjected to hyper-exploitation, embody hyper-precarity due to the absence of any time/life outside circuits of control and value-appropriation. To get a clear understanding of contemporary precarity and to develop productive strategies of transformative resistance, we must adopt a global frame of reference and take the precarious condition of life of undocumented immigrant workers as our starting point.