

The Rise of Guard Labor

How capitalists' need to control access to goods and services—and to control workers—deforms the productive process and stifles creativity.



BY MICHAEL PERELMAN

Guards are everywhere in a capitalist economy. A few are dressed up in uniforms, so they are easy to spot. But most do not look like guards at all. Some sit in comfortable offices; others work on assembly lines in factories. James O'Connor, a prolific sociologist from UC Santa Cruz, describes one familiar set of guards whom we do not usually think of as guards:

Consider the labor of the ticket seller at a movie house. The seller's task is merely to transfer the right to sit in the theater to the movie-goer in exchange for the price of a ticket. But it may not be immediately obvious that it is not the lack of a ticket that keeps you out of the theater...The ticket is actually torn up and discarded by a husky young man who stands between the box office and the seat that I want.

These guards are a central feature of capitalism. Capitalists depend upon guard labor to protect their commodities, including the goods and premises they own, but especially the labor-power in their employ. Capitalism's reliance on guard labor deforms the entire productive process, not only wasting labor, but also snuffing out badly needed creativity.

Counterproductive Capitalist Control

Capitalists are only able to market their goods to the extent that they can deny people access to goods without payment. Therefore, business must devote considerable effort just to protect its ownership.

Theaters have layers of guards: one sells the tickets; another tears them up. With the advent of modern technology, a new generation of guards works to

prevent people from accessing the show outside of the theater: hordes of lawyers and technicians work to create laws or develop new technologies to prevent the digital leakage of these commodities.

Unlike the movie theater operator, some providers of goods and services allow the consumer access to the product before payment. The guardians still must make sure that consumers complete the transaction by paying their bills. This activity employs many people—cashiers, bill collectors, etc. Then, to ensure that all this guard labor works effectively, another layer of guardians must oversee the accounts.

Millions of auxiliary workers labor to provide the resources necessary to support guard labor. These workers build and maintain the offices, produce the telecommunications infrastructure, and supply other goods and services required by the guards to do their work. These workers have their own complement of guards to oversee their work.

Guard labor is everywhere. Look at the shelves of a store. Layers of packaging encase commodities. The purpose of some packaging is to entice consumers to find the product more appealing or to protect it from damage. The function of much more of the packaging is to deter theft. Small items are wrapped in plastic and packed in boxes, which themselves are wrapped in plastic. This means that consumers have to assist in guarding the commodity by putting up with the nuisance of tediously extracting the commodity and disposing of the wasted materials. A long chain of guard labor associated with the packaging extends from the production of the raw materials to those who finally haul away the extra garbage.

Much white-collar work consists of nothing more than guard labor. Even some blue-collar work that appears to be directly providing services is actually guard labor. Years ago, gas station attendants pumped gas. In exceptional cases, some people needed assistance in filling their tanks, but most people did not. The attendant, who was supposed to be a service worker, was actually performing guard labor to make sure that the customers paid.

Eventually, this deception fell apart. Once modern technology allowed one person to lock and unlock the pumps at a distance, one guard could supervise several pumps. People began to pump the gas on their own, revealing the previous attendants' chief function as guards. This is one exceptional case in which the total amount of guard labor has declined. Across the U.S. economy as a whole, however, it has increased dramatically over the last century.

The rise in guard labor represents a significant drain on economic potential. The U. S. Department of Labor predicts that by 2012, the nation will have more private security guards than high school teachers. Although such comparisons do not constitute proof of inefficiency, they do indicate a distorted set of priorities.

Guard Labor in the Workplace

Where the commodity in question is the employees' working time, the direct supervision of labor represents an obvious form of guard labor. Rather than empower workers to take on more responsibility, employers restrict workers' autonomy by relying instead on guard labor (supervisors).

In 1890, supervisors made up a mere 0.8% of the U.S. labor force. By 1979, just before the time when corporations began their efforts to flatten their hierarchical bureaucratic structures, the share of supervisors in the labor force had risen to 11.7%. By 2002, that number had risen by more than a third, to 15.7%. If we add in guards in the narrowest sense (security personnel) and military personnel, that number swells to nearly 20%. If we add in prisoners and the unemployed, whose fate serves to warn existing providers of labor-power to keep their noses to the grindstone, the 2002 figure tops 26%. These numbers do not even include the millions of workers who supply the material resources necessary for the guards to carry out their work, including the modern technology used to spy on workers.

The rising share of guard labor is not a uniform consequence of modernization. Significant differences exist among modern societies. In particular, the United States uses a far higher share of supervisory workers than any other advanced capitalist economy, employing 15.7% of its labor force in some sort of supervisory position. England, with 13.4%, is not far behind. In comparison, Sweden, with its more egalitarian society, has only 4.4% of its labor force working as supervisors. The share of supervisory labor in the United States is closely related to increasing inequality over the last 35 years, now approaching levels found in impoverished Third World countries.

The maintenance of the authority of guard labor requires additional resources, perhaps most transparently in the military, where soldiers must march around in formation, something that does nothing

Table 1: Guard labor and its components as a percentage of the labor force in the United States: 1890–2002

	1890	1929	1948	1966	1979	1989	2002
Supervisors	0.8	1.4	9.8	9.9	11.7	13.2	15.7
Guards	0.3	0.7	0.8	0.9	1.7	1.8	2.2
Military	0.3	0.8	3.3	5.4	3	3.1	1.8
Prisoners	0.4	0.2	0.2	0.3	0.3	0.5	1.5
Unemployed	4.2	3.8	4.7	4.5	6.7	6.3	4.8
Total	6	6.9	18.9	20.9	23.4	24.9	26.1

Source: Arjun Jayadev, "Estimating Guard Labor," U. Mass-Boston working paper series, 2006.

whatsoever to improve their ability to fight. Nothing would make soldiers more vulnerable than to march in formation on the battlefield. This activity merely habituates the troops to mindlessly take orders. Presumably, once responding to command becomes instinctual, soldiers in the heat of battle will instantaneously follow orders regardless of the consequences for their own well-being.

Some capitalist firms seem to engage in a similar strategy. In his memoir, *Notes From Toyotiland: An American Engineer in Japan*, Darius Mehri describes this scene at a Toyota plant:

A huge group of company employees was lined up, military-style, all dressed in Toyota company uniforms of one-piece jumpers and soft brimmed hats. The hat was the same style used by Japanese soldiers during World War II, and it was standard issue for



all employees at the company. One employee stood at the front directing the drill. He would shout out a slogan and the group would shout back in unison. This display of group obedience reminded me of old films of the Japanese military.

The point of this memoir was that the system dissipated enormous energy in enforcing dysfunctional hierarchies.

This sort of discipline-enforcing practice is certainly not limited to any particular company or country. Business meetings offer an interesting analogue to military marches. The ostensible purpose of meetings is to improve efficiency, but anybody who attends a few soon realizes that they are mostly pointless.

Simon Ramo, co-founder of the defense company TRW Inc., estimated that of the more than

40,000 meetings he attended, about 30,000 could have been shorter or eliminated altogether without any loss to the company—even ignoring the extra productivity that the company could enjoy allowing people to work rather than attend meetings. Since he probably called many of these meetings himself, he may even be giving these meetings too much credit. Yet the frequency of meetings continues to rise. The average executive participated in twice as many meetings in the 1980s as in the 1960s.

Anybody familiar with managerial procedures realizes that much of the meeting time spent is more ceremonial than functional. People come face to face with their superiors. The underlings watch others fall in line and realize that any dissent can jeopardize a career. In short, meetings function as a means to impose discipline on white-collar workers, much like the soldiers' marches.

Although managers might justify meetings as a morale booster, survey data indicate that more frequent meetings *reduce* participants' sense of well-being. Even more important, authoritarian relations themselves snuff out valuable creativity. A system more devoted to meeting the needs of people and less intent on solidifying hierarchy would encourage more autonomy and voluntary collaboration without the formalities of meetings.

The metaphor of guard labor becomes more literal for workers employed in the U.S. criminal justice system. In 2001, the system employed 2.3 million. Its clientele has also multiplied. By 2003, the number of prisoners had reached more than six times the 1972 level. As of year-end 2006, more than 2.2 million people in the United States were in federal or state prisons or in local jails, representing a population larger than 17 individual states of the union. An additional 5 million adults were on probation or parole.

Prisons represent an important tool of control. Besides serving as a vital component of guard labor in protecting private property, the criminal justice system threatens members of the working class who might resist the discipline of the market. What might pass for an immature prank for a wealthy college student will be punished as a serious offense for a member of the working class. Perhaps nothing symbolizes this disparity as much as the differential penalties for powder cocaine and crack cocaine. More often than not, the courts require only that privileged people caught with powder cocaine enter some sort of clinic while severely punishing a

Table 2: Guard labor and its components as a percentage of the labor force in eighteen advanced economies, 2002:

	Supervisors	Unemployed	Military	Prisoners	Total
Switzerland	5.8	2.7	1	0.1	9.7
Iceland	7.9	2.6	0	0.1	10.6
Sweden	4.4	5.3	1.1	0.1	10.9
Denmark	6.9	3.6	0.9	0.1	11.5
Norway	7.3	3.6	1.4	0.1	12.4
Austria	6.8	4.3	1.3	0.2	12.6
Portugal	6.7	4.4	1.4	0.3	12.7
Italy	2.9	9.7	1.5	0.2	14.3
Netherlands	11.6	3	0.8	0.2	15.7
Ireland	10.6	4.1	0.9	0.2	15.8
Canada	8.5	7.2	0.4	0.2	16.3
Belgium	10.3	6.6	1	0.2	18.1
Australia	11.1	6.3	0.5	0.2	18.2
New Zealand	11.9	5.5	0.5	0.3	18.3
Spain	6.7	11.9	0.9	0.3	19.8
United Kingdom	13.4	5.5	0.7	0.2	19.9
United States	15.7	4.8	1	1.4	22.9
Greece	9.1	10.3	4.5	0.2	24

Notes: Unemployment data are average of 2001–2003. Military data do not include civilian employees of the military. Prisoner data are for the latest year available, 1998 to 2001.

Sources: Arjun Jayadev, "Estimating Guard Labor," U. Mass-Boston working paper series, 2006; Roy Walmsley, "A world prison population list," Research, Development and Statistics Directorate, Home Office, UK, 2003.

similar offense by a poor, often black man found with crack.

The intended lesson of the prison-industrial complex is that working-class people are expected to work hard and toe the line. No deviations will be tolerated. Maybe if they get rich enough, then society will permit them to do more or less what they choose.

Less Obvious Forms of Guard Labor

By any rational standards, guard labor should be in decline. As the example of gas station attendants suggests, rapid progress in information technologies should have the effect of reducing the number of people keeping track of others; instead, business has largely taken advantage of information technologies to refine its control.

Businesses use computers to record the keystrokes of data-entry workers or the movements of truck drivers. The potential scope of such tracking expands almost daily. For example, Radio Frequency Identification chips now offer the potential to keep track of every employee's physical location.

Such applications of modern technology serve as a reminder of how extensive the ranks of guard labor are. At least some of the efforts of scientists and engineers who develop such technologies should count as guard labor. The same logic holds for the workers who build the computers and maintain the buildings that support this technology.

Some forms of guard labor become so familiar that people might not recognize them for what they really are. For example, consider the ubiquitous cash register. Toy makers even produce models of cash registers for children. The original purpose of the cash register was intended to help storeowners prevent employee theft. Since the register kept a record of each transaction that the employee rang up, clerks were more likely to deposit customers' payments. Warren Buffett's partner, Charles Munger, once proposed: "The cash register did more for human morality than the Congregational Church."

The registers were not foolproof, however, since employees still had the option of not ringing up the sale and then pocketing the money for themselves. To make the clerk more likely to record the sale, employers turned to ninety-nine-cent pricing, making customers less likely to pay the exact price. The clerk, in turn, would need to ring up the sale to get

the proper change. Today, fast food restaurants offer a variant of this strategy. Customers can receive free meals if the clerk fails to give them a receipt, which serves the same function as the penny.

New technology also allows specialized businesses to track the behavior of private citizens outside of the workplace. These companies aggregate information from banks, credit card companies, government agencies, credit reports, magazine subscriptions, mailing lists, and every other imaginable source. This industry provides important services that make certain kinds of guard labor far more effective—for example, in tracking down past-due bills.



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In effect then, the efforts to track and monitor workers and commodities spill over into everyday life where the justification of guarding one's property is no longer relevant. This amalgamation of detailed personal information, which makes a mockery of the right to privacy, gives business enormous power in the marketplace. Business even makes the claim that its detailed knowledge of personal information, such as an individual's financial situation and consumption patterns, allows it to serve the public better—as if profit were the farthest thing from the mind of corporate executives. >>

How Rigid Control Paralyzes Creativity

Although authoritarian measures might be a convenient means of ensuring that people carry out orders with a minimum of hassle for those in authority, they also destroy individual initiative, especially for lower-ranking workers. Over the long run, the stifling of creativity causes significant cumulative losses, making authoritarian measures of control self-defeating.

For example, in the open-source software movement, thousands of programmers voluntarily contribute to the ever-growing mass of software. Some people have the responsibility of coordinating these inputs but nobody commands the programmers. Even so, the open-source software movement manages to produce software that is superior to the products of the mammoth Microsoft empire.

One might argue that open-source software is not a very convincing example. After all, the process of creating software does not require split-second coordination, even though the programs themselves have to be tightly drawn. As a result, the process itself has considerable leeway. The same conclusions about the value of greater latitude for workers' creativity, however, carry over even to the factory assembly line.

Shoshana Zuboff, a professor at Harvard Business School, reported on her experience as a consultant for a number of paper factories during the 1980s when computer controls were first being introduced throughout the industry. In one factory, the computer system was initially accessible by everybody, including the workers on the production line. Workers could see the same information on costs and prices as management. At first, the workers used their newfound information to make very profitable modifications of the production process. Management, horrified by the possibility that workers were going to make managerial control at least partially irrelevant, quickly cut off the workers' access to the system.

The behavior of the managers of the paper factory illustrate the conflict between desire to control subordinates and the opportunity to take advantage of their otherwise hidden capacities. Therefore, in the end, crude techniques of control might be able to force outward compliance, but ultimately they are unable to harness people's full potential. Nobody can make another person work

very effectively at the point of a bayonet—especially if that work requires any skill or discretion.

The sharing of information should be a high priority in any organization in which information is supposed to be a central input. Besides, sharing can stimulate productivity in other ways. Jeffrey Pfeffer, professor of organizational behavior at Stanford University, observed:

Sharing information with another party signifies trust. That trust is likely to be reciprocated. Conversely, when a company keeps secrets from its employees it signals it does not trust its employees to keep secrets or to use the withheld information effectively. Those feelings of distrust and disdain are also likely to be reciprocated ... Decentralizing decision-making also signals trust and a belief in employees' competence, again engaging the norm of reciprocity.

Unfortunately, control has more allure than profits. After all, the exercise of power and control becomes a major source of enjoyment in itself, over and above providing a defense of existing privileges. Much more than personal psychology is involved here. Hardened managerial traditions resist change. Besides, the corporate structure with its many layers prevents information from filtering up.

Resistance from Below

Because most people do not enjoy taking orders and have a natural tendency to assert some independence, workers can become downright rebellious when workplace authorities do not treat them with respect, especially when they feel confident that comparable jobs are readily available.

For that reason, when unemployment was unusually low in the late 1960s, workplace authority was far less effective. For example, in 1968, sociologist Bill Watson spent a year working in a Detroit automobile factory, where he witnessed several dramatic examples of the lengths to which workers went to challenge management. In one instance, workers revolted against the production of a poorly designed car. After management rejected workers' suggestions for improvements in the production and design, the workers initiated a "counterplan," beginning with acts of deliberately misassembling or omitting parts. Later, workers in inspection made alliances with workers in several assembly areas to ensure a high rate of defective motors. Eventually, even more complicated measures were taken.

In the process, workers and foremen argued over particular motors. Tension escalated. Workers went ahead and installed defective motors in cars, thereby requiring that management would have to go to the trouble and expense of removing them later. The conflict only ended when management suddenly moved the entire assembly and inspection operation to another end of the plant, presumably at great cost.

In a second instance, the company, intending to save money by shutting down its foundry early, attempted to build engines using already-rejected parts. Workers in the motor-test area protested, but management hounded inspectors to accept the defective motors. After the motor-test men communicated their grievances to other workers, they began to collaborate in intentional sabotage. Inspectors agreed to reject three of every four motors. Stacks of motors piled up at an accelerating pace until the entire plant shut down, losing more than 10 hours of production time to deal with the problem. When management summoned inspectors to the head supervisor's office, the inspectors slyly protested that they were only acting in the interest of management.

Watson's third example is the most telling of all. During a model change-over period, management had scheduled a six-week inventory buildup, keeping fifty people on the job. These workers would have earned 90% of their pay if they had been laid off. Workers reacted to the opportunity, attempting to finish the inventory buildup in three or four days instead of the six weeks. They trained each other in particular skills, circumventing the established ranking and job classification system to slice through the required time.

Management responded harshly, forcing workers to halt, claiming that they had violated the legitimate channels of authority, training, and communication. If workers had been given the opportunity to organize their own work, Watson claims, they could have completed the task in one-tenth the scheduled time. Management, however, was determined to stop workers from organizing their own work, even when it would have been finished more

quickly and management would have saved money because of the speed up. So much for the idea that market forces lead to efficient choices!

These incidents illustrate the enormous costs associated with a conflictive system of labor relations. One might argue that the particular managers that Watson described were unusually shortsighted, but I suspect that something else was at stake. To admit that workers have something to contribute—besides blindly carrying out the demands of management—undermines, at least in part, the ultimate rationale for management's domination. As a result, managers often instinctively resist all encroachments on their authority.



The human and economic costs of guard labor usually pass unnoticed. A more rational system would both nurture and draw upon the expertise of the entire workforce rather than relying on a system of command and control.

Indeed, Watson's experience may not have been particularly unique. In the 1980s, the United States automobile industry had to dedicate 20% of its plant area and 25% of its workers' hours to fixing mistakes. The industry could intensify its supervision over workers or it could actively engage them by surrendering some control. The first option is not only expensive; it further alienates the workers, perhaps encouraging other forms of sabotage. >>

One could also argue that the behavior that Watson described was evidence of the need for a firm hand to control rebellious workers. That rebellion, however, may be less a product of some deficiency in the behavior of these workers than a natural response to the conflict inherent in the relationship between labor and capital.

Just imagine how much the company lost because management stubbornly refused to take advantage of the workers' on-the-spot knowledge of the business. To do so, however, would have weakened the dysfunctional hierarchy that allows managers the privilege of seeing themselves as superior to their underlings.

Perhaps the most interesting insight from Watson's experience is the degree to which the workers were able to organize themselves. Had their objective been to earn profits, their efforts would have qualified as entrepreneurial—and far more so than is usually expected from the mostly uneducated workers that made up the work force at the plant.

Unfortunately, the human and economic costs of guard labor usually pass unnoticed. Authority trumps efficiency, despite the outpouring of economic rhetoric praising the productive merits of markets. In contrast, a more rational system would both nurture and draw upon the expertise of the entire workforce rather than relying on a system of command and control.

Guarding What?

Guard labor is symptomatic of contradictions of capitalism. Guards often make sense from the perspective of an individual employer, but they entail serious waste that imposes enormous costs on society.

In the wake of deindustrialization, the fate of the U.S. economy was supposed to rest upon the transition to an information economy, which would take advantage of workers' creativity. Instead, the actual practices snuff out horrendous amounts of creativity.

The failure to nurture productivity set off a chain of events. Productivity faltered, helping to cause the profitability as well as the extent of productive industry to shrink. Capital shifted from production to finance—so much so that finance represented a minimum 40% of corporate profits. This tactic only worked so long as the bubble was inflating.

In this sense, the current economic crisis is, at least in part, due to the excesses of guard labor and the corresponding gap between the vision and practice of capitalist economics. Corrective action requires a new form of society that guards people's welfare rather than commodities. **D&S**

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SOURCES : Lynn Bauer and Steven D. Owens. 2004. Justice Expenditure and Employment Statistics, U.S. Department of Justice, Bureau of Justice Statistics (www.ojp.usdoj.gov/bjs/), 2004; Samuel Bowles and Arjun Jayadev, "Guard Labor," *Journal of Development Economics*, April 2006; Samuel Bowles and Arjun Jayadev, "Garrison America," *The Economists' Voice*, Vol. 4, Issue 2, 2007 (bepress.com/ev/); Robert H. Frank, *The Economic Naturalist: In Search of Explanations for Everyday Enigmas*, Basic Books, 2007; Samuel Gompers, "Testimony Taken by the Senate Committee Upon the Relations Between Labor and Capital" (1883), in John A. Garraty, ed., *Labor and Capital in the Gilded Age*, Little, Brown, 1968; Samuel Gompers, *Seventy Years of Life and Labor: An Autobiography*, B. P. Button & Company, 1925; John Huston and Nipoli Kamdar, "\$9.99: Can 'Just-Below' Pricing Be Reconciled with Rationality?" *Eastern Economic Journal*, Spring 1996; Raymond E. Lombra, "Eliminating the Penny from the U.S. Coinage System: An Economic Analysis," *Eastern Economic Journal*, Fall 2001; Alexandra Luong, and Steven G. Rogelberg "Meetings and More Meetings: The Relationship Between Meeting Load and the Daily Well-Being of Employees," *Group Dynamics: Theory, Research, and Practice*, Vol. 9, No. 1 (2005); Marc Mauer, "Comparative International Rates of Incarceration: An Examination of Causes and Trends Presented to the U.S. Commission on Civil Rights," The Sentencing Project (sentencingproject.org), 2003; Darius Mehri, *Notes From Toyota-Land: An American Engineer in Japan*, Cornell University/ILR Press, 2005; Charles T. Munger, "Academic Economics: Strengths and Faults After Considering Interdisciplinary Needs," Herb Kay Undergraduate Lecture, University of California, Santa Barbara Economics Department, October 3, 2003 (tilsonfunds.com/MungerUCS-Bspeech.pdf); James O'Connor, "Productive and Unproductive Labor," *Politics and Society*, Vol. 5, No. 3 (1975); Robert O'Harrow, Jr., *No Place to Hide*, Free Press, 2005; Peter Pae, "Aerospace Legend Looks Back at the Time He Wasted—in Meetings," *Los Angeles Times*, November 6, 2005; Michael Perelman, *The Confiscation of American Prosperity: From Right-Wing Extremism and Economic Ideology to the Next Great Depression*, Palgrave, 2007; Jeffrey Pfeffer, "Human Resources from an Organizational Behavior Perspective: Some Paradoxes Explained," *Journal of Economic Perspectives*, Fall 2007; Bill Watson, "Counter-Planning on the Shop Floor," *Radical America*, May-June 1971; James P. Womack, Daniel T. Jones, and Daniel Roos, *The Machine that Changed the World: The Story of Lean Production*, Harper Perennial, 1990; Shoshana Zuboff, *In the Age of the Smart Machines: The Future of Work and Power* Basic Books, 1988.

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