The New ‘Hidden Abode’: Reflections on Value and Labour in the New Economy

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4th and final version, submitted to the editors of The Sociological Review in January 2012

Abstract

In a pivotal section of Capital volume 1, Marx (1976: 279) notes that, in order to understand the capitalist production of value, we must descend into the ‘hidden abode of production’: the site of the labour process conducted within an employment relationship. In this paper we argue that by remaining wedded to an analysis of labour that is confined to the employment relationship, Labour Process Theory (LPT) has missed a fundamental shift in the location of value production in contemporary capitalism. We examine this shift through the work of Autonomist Marxists like Hardt and Negri, Lazaratto, and Arvidsson, who offer theoretical leverage to prize open a new ‘hidden abode’ outside employment, for example in the ‘production of organization’ and in consumption. Although they can open up this new ‘hidden abode’ without LPT’s fine-grained analysis of control/resistance, indeterminacy and structured antagonism, these theorists risk succumbing to empirically naive claims about the ‘new economy’. Through developing an expanded conception of a ‘new hidden abode’ of production, the paper demarcates an analytical space in which both LPT and Autonomist Marxism can expand and develop their understanding of labour and value production in today’s economy.
Word count (excluding front matters and references): 9024
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Introduction

In 2000, Roy Jacques wrote of the ‘curious paradox’ that ‘despite having defined its role as value maximisation, at no point in its history has managerialist writing inquired into what value is or how it is created’ (Jacques, 2000: 199). In March of the same year, Arthur Andersen ran a series of seminars on the ‘new economy’ in Stockholm, Oslo and Copenhagen. Contrary to Jacques’ suggestion that managerialists were not concerned with ‘what value is or how it is created’, these were the very questions that Arthur Andersen executives, and managerialist pundits like Kevin Kelley and Jonas Ridderstråle, were grappling with. This is perhaps unsurprising given that Andersen were auditors for Enron, the Texas based energy company that appeared to have discovered a modern form of alchemy whereby money could be created from thin air. It eventually transpired that the success of this paradigm of the ‘new economy’ had a rather more prosaic explanation in the form of fraudulent accounting practices. The subsequent scandal, which broke in 2001, brought both companies down (Rippin and Fleming, 2007). Combined with the turbulence of the ‘dot-com bubble’ bursting in 2000, and the bankruptcy (also involving fraudulent accounting) of WorldCom in 2002, these events signified a peak in the discourse of a ‘new economy’ (De Cock et al, 2001; 2005).

Jacques’ (2000) call for a new theory of value, commensurate with the changing political-economic realities of knowledge-based capitalism, was echoed by a host of management gurus, politicians and think tanks, but it was not only the managerialists who were proclaiming a fundamental change in capitalism during the 1990s and 2000s. Coming from a diametrically opposed political position, Michael Hardt and Antonio Negri’s book Empire (2000) managed that rare feat of becoming an academic bestseller and landing on the coffee tables of the chattering classes (Vulliamy, 2001). Hardt and Negri suggested that the economy had undergone a process of ‘postmodernization’ or ‘informatization’ that had revolutionised production and necessitated new concepts of labour. Their claim was that labour has been so completely transformed that it has become ‘immaterial’, meaning that the delivery of services, the creation of symbolic values associated with commodities, and communication, have become the central pillars of economic life (Hardt and Negri, 2000; 2004; 2009).

In this paper we ask what, if anything, the idea of a ‘new economy’ might mean for
understanding labour and value in the capitalist organization of production. Specifically we ask whether the labour process can still be understood as a privileged site of analysis within the capitalist circuit of production. To do this we compare two theoretical perspectives: Labour Process Theory (LPT) and Autonomist Marxism. At the core of LPT is the idea that capitalist value production takes place principally within the employment relationship (Jaros, 2005; Thompson, 1989; 1990; Warhurst et al 2008) so that other forms of activity, even if they produce economic value, are excluded from their analysis. In contrast to this, but in line with other post-structural contributions to the sociology of work and organization (e.g. Cooper and Burrell, 1988; Linstead and Thanem, 2007; Munro, 2005; Nayak, 2008; O’Doherty, 2008; Willmott, 2010), Autonomist Marxism has drawn analytical attention to a much broader set of activities that produce value within the contemporary circuits of capitalism. These range from the resurgence of forms of primitive accumulation and expropriation by violence (Hardt and Negri, 2009) and the hidden labour of housework and domestic reproduction (Dyer-Witherford, 1999; Dalla-Costa and James, 1972) to marketing and the consumption of branded goods and services (Arvidsson, 2005; 2006; 2009; 2010).

It is our argument that, despite their significant differences (Thompson, 2005), LPT and Autonomist Marxism can benefit each other greatly. LPT stands to gain from an increased understanding of the broader political-economic changes that capitalism is undergoing and from a much clearer political grounding (see Jaros, 2005, and Thompson, 2010, for a discussion of these weaknesses in LPT). Autonomist Marxism can benefit from a stronger empirical focus on the realities of control and resistance, the ‘antagonism and cooperation’ (Thompson, 1989: 245) in forms of labour, whether paid or unpaid, as well as from a stronger appreciation of the continued dynamics at work in the labour process as conventionally understood. To realise this mutual benefit we suggest that both theories need to return to an element of Marxist thought that they have explicitly rejected: the labour theory of value and Marx’s conception of ‘the hidden abode of production’ (Marx, 1976: 279).

For Marx, the labour process was a privileged site for the analysis of capitalism because it is labour, and only labour, that is capable of producing surplus value. One of the key contributions of Marx’s analysis is to recognise that the process by which labour produces surplus value for capital is essentially hidden away in the factory, where the formal contract of the employment relationship conceals exploitation. Marx (1976) uses the idea of a ‘hidden abode of production’ to do two things. First, following a long discussion of exchange value, use value, and the commodity form, he makes it clear that economic value must be understood in terms of production and not simply exchange. It
is this basic point that the subsequent shift to supply/demand based economic analysis misses completely. Second, he highlights the fundamental political and economic antagonism within the employment relationship at the point of production. Armed with this analysis, derived from a version of the labour theory of value, Marx explains how, even when labour is recompensed at its value, it can nevertheless produce ‘surplus value’ over and above that required to compensate wages. Within the controlled and managed setting of production lay a basic indeterminacy over the amount of effort that an employer might expect from an employee. It was this indeterminacy in the wage-effort bargain at the point of production that was taken up by Braverman (1974) and gave rise to contemporary LPT. By rejecting the labour theory of value, LPT has effectively ceded the argument that the labour process is inherently exploitative, thereby weakening the analytical and political ground for focussing on the labour process as a privileged site for the analysis of capitalist social and economic organization (Jaros, 2005).

Autonomist Marxists also reject the law of value, but only as a model for explaining prices, not a new move in Marxist economic theory (Mandel, 1976). They retain it in another form: as an ontological and political ground for understanding labour itself. As Hardt and Negri (1994: 7) put it: ‘the concepts of labor and value mutually imply one another: by labor we understand a value-creating practice.’ This has the inestimable advantage of not assuming that all ‘labour’ takes place within the confines of the employment relationship – a core assumption for most LPT (Böhm, 2006) – and thereby opens up the possibility for an analysis of the labour process to appreciate the full range of capitalist valorisation strategies.

This Autonomist Marxist move beyond the confines of the workplace can be related to Cooper and Burrell’s (1988) thesis that, in order to ‘understand organizations it is necessary to analyze them from the outside, as it were, and not from what is already organized. It becomes a question of analyzing,... the production of organization rather than the organization of production’ (Cooper and Burrell, 1988: 106; see also Linstead and Thanem, 2007; Munro, 2005; O’Doherty, 2008; Spoelstra, 2005). We argue that these broader understandings of the social and cultural production of organization need to be complemented with an understanding of how, in recent years, the production and accumulation of economic value has also followed ‘organization’ outside the traditional confines of the workplace to permeate cultural and social reproduction, communication, and subjectivity, connecting and organizing them in the pursuit of economic value. This paper suggests that an adequate understanding of the ‘new economy’ necessitates a reconceptualisation of the location of value production – Marx’s ‘hidden abode’ – within these expanded circuits. We argue that, as social production and organization have themselves become the
central sources of competitive advantage and economic productivity, there is a need for an expanded notion of labour and its value creation capacities. One could even say that the ‘production of organization’ increasingly is the business of the ‘organization of production’.

The paper begins by outlining some of the current debates in Labour Process Theory (LPT), suggesting that, despite setting itself the goal of understanding ‘the transformation of the labor process and labor power’ (Warhurst et al, 2008), it has proven remarkably resistant to locating such a transformation in a broader political economic context. We argue that this is primarily due to the lack of consideration that LPT give to forms of labour outside the employment relationship. The second and third parts of the paper turn to Autonomist Marxist analyses of the changes that Hardt and Negri have termed the ‘informationalization of capitalism’, highlighting the new importance of knowledge and information. Part Two outlines Hardt and Negri’s thesis that ‘immaterial labour’ is at the heart of the contemporary regime of capitalist production and accumulation. Part Three examines the specific example of branding and consumption to understand the role of marketing communication in contemporary capitalism. Part Four explores in more detail the idea of the ‘social factory’, explaining why, in our view, a return to the labour theory of value, and an understanding of the ‘new hidden abode’ of production within the social factory, is necessary.

**Value in Labour Process Theory**

Building on the work of Braverman (1974) and Burawoy (1982), labour process theorists (e.g. Thomspn, 1989; Knights and Willmott, 1990; Smith et al, 1991; O’Doherty and Willmott, 2001; Thompson and Smith, 2001) have been debating the production and expropriation of surplus value in the labour process for at least three decades (Jaros, 2004; 2005; Böhm, 2006). While bearing in mind the manifold conceptual differences within LPT, research in this field has concentrated on the struggles between capital and labour in the employment relationship, which, according to Thompson’s (1989; 1990) ‘core labour process theory’, is the privileged site of surplus value production in capitalism. Thompson and Smith (2001: 61) write that ‘management must, under competitive, standardising, and differentiating conditions, seek to release and realise productive labor from living labor power.’ LPT thus follows Marx’s (1976: 279) analytical descent into ‘the hidden abode of production’ to find value production and exploitation located in the capitalist employment relationship. What LPT takes from Marx’s analysis is the imperative for management to continuously make the labour process more effective and efficient in order to squeeze more value from labour power:
LPT therefore prioritizes the capital-labor relationship as a focus for analysis of work and employment relations; sees the transformation of the labor process and labor power as central to capital accumulation; argues that there is a control imperative arising from the need to reduce indeterminacy; and that such dynamics and potentially divergent interests generate the conditions for resistance, compliance, and consent. (Warhurst et al., 2008: 98)

There have been a number of debates within LPT over what ‘indeterminacy’ means in this context. On the one hand, it has been suggested that it should be extended to a more general understanding of the existential indeterminacy of subjectivity (O’Doherty and Willmott, 2001; 2009). On the other hand, some authors argue that this indeterminacy should be restricted to a more narrow account of economic production (Marks and Thompson, 2010; cf. Thompson and O’Doherty, 2009). Both agree that, for management, there is a fundamental need to ensure the control of labour at the point of production. Coupled with competition between capitals, this need for control in the vertical relations of production is fundamental in driving innovation and transforming the labour process.

The tension between change and continuity has been at the forefront of debates in the sociology of work as studies seek to grasp the changing nature of control and resistance in the workplace in light of developments such as team-working, flexible production, knowledge work, emotional labour and aesthetic labour. Both Foucauldian and ‘core’ perspectives on the labour process\(^1\) recognise that there have been profound changes in strategies of control and resistance within the labour process as capital seeks to valorise ever more aspects of employees, from their tacit knowledge, emotions and aesthetic ‘corporeal qualities’ (Thompson, 2010: 9) to social relations and subjectivity (O’Doherty and Willmott, 2001; Fleming and Spicer, 2007; Fleming, 2009).

Despite this, one of the shortcomings of LPT is that it has so far failed to connect these changes to broader political economic shifts, in part because of the doctrine of ‘relative autonomy’ (Edwards, 1990). This doctrine was originally developed to prevent a simplistic, determinist analysis wherein the labour process can be read off from broader political economic structures (Thompson, 2010). Although this has given LPT researchers an empirical sensitivity to the specificities of different workplaces and variations in the labour process, it has also presented a limitation when trying to understand these sites in a broader context. As Thompson has recently acknowledged:

[T]oo much research has been subordinated to a general focus on the labour process as work organization – an empirical site of employment... What has been missing is a form of political

\(^{1}\) See Böhm (2006: 139-146) for an overview and summary of this distinction.
economy that can be inserted between the generic, structural features of the capitalist labour process… and work relations. (Thompson, 2010: 11)

To fill this gap, Thompson identifies several contending theories – circuits of capital, regimes of accumulation, varieties of capitalism, and value chain analysis – but ultimately finds that none of them quite do the job, although the latter appears to be the most promising. Before he considers these possible contenders, Thompson raises, and dismisses again, a return to Marx’s labour theory of value:

Why do they not, then, also make use of Marxist economic theory such as the law of value, the labour theory of value, the tendency of the rate of profit to fall, and so on? Some Marxist critics have indeed argued that LPT gives too much room to agents of capital (for instance, to managers) to affect change, and too little to value theory and the ‘laws of motion’ of capitalist society (e.g. Spencer, 2000). However, such critics do not demonstrate causal connections between the ‘value theoretic approach’ and actual outcomes in the labour process. (Thompson, 2010: 11-12)

Thompson’s analysis is hence based on the assumption that the labour theory of value is primarily a model of prices and profits, implying a long-term tendency for the rate of profit to fall. This neglects the mass of work that has been done by political economists on the range of factors compensating the falling tendency, but more crucially it assumes that the main purpose of these theories is empirical and predictive, rather than ontological and political. We will return to this question in the next section when introducing Autonomist Marxism, which takes quite a different approach to the labour theory of value whilst still rejecting it as a model for economic measurement. For now, however, it is important to note that, if labour is not the source of value in capitalism, then there is no reason to assume an exploitative economic relationship and structural antagonism in the labour process and no a priori reason to privilege the labour process as a site of research (Jaros, 2005).

There are thus two issues that LPT needs to address if it is to offer a clear foundation for studies of work and capitalist production: the status of the employment relationship as the sole locus of ‘labour,’ and the status of the labour process within the broader political economy. Given that LPT has set itself the goal of understanding ‘the transformation of the labor process and labor power’ (Warhurst et al, 2008), these challenges raise the danger that, as long as LPT assumes that the employment relationship is the only location of capitalist labour process, the theory might blind itself to fundamental changes that have moved labour outside of the workplace and contract-based employment. This is precisely the focus of Autonomist Marxism, which calls for an expanded analysis of labour and value production. As we argued above, such an expansion can also be related

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2 See Fine and Saad-Filho, 2004 for an accessible overview of some of these debates.
to an extended view of the ‘production of organization’ (e.g. Cooper and Burrell, 1988; Linstead and Thanem, 2007; Munro, 2005). Both of these literatures have emphasised the need for sociological analysis to move beyond the confines of traditional conceptions of the workplace and the employment contract. For Munro, and Cooper and Burrell, the organization of economic production is necessarily dependent upon a prior production of organization than enables such production. For the Autonomist Marxists the issue is also that the production of organization is now the central site in which economic value is produced, even if it is ontologically distributed far beyond the narrow confines of the formal employment relationship. The following two sections of the paper examine these arguments in more detail.

### The New Value Proposition: Hardt and Negri on Immaterial Labour

Building upon Negri’s work in the late 1970s (Negri, 1991: 172; Hardt and Negri, 1994), Hardt and Negri’s influential book *Empire* developed the idea that labour has been so completely transformed in recent decades that it had become ‘immaterial’. Whilst Marx had argued that the physical labour of producing material commodities was the only source of value under capitalist relations of production (Marx, 1976; Böhm and Land, 2009a; 2009b), Hardt and Negri put forward the thesis that material production was no longer central to value production and had been subsumed by immaterial production. For them, immaterial labour should be understood as (a) the creation of symbolic values associated with commodities, including knowledge, ‘affective’ or emotional labour in service work, and (b) communicative acts that (re)produce the forms of social organization that facilitate material production. As they write:

> Since the production of services results in no material and durable good, we define the labor involved in this production as *immaterial labor* – that is, labor that produces an immaterial good, such as a service, a cultural product, knowledge, or communication. (Hardt and Negri, 2000: 290; also 2004: 108)

One should note here that Hardt and Negri (2000: 30; 290) are clear that it is not the labour process that is immaterial but the products. The process itself is clearly a form of material, embodied labour. In some respects this emphasis on knowledge, affect and communication resonates with LPT’s recognition that capital is seeking to valorise ever more of employees’ capabilities and qualities (Thompson, 2010; Witz et al, 2003). Hardt and Negri locate this emergence of immaterial labour in a broader political economic movement than LPT, developing a concept of ‘real subsumption’ wherein capital and social life are no longer clearly separable and value production shifts from the material production of tangible commodities to the immaterial production of social relationships, knowledge and affect. The central idea here is that value is no longer produced through the material
production of commodities, as was the case in Marx’s time, but through the reproduction of the social, or, what has been termed, the ‘production of organization’ (Cooper and Burrell, 1988).

This idea is also taken up by Lazzarato (1996) who develops the concept of immaterial labour along lines that are similar to O’Doherty and Willmott’s (2009) discussion of the ‘missing subject’ in LPT, albeit with a more decisively political-economic take. Placing communication at the heart of immaterial labour, as do Hardt and Negri (2000), Lazzarato notes that immaterial labour is directly productive:

The process of social communication (and its principal content, the production of subjectivity)
becomes here directly productive because in a certain way it “produces” production. (Lazzarato, 1996: 143)

This is because developments like knowledge work, which aim at valorising the tacit knowledge of employees, are not susceptible to deskilling and Taylorisation because they depend upon the active cooperation of workers. Within LPT it is well established that the labour process depends upon consent and on the active cooperation of employees (Burawoy, 1982) but Lazzarato goes further. He suggests that this is not only a case of consenting to cooperate in the production of commodities or the deliveries of services, but of actively cooperating in the production of the social relations that production depends upon. What is at stake is the production of collective subjectivity and on-going social relations that can be drawn upon in future production. In this sense the problematic of social reproduction – discussed in terms of the production of subjectivity by Foucauldian LPT (O’Doherty and Willmott, 2001) or in terms of the ‘production of organization’ (Cooper and Burrell, 1988; Burrell, 2001) – becomes a political economic development as well as an analytical observation. The question of subjectivity in LPT is not just an internecine paradigm war, as Thompson (2010: 8) would have it, ‘taking place between materialists and post-modernists … concerning the relative significance of cultural and economic explanations.’ It hinges upon a shift within capitalism toward cultural and social production becoming the basis of economic value production itself. To quote Lazzarato again:

Immaterial labor produces first and foremost a “social relationship” (a relationship of innovation, production, and consumption). Only if it succeeds in this production does its activity have an economic value. This activity makes immediately apparent something that material production had “hidden,” namely, that labor produces not only commodities, but first and foremost it produces the capital relation. (Lazzarato, 1996: 138)

Immaterial labour in the ‘new economy’ is thus first and foremost the production of social organization. Before commodities can be produced in an employment relationship, circulated in market exchange, and consumed, social relations and subjects must be produced, distributed, and
organized in such a way as to facilitate the (re)production of capitalism itself. Work and organization are always already linked to a wider network of social relations that cannot be explained by only focusing on what is going on within specific employment contracts and processes, which are themselves just one specific product of these broader processes.

As the production of social relations and subjectivity cannot be confined within the employment relationship, we need to extend our analysis of ‘labour’ away from the traditional workplace as the privileged site of value production. As empirical studies of the creative industries (Gill and Pratt, 2008; Gill, 2007), fashion (Land and Taylor, 2010; Pettinger, 2005), sex workers (Pettinger, 2011), hairdressers (Cohen, 2010) and bicycle messengers (Fincham, 2008), have all shown, the production of collective subjectivities and social relations of cooperation are an indispensable part of both production and consumption. Yet, these social relations cannot easily be contained within the confines of ‘work’ conducted within a ‘labour process’ unless this concept is extended to take into account a range of non-work or ‘life’ activities. As Pettinger suggests in her study of sex work, it is often important for labourers to ‘do more than just the job’ (2011: 239). Sex workers have to draw on a range of emotional, aesthetic and social experiences – many of which have been gained outside the employment relation – in order to ‘please’ the customer (see also Pettinger, 2005, 2006, 2008). Equally, Cohen shows how emotional labour and social experiences, ‘over and beyond that formally required by the job’, are necessary for doing a job, such as hairstyling where success depends on establishing and maintaining a clientele through the management of social relationships that often exceed the actual moment of service and exchange (2010: 214).

As Hardt and Negri suggest, communication and the production of organization have become hegemonic in contemporary capitalism (2004: 145). Regardless of whether immaterial labour quantitatively dominates economic activity, it is the paradigm for work today. For Toyota’s semi-autonomous production teams it is the work of social cooperation that is key to production, replacing the material labour exerted on the production line as the main source of value (cf. Dawson, 1994). Even in clothing retail, much of the work is about presenting the correct forms of aesthetic accomplishment, engaging customers, and actively contributing to the cultural content of the commodities on sale (Pettinger, 2004, 2006, 2008; du Gay, 1996; Warhurst and Nickson, 2007). For symbolic analysts, or knowledge workers, operating in communities of practice, the key to value production is not so much the specific knowledge commodity being produced, but the ongoing social interactions that enable a collective process of innovation and learning through the co-production of a collective social identity (Lave and Wenger, 1991; Wenger et al, 2002; Amin and
Roberts, 2008; Orr, 1996; Land, 2009). Whilst Hardt and Negri are quite aware that this immaterial labour does not quantitatively dominate contemporary labour markets, they do suggest that it is qualitatively transforming the nature of work and how we understand labour and value production (Hardt and Negri, 2000: 285-288).

**Rhetorics and Realities of Immaterial Labour**

Despite the caveat that their argument relates to qualitative rather than quantitative domination, for LTP commentators Hardt and Negri have fallen prey to the same illusions that entranced the managerialist writers in the late 1990s and early 2000s with their apparent production of value from nothing but thin air (Jacques, 2000; Leadbeater, 1999). As Thompson and Warhurst (1998) have argued, the postmodern paradigm of networked organizations populated by knowledge workers belies a reality characterised by highly routinised service work where most ‘growth has occurred not in knowledge work but in the low-paid ‘donkey work’ of serving, guarding, cleaning, waiting and helping in the private health and care services, as well as hospitality services’ (Thompson and Warhurst, 1998: 5; Thompson, 2005: 84-85; see also Lynch, 2007). Such a conclusion is borne out by even a fairly cursory look at UK labour market statistics (Böhm and Land, 2009a). Thompson thus concludes that Hardt and Negri have fallen prey to an ‘unhealthy and uncritical dependence on mainstream business and management writings on the knowledge economy and knowledge work,’ confusing ideology and rhetoric with reality (Thompson, 2005: 75).

Thompson’s critique is well targeted if we consider the question of the kinds of paid employment that quantitatively dominate employment, even in advanced industrial economies, but this is to address the question of ‘labour’ once again from within the confines of Marx’s industrial hidden abode: the labour process within an employment relationship. To open our analysis to more fundamental shifts in the production and circulation of value, we should expand our concept of labour to encompass all value-creating practices. This would include even those activities that reproduce labour power – for example, education (Harvie, 2006) or housework (Dalla Costa and James, 1972) – that are normally excluded from traditional Marxist accounts of productive labour (Harvie, 2005). For core LPT, the indeterminacy of labour relates to value production within contracted working time, so it has nothing to say about the more fundamental indeterminacy connecting the form, time and place of labour, understood as value productive activity in a broader sense.

One attempt to expand the conception of the indeterminacy of labour from within LPT is represented by the Foucauldian turn to subjectivity, most recently summarised and championed by
O’Doherty and Willmott, when they argue:

The indeterminacy of this quality is, however, irreducible to ‘labour’. The indeterminate productivity of workers’ labour power is one aspect, or articulation, of the indeterminacy of subjectivity, albeit one that is indeed of key importance for analysing the dynamics of the political economy of capitalism. (O’Doherty and Willmott, 2009: 937)

We would suggest, however, that a focus on the inherent indeterminacy of subjectivity risks recoding what is fundamentally a question of political economy as an existential phenomenon. As Lazzarato puts it:

The process by which the “social” (and what is even more social, that is language, communication, and so forth) becomes “economic” has not yet been sufficiently studied. In effect, on the one hand, we are familiar with an analysis of the production of subjectivity defined as the constitutive “process” specific to a “relation to the self” with respect to the forms of production particular to knowledge and power (as in a certain vein of poststructuralist French philosophy), but this analysis never intersects sufficiently with the forms of capitalist valorization. (Lazzarato, 1996: 143)

The absence in O’Doherty and Willmott’s (2009) analysis is that, while they see the need to go beyond the traditional employment relationship, their ‘indeterminacy of subjectivity’ thesis has not yet connected to the political economy of the capitalist valorization of subjectivity. Similarly, by focussing only on the employment relationship, ‘core LPT’ is conceptually ill equipped to make these broader political economic connections to the production of organization. In both cases what is needed is a focus on the production of value to frame the focus. Identity and subjectivity are interesting topics in their own right, as is the employment relationship, but to make a broader argument as to why they are particularly significant in a sociological analysis of work, some understanding of how they contribute to the production, circulation, and accumulation of economic value is necessary. Without some kind of labour theory of value, both neo-orthodox and Foucauldian variants of Labour Process Theory are rendered incapable of registering or explaining wider changes in the capitalist regime of accumulation.

To understand such changes, we need to follow the Autonomist Marxist lead to appreciate exactly how social reproduction and communication are part of the circuits of capitalist production, even when (re)producing those very circuits. To examine this production through a more focussed example, we now turn to Arvidsson’s study of branding and the idea that, in the interplay of the use and exchange value of communication, even consumption functions as a value productive form of labour. There are many other examples we could have chosen to explicate the wider social and communicative dimension of work today. We have, however, chosen branding as the work of Arvidsson builds directly upon Lazaratto, whose analysis of subjectivity presents a political-
economic critique of both post-structuralist accounts of subjectivity, which tend to slide toward existentialism, and ‘core’, neo-orthodox LPT accounts, which are stuck in the narrow confines of the employment relationship (O’Doherty and Thompson, 2009).

**The New Value Proposition: Arvidsson on Marketing and Brands**

Although writers like Klein (2000) have long pointed to the importance of brands in contemporary capitalism, with a few notable exceptions the question of branding remains largely neglected within the sociology of work (Kärreman and Rylander, 2008; Land and Taylor, 2010; Lury, 2004; Moor, 2008; Willmott, 2010) and is entirely ignored within LPT. From an Autonomist perspective, however, the brand is a crucial site of immaterial labour and social production. Arvidsson’s analysis of media culture suggests that capital, in the form of ‘signifying complexes’ like trademarked logos, brands and cultural products, has today completely saturated our life-world (Arvidsson, 2006: 30). Rejecting the pessimism of a Frankfurt School style reading of this development in terms of standardisation, passivity, and alienation (Adorno and Horkheimer, 1979), Arvidsson takes on board the insight from cultural studies that people are active and creative in their symbolic consumption. Crucially, for Arvidsson, this active, symbolic consumption is itself creative of value. Taking place outside ‘work’, the consumption and circulation of ‘signifying complexes’ is the cornerstone of social reproduction whereby a *common* is forged, without which communication and collective action would be impossible. This moves our analysis well beyond concerns with the bare physical, or material, reproduction of labour power (cf. Jacques, 2000: 211) to the kinds of labour that reproduce, what Lazzarato refers to as, the ‘basin of immaterial labour’ (Lazzarato, 1996: 137):

> The use-values of consumer goods should be conceived as something more than their ability to respond to extra-social needs or desires (coming from the ‘stomach or the fancy’). Rather, recent consumer research would prove that these use-values consist mainly in the qualities of goods as means of production: their capacity to be deployed within an ongoing immaterial production process by means of which such a common is constructed. (Arvidsson, 2006: 19-20)

There are two points to make here. First, linking back to the previous section, it is through communicative action that social relations and subjects are reproduced. If immaterial labour is at the heart of informationalized production, then it is both a means to the production of directly consumable commodities (knowledge, affect, experience, service etc) and the reproduction of (immaterial) labour power. It is through on-going communication that a ‘common’ social terrain, upon which productive communication can take place, is constituted. One of the most important products of immaterial labour is the potential for further communication through a discursive
production of a particular form of social organization.

The second main issue arising from Arvidsson’s analysis concerns the production, circulation and consumption of immaterial commodities in the form of brands. Explicitly addressing the *substance* of value, Arvidsson suggests that the potential for further communication is the reason that consumers buy branded products:

> [C]ommunicability is… the substance of the monetary value of the brand… What consumers pay for is access to the communicative potential of the brand, the possibility of inserting the brand in their own assemblage of compatible qualities. The use-value of the brand for the consumer is its value as a means of communicative production. (Arvidsson, 2006: 131)

Citing the common example of a Nike trainer (e.g. Quinn, 1992: 60), Arvidsson suggests that the value added for this product is what the brand signifies and enables the consumer to do. Nike are able to charge a premium for their trainers, which in terms of material performance and cost of production may be entirely indistinguishable from cheaper competitors, because of the meanings associated with the brand. By wearing Nike trainers, a consumer is able to mobilise this meaning as part of their identity work, producing themselves as a social subject in relation to significant others (Böhm and Batta, 2010) and thereby constituting a community of consumption whose logic transcends the simple moment of consumption. This is one of the key analytical and political points distinguishing Arvidsson’s analysis from more traditional critical theoretical readings of media and brand culture (e.g. Gardner, 1979). For Arvidsson, there is no simple subordination of play and life to the logic of commodity consumption. Rather, the logic of capital becomes coterminous with the reproduction of life itself and particularly with cultural reproduction. As Arvidsson puts it:

> Capital (in the form of propertied symbols, and signifying complexes: advertising, brands, television series, music and other forms of content) is socialized to the extent of it becoming part of the very environment, the bio-political context in which life is lived. The other side to this equation is that life comes to evolve entirely within capital, that there is no longer any outside. (Arvidsson, 2006: 30)

This means that all of ‘life’ potentially becomes ‘work’ as the very production of sociality functions to produce a common from which capital is able to extract a surplus. This flow of value occurs, to paraphrase Foucault (1980), at the micro-physical level, moving through the very capillaries of social production and friendship.

So, how are we to understand this circulation in relation to the production of value? Arvidsson argues that what is central in the production of brand value is attention. The predominant locus of value for a brand-based firm is sustained interest in, or attention paid to, the brand. Through this, brand value can be realised as the probability of future consumption. This attention is reproduced throughout life as we relate socially and culturally via brands, investing in them subjectively and
contribute to their value for others, thereby generating brand value. Arvidsson (2006) gives an admittedly extreme illustration with the example of an Apple aficionado who claims only ever to have slept with people who use a Mac. Through friendship, play, sex and even love, the production of this cultural, brand value lies beyond the direct control of its owner or managers. Rather, the reproduction of the cultural values and meanings invested in the brand, and its related communities, is secured by the active labour of those consuming the brand and thereby valorising the brand and contributing to its value. This labour is ‘free’ in the double sense that it is both relatively autonomous and unpaid (Arvidsson, 2006: 130; 2010; Terranova, 2004).

To the extent that this ‘free labour’ is unpaid, the Marxist ‘law of value’ cannot hold, Arvidsson argues. He asks: if there is no pay for labour, then how could one mobilise such concepts as socially average, or necessary, labour time in order to distinguish necessary and surplus value? To the extent that labour is relatively autonomous, it also seems to escape capitalist command and control. Nevertheless, according to Arvidsson’s analysis, it is this free labour that is at the heart of contemporary capitalist value production. By deploying brands in their production of identity, lifestyle and community, consumers actively reproduce and extend brands’ value as signifying complexes and increase their potential as a use value for others. As such, free labour is the main source of brand equity and value. This leaves us with the question of how – if at all – free labour is controlled and measured. It is to this question that we now turn. First, we consider how brand management seeks to govern the production of immaterial value so as to realise it as economic value. Second, we ask whether the model of value production renders value immeasurable – as Hardt and Negri (2000: 356) suggest – or whether what we are witnessing here is merely another obfuscation of value production and its secretion in a new ‘hidden abode’ whose workings should be subject to further analysis using the methodological and conceptual toolkits of LPT.

**Organization as Value: Community and the Ethical Surplus**

Political entrepreneurship is a matter of accumulating profits (or in any case a surplus), not through the direct exploitation of material labour, but through the exploitation of community, affect and communicative flows. (Arvidsson, 2006: 89)

Following Lazzarato (1997; 2007), Arvidsson points to the character of the ‘political entrepreneur’ as the paradigm of productive activity in the decentred circuits of immaterial capitalism. For Lazzarato (2007: 91; 93), this concept highlights the impossibility today of maintaining a distinction between political activity and economic activity. What is produced through activities like networked organizing or brand management is not so much things – material artefacts as
commodities – as social relations, signifying complexes, frames of action and subjectivity. For Lazzarato, this production of meaning and subjectivity is the proper sphere of politics so that we cannot simply bemoan the passing of ‘real’ politics and its apparent subordination to consumption, as is often the case in the press or in party politicians’ hand-wringing over the delegitimisation of Politics and voter apathy. In the current situation subjectivity, communication, consumption and branding are political at precisely the same moment as they are economic:

Marketing is no longer merely a technique for selling, but a mechanism that is constitutive of social relations, information and values for the market – one that integrates the techniques and ‘responsibility’ of the political. (Lazzarato, 2007: 92)

So, if in contemporary capitalism production is primarily concerned with producing political values, then how does this process produce economic value? In relation to branding, Arvidsson suggests that the process is an indirect form of management that cultivates and steers communication through the brand:

[B]rands both work as a means of production to be employed in an autonomous process of constructing a common, and as embodiments of a new form of capitalist domination that governs that productive autonomy through particular kinds of empowerments. (Arvidsson, 2006: 13-14)

This ‘autonomous process of constructing a common’ by ‘empowered’ consumers does not directly produce an economic surplus, but rather an ‘ethical surplus’ (Arvidsson, 2006: 13; see also Arvidsson, 2009, 2010). Arvidsson takes this concept of an ethical surplus from Arendt (1958) and characterises it as consisting in ‘a social relation, a shared meaning, or a sense of belonging, that was not there before’ (Arvidsson, 2006: 10). In short, there is a new common produced through these social interactions that give rise to a surplus (collective) subjectivity. If the social interactions constituting this ethical surplus can be managed so as to circulate through a specific commodity form – a brand that becomes indispensable to their on-going reproduction - then this process will produce an economic surplus for the owner of the brand by augmenting brand equity. To put the same idea using terminology from actor-network theory: brand management is the attempt to shape social flows of meaning and subjectivisation in such a way that the brand becomes a kind of ‘obligatory passage point’ (Callon, 1986) through which social reproduction must flow. It is the ability to connect to socially reproductive flows in this way that enables an ethical surplus to be realised, as economic value, through the brand. Future reproduction through social signification is dependent upon future consumption of the brand, thereby creating brand equity.

There are two implications of this analysis. First, it becomes impossible to separate an authentic process of collective subjectivisation – or community – from a synthetic one (cf. Land, 2009). Brand consumption cannot simply be reduced to passive consumption by the masses. To be
effective brand management must pass through an authentic moment of collective subjectivisation. Without real libidinal investments, and the ethical surplus thereby produced, there would be no surplus value. The second implication is that the production of value remains essentially a problematic of organization, or rather re-organization (Harvie and Milburn, 2010). As the reference to actor-network theory suggests, the key concern for the entrepreneur is the production of specific forms of social organization. For the political entrepreneur this organization concerns the government of flows beyond the immediate, disciplinary confines of the workplace and market. Perhaps, then, we should consider this as a political economic movement away from what Cooper and Burrell (1988) referred to as the ‘organization of production’ toward the ‘production of organization’? It is precisely by shaping the production of social organization, in all of its messy, affective and libidinal aspects, and steering that production through the semiotic and material circuits of branded commodity consumption, that brand equity and economic surplus value is produced.

**A New ‘Hidden Abode’: Re-reading Marx’s Labour Theory of Value**

Much of the value of brands derives from the free (in the sense of both unpaid and autonomous) productivity of consumers; the same thing goes for web-portals and knowledge intensive service companies. In these instances, labour is in effect ‘in a non-place in respect to capital’ (Negri, 1999: 82) beyond its direct command, and the extraction of surplus value entails some form of appropriation of the fruits of that autonomous productivity (Arvidsson, 2006:130).

As this quote and the preceding sections suggest, the Autonomist perspective emphasises the idea that ‘labour’, understood as value-productive activity, has moved outside of the workplace and employment relationship, and so is no longer under the direct control of management. Rather, as Arvidsson, Lazzarato, and Hardt and Negri suggest, labour is increasingly autonomous and ‘free’. Equally, as we have suggested above, the post-structural ‘production of organization’ literature has been eager to expand the notion of organization beyond the traditional confines of organizations and institutions, highlighting the need to see organization, including work and labour, as part of a wider social process that is indeterminate. What are exactly the implications of such an expanded view of organization, work and labour? If we have learned anything from LPT, it is that labour is characterised by antagonism, control and resistance, but there is little scope for structured antagonisms of control and exploitation in the literature on the ‘production of organization’ literature, or in Autonomist Marxist thought. For example, Hardt and Negri seem to suggest that traditional conceptions of control and resistance do not apply to this ‘free’ labour, instead referring to rather abstract concepts, such as the immanent ‘exodus’ of the ‘multitude’ from capitalist control.
In a similar vein they proclaim that:

In the expression of its own creative energies, immaterial labour thus seems to provide the potential for a kind of spontaneous and elementary communism. (Hardt and Negri, 2000: 294)

Here is where we think that a more traditional LPT perspective has much to offer in terms of a concrete analysis of the strategies of control and resistance found in the expanded, immaterial labour process that Autonomist Marxism points toward. In this final section of the paper we therefore consider what ‘free labour’ might mean in these terms and explain exactly what we mean by the ‘new hidden abode’ of production.

In one sense, there is nothing new about the idea of a ‘free’ labourer. Marx used this term to refer to the worker who is ‘free in the double sense that as a free individual he can dispose of his labour-power as his own commodity, and that, on the other hand, he has no other commodity for sale’ (Marx, 1976: 272). These two aspects of the ‘free’ waged labourer are inseparable because the first sense of freedom is dependent upon the second. Without dispossessing rural peasants of access to the land necessary to reproduce themselves independently, there would have been no ‘free’ labour to work in the factories. On the other hand, this was an apparent liberation. It opened up a geographical mobility that had previously been impossible, as peasants’ access to land was secured only by their servitude to the landowner. Marx compares these two modes of labour directly when discussing the corvée system, in which:

The necessary labour which the Wallachian peasant performs for his own maintenance is distinctly marked off from his surplus labour on behalf of the boyar. The one part he does on his own field, the other on the seigniorial estate… In the corvée the surplus labour is accurately marked off from the necessary labour. (Marx, 1976: 346)

This clear separation is not, however, the case for the ‘free’ labourer for whom the working day is an undifferentiated mass of ‘labour’ where ‘surplus’ is indistinguishable from ‘necessary’. Indeed, at face value it appeared that the factory system had erased the distinction between necessary and surplus labour. After all, how could one determine necessary value in such a situation? As Marx writes:

[If] the free worker gives the capitalist 6 x 6 or 36 hours of surplus labour every week… it is the same as if he worked 3 days in the week for himself and 3 days in the week gratis for the capitalist. But this fact is not directly visible. (Marx, 1976: 346)

The genius of the factory system was that it concealed the exploitation of labour – the surplus the labourer provided ‘free’ to the capitalist – by giving the appearance of a single mass of labour for which the employee received a wage. This did not mean that exploitation disappeared, but to understand and analyse this production, and appropriation, of surplus value it was necessary for
Marx to move beyond the *appearance* of waged labour and the employment contract, and descend into the ‘hidden abode of production’ (Marx, 1976: 279). It was here that Marx discovered the two-fold nature of labour and the indeterminacy of the labour process. It was precisely this insight that was rediscovered in the 1970s by Braverman (1974: 54), giving rise to Labour Process Theory (LPT) (Thompson, 1989: 72). As we discussed earlier, central to this school of thought is the capitalist problematic of converting the potential for labour (*labour power*) into concrete, value producing *labour*.

The indeterminacy of the industrial capitalist production process was centred upon the wage-effort bargain, and the extraction of absolute and relative surplus value within the employment relationship. For the kinds of immaterial labour that we have been considering in this paper, this indeterminacy is more profound as value production and labour are materially bound up with the production of subjectivity, communication and social relations. This pushes the indeterminacy of labour to the point that it can no longer be simply located in ‘work’ as paid employment. Instead, it extends into life itself: what Hardt and Negri (2000) refer to, in Foucauldian terms, as ‘biopolitics’. If Arvidsson is correct that ‘life comes to evolve entirely within capital, that there is no longer any outside’ (2006: 30), then this is nothing more than a deeper obfuscation of the location of value production: a new ‘hidden abode’.

Under the factory system, necessary and surplus labour were combined to such a degree that they became indistinguishable, whereas formerly they had been spatially and temporally separated, and it took Marx’s analysis to separate them out again. Without this analytical, but also political, separation, enabled by the labour theory of value, there is no clear understanding of exploitation as the material basis of surplus value. Now, in times of what Autonomist Marxists call, the ‘social factory’ (Gill and Pratt, 2008; Thoburn, 2003), we are witnessing a further shift where the ‘necessary’ and ‘surplus’ labour of social reproduction appear indistinguishable. Both occur simultaneously and throughout the full circuit from production to consumption. But this does not mean that we should simply give up on the analytical and critical project of distinguishing these elements. Indeed, the governance and organization of association and social interaction so as to produce and expropriate a surplus is one of the key concerns of contemporary management (Lazzarato, 2007). This is the case for producing the forms of social cooperation that Hardt and Negri (2000: 295) suggest are central to immaterial labour as well as for producing and realising brand value through the autonomous communicative labour of symbolic production/consumption in brand communities (Arvidsson, 2005; 2006). Far from lying beyond measure and control, these processes of organization and production are continually subject to governance, measurement and
If LPT is to fully appreciate the political economic changes that the ‘new economy’ has brought to the fore, then it needs to extend its understanding of labour to incorporate the immaterial labour of social reproduction, including consumption and branding, that we have outlined in this paper. Equally, if the concept of the ‘production of organization’ is to have any purchase on the social, political, cultural and economic restructuring of capitalism, then it too will need to be connected directly to questions of value production, circulation and accumulation – a move that we have outlined in this paper. If we are to really understand the dynamics of power and exploitation at play in these new forms of labour, we should treat them as a new ‘hidden abode of production’ and subject them to the kind of rigorous analysis that LPT has developed in its engagement with the industrial hidden abode. There is no doubt that a similar indeterminacy, grounded in structural antagonism, characterises this new, expanded form of the labour process.

Conclusions

In this paper we have argued that, with the increasing political-economic significance of immaterial labour, branding and social reproduction, we are witnessing another obfuscation of value production and its secretion in a new ‘hidden abode’ of production (Marx, 1976: 279). Rather than creating new possibilities of freedom, ‘the complete integration of Media Culture into everyday life’ (Arvidsson, 2006: 30), is part of the continuous extension of the capitalist labour process in the quest for new sources of surplus value. By restricting their analytical focus to the employment relationship, LPT has been unable to appreciate the full significance of recent capitalist restructuring and is unnecessarily limited in its empirical purview. By expanding their understanding of labour in the new hidden abode we have outlined here, labour process theorists would be able to expand their studies to encompass the full range of labour in early 21st century economies. We have developed our concept of the ‘new hidden abode of production’ through a sympathetic engagement with the work of Hardt and Negri, Lazaratto, Arvidsson, and others associated with Autonomist Marxism. This perspective has done much to examine the changing forms of labour and valorization in the late 20th and early 21st centuries, but has yet to really develop the kind of detailed analysis of indeterminacy, control and resistance that LPT has finessed over the last almost forty years.

The central purpose of this paper has thus been to develop Marx’s concept of a ‘hidden abode of production’ to lay out the main features of the theoretical and analytical framework needed to conceptualise the contemporary ‘transformation of the labor process and labor power’ (Warhurst
et al., 2008: 98). In so doing, the paper contributes to theoretical perspectives on the sociology of work and organization, as well as to Labour Process Theory as a specific theoretical tradition within the sociology of work. We cannot claim to have been comprehensive in this, however. As Willmott (2010: 535-536) recently noted in response to a working version of this paper, our analysis is concerned specifically with the production of value and there is much work still to be done connecting this to the full circuit of value, for example by more clearly understanding the circulation and realisation of value through brand-valuation and financialisation. By focusing our analysis on immaterial labour and the ‘new economy’ we have also neglected the continued global importance of agriculture and the extractive industries. Mining and oil companies feature prominently among the most valuable companies in the world, as do more traditional manufacturing companies, and we are certainly not claiming that these sectors of the economy, and the more traditionally material forms of labor that characterise them, are no longer significant, but there is still a lot of conceptual and empirical work to be done tying these together with the forms of ‘labour’ outlined in this paper. In this we agree with Thompson (2010) that a value chain analysis could prove extremely productive (see also Levy, 2008).

By revisiting Marx’s ‘hidden abode’ metaphor in this paper, however, and suggesting a need to return to a theory of value in studies of work and organization, we have argued that it is only through a clear focus on the production of value that its obfuscation and apparent displacement can effectively be critiqued, and a properly political economic analysis of the contemporary labour process can be developed. From such an expanded understanding of the labour process, sociologists of work would be able to extend their analyses to include the new control mechanisms and regimes of measurement that aims to render labour in the social factory determinate. Labour Process Theory provides a range of valuable concepts for such an analysis, which, however, would need to be applied to the study of wider processes of consumption and marketing work, rather than just the workplace.

References


153–168.


