Hijacked

How Neoliberalism Turned the Work Ethic against Workers and How Workers Can Take It Back

What is the work ethic? Does it justify policies that promote the wealth and power of the One Percent at workers’ expense? Or does it advance policies that promote workers’ dignity and standing? Hijacked explores how the history of political economy has been a contest between these two ideas about whom the work ethic is supposed to serve. Today’s neoliberal ideology deploys the work ethic on behalf of the One Percent. However, workers and their advocates have long used the work ethic on behalf of ordinary people. By exposing the ideological roots of contemporary neoliberalism as a perversion of the seventeenth-century Protestant work ethic, Elizabeth Anderson shows how we can reclaim the original goals of the work ethic, and uplift ourselves again. Hijacked persuasively and powerfully demonstrates how ideas inspired by the work ethic informed debates among leading political economists of the past, and how these ideas can help us today.

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Preface

I wrote much of this book during the pandemic of 2020–21. In March 2020, the governors of most of the states of the United States issued stay-at-home orders for all but “essential workers” – people whose services involved in-person interactions necessary to support basic human needs. Health care, agricultural, food production, grocery store, and transportation workers, among others, were rightly designated essential. Many of these workers, including nursing-home health aides and bus drivers, were heavily exposed to the novel coronavirus and suffered high rates of disease and death. Early in the pandemic, public opinion hailed them as heroes and called for hazard pay. Many employers acceded to this demand.

Shortly thereafter, however, employers rolled back hazard pay. Harsh treatment of essential workers became the order of the day. Health-care workers were fired for complaining about the lack of personal protective equipment. Slaughterhouse workers, who must work long hours in close proximity, suffered particularly high rates of severe illness and death. Owners successfully lobbied President Donald Trump to use his authority to keep their plants open, even when they were sites of mass Covid-19 outbreaks. His administration authorized dozens of poultry plants to increase already crushing line speeds by 25 percent. This forced workers to crowd more closely to manage the work and led to much higher rates of infection than in plants with slower line speeds.¹

This conflict over the proper treatment of workers during the pandemic is but one illustrative episode in a struggle of three centuries over the moral implications of the work ethic. Does the fact that...
workers are engaged in socially necessary labor, however menial it may be, entitle them to respect, decent pay, and safe working conditions? Or does it mean that they have a duty to work relentlessly, without complaint, under whatever awful conditions and low pay their employer can impose in pursuit of maximum profit? Should workers be treated as truly essential, or as disposable? The first view I call the “progressive” or pro-worker interpretation of the work ethic; the second, the “conservative” work ethic. This book tells the history of this long argument, conducted through the writings of leading theologians, philosophers, economists, and political actors. At various periods in Western European and North American history, one side or the other has held sway over moral thought and economic policy.

The three decades following the end of the Second World War marked the high point of social democracy, which I shall argue is the descendant of the progressive work ethic. These decades were distinguished by the confluence of several developments in the rich democracies of Europe and North America: high rates of economic growth widely shared across economic classes; unprecedented levels of economic equality; strong labor unions and state protections of workers’ interests; a growing and robust welfare state centered on universal social insurance; high state investment in education, health care, science, and technology; greater openness to immigration and ethnoracial-religious diversity; the strengthening of liberal democratic institutions; and a general sense of optimism. Four decades since the end of this era, the denizens of Europe and North America are suffering reversals of all these developments. Workers, the welfare state, openness to immigration, and – most ominously – liberal democratic institutions are in retreat or under grave threat, while uncertainty and anxiety about our economic, political, and environmental futures loom large.

Things weren’t supposed to turn out this way. Three decades ago, the fall of communist regimes across Eastern Europe, the end of the Cold War, and the global replacement of dictatorships with democratic regimes were widely held to vindicate free markets and liberal democracy as the key institutions of free and flourishing societies. We were supposed to be entering a glorious new era of economic growth, evermore open to an increasingly diverse and cooperative world, in which these institutions would spread across the globe. What happened?

The economic dimensions of the current crisis are not mysterious. Since the mid-1970s, neoliberal economic policies have increasingly
prevailed in the rich democracies. A list of such policies would include the following: enacting international trade agreements that strongly favor capital interests and constrain democratic policy making; deregulating markets (especially in the financial sector); tightening bankruptcy regulations and imposing harsher policies toward individual and state debtors; enhancing intellectual property protections; cutting taxes (especially on top incomes, capital income, and inheritance); retrenching the welfare state (especially replacing cash benefits with benefits conditioned on work); weakening antitrust enforcement; assaulting labor unions and laws protecting workers; reducing workers’ pensions; delegating labor and trade disputes to private arbitrators; outsourcing public functions to private enterprise; and replacing Keynesian economic policies oriented to full employment with fiscal austerity. Taken together, these policies have had three principal effects. First, they have increased economic inequality and shifted the distribution of income from labor to capital, leading to stagnant wages for lower-tier workers, even as productivity has grown.

Second, these policies have also constrained and undermined democracy, reducing its ability to respond to the needs and interests of ordinary people. Outsourcing reduces state capacities and often leaves citizens with little practical recourse if resulting private providers of public services abuse their effective monopoly power. Tax cuts reduce the resources available to democratic states, and may subject them to harsh discipline by creditors when states borrow to meet their needs for revenue. Trade agreements and fiscal austerity sharply limit the ability of democratic states to provide public goods, protect workers and the environment, and respond to economic crises.

Third, neoliberal policies have shifted economic and political power to private businesses, executives, and the very rich. More and more, these organizations and individuals govern everyone else. Employees are governed by their bosses, not only at work but often off-duty. Even many so-called “independent contractors,” purportedly in business for themselves, are minutely governed by the firms that pay them. Businesses that operate prisons, immigrant detention centers, mental hospitals, nursing homes, halfway houses, and residential addiction-treatment facilities govern millions of inmates. The very rich also increasingly influence state decision making.

My objective in this book is not to document these trends or to demonstrate the causal consequences of these policies for inequality and democracy. Others have already done so. Rather, I aim to argue that
these trends reflect the ascendance of the conservative work ethic. This ethic tells workers that they owe their employers relentless toil and unquestioning obedience under whatever harsh conditions their employer chooses to impose on them. It tells employers that they have exclusive rights to govern their employees and organize work with the overriding goal of maximizing profit. And it tells the state to recognize and entrench the authority of executives to govern their employees and their business more generally by laws that treat labor as nothing more than a commodity to be deployed as the buyer sees fit. To reinforce the commodification of labor, the state should minimize workers’ access to alternative ways of gaining access to subsistence other than wage labor. Hence, the conservative work ethic is hostile to the public provision of goods, regulations of labor contracts that favor workers (such as limits on the length of the working day or mandatory paid vacations), laws that empower labor unions or other modes of worker authority within the firm, and generous social insurance and other forms of welfare benefits for the able-bodied that are not conditioned on work.

What we call neoliberalism is the descendant of this harsh version of the work ethic. This might not be obvious at first sight. Neoliberals define their own position in terms of a systematic preference for market orderings over state action in economic life. They represent the market society they favor as composed of individuals freely choosing to transact with other individuals through markets and contracts. This representation obscures the central fact about the global capitalist economy: it is dominated by hierarchically organized firms in which owners or shareholder representatives govern the firm’s workers. Labor markets are simply the conduits by which most workers fall under the government of their particular employer. The neoliberal preference for market orderings over state regulation and provision does not liberate ordinary people from government. It entrenches the commodification of labor, under which most people have no alternative but to submit to the arbitrary government of employers to survive. So-called deregulation of labor and other markets does not create markets without regulations. It transfers regulatory authority from the state to the most powerful private actors in any given market – typically, the dominant firms in that market. This forces even many of the self-employed to submit to the authority of big businesses. The regulations Amazon sets for access by third-party sellers to its massive online market are no less elaborate
than state regulations. Not just Amazon workers, but third-party online sellers thereby fall under Amazon’s government.

Neoliberalism is thus not properly characterized in terms of individual market freedom. It is government by capital interests – by business and wealthy property owners. It descends from the institutional embodiment of the conservative work ethic in early nineteenth-century England: government by capitalists and landlords over their workers, and over everyone else as well, given the monopoly of the property over the franchise and political offices. Neoliberals advocate policies that secure comparable governing power for businesses and the rich despite a vastly expanded franchise. Note that, by this definition, most self-styled conservatives in the US and UK, and indeed most of Europe, are neoliberals.8

Neoliberals and libertarians (their fellow travelers) claim a different provenance, in so-called “classical liberalism,” a political philosophy originating in the seventeenth and eighteenth centuries, especially in England and Scotland. Everyone agrees that the leading figures of classical liberalism are John Locke, Adam Smith, and John Stuart Mill. Classical liberals argued in favor of individual rights, limits on state power, free trade on a global scale, and private property. They argued that decentralized markets, in which individuals are free to open businesses in competition with others, promote economic growth, personal independence, and broadly shared prosperity. They criticized many state regulations of the economy as unjustly rigged in favor of cronies, and liable to impose costs that exceed their benefits.

You won’t find me quarrelling with any of that! – either as an interpretation of what these classical liberals said, or of the normative merits of their arguments at this level of generality. The old socialist ideal of comprehensive state ownership of the means of production and centralized planning failed disastrously. A free and prosperous society requires a robust system of private property rights, market competition, freedom to start one’s own business, and openness to international trade. I also agree that numerous state regulations are both counterproductive and unfairly rigged in favor of those who have captured the regulatory agencies. Such generalities, however, are hardly sufficient to support neoliberal policies. Any good social democrat from mid-twentieth-century Scandinavia would gladly accept them.

The key disagreements in political economy today arise in the specification of these ideas. Neoliberalism promotes particular
specifications of private property rights, freedom of contract, free enterprise, and free markets that in effect and often deliberately aim to limit the scope of democratic state action so as to accord power and channel wealth to capital owners over workers, creditors over individual and state debtors, the rich over the poor, and firms that generate profits through predatory or extractive business models over society in general. In the extreme, we find doctrines such as those claiming that redistributive taxation is akin to forced labor, that regulations of private property are “takings” that entitle owners to compensation, that most regulations of enterprise freedom should be treated as presumptively unconstitutional, and that social democracy and labor unions put us on a slippery slope to totalitarianism.9

In this book, I argue that the origins of neoliberalism can be traced back somewhat earlier than classical liberalism, to the Protestant work ethic. This ideology was originally developed by seventeenth-century Puritan ministers. At the level of individual morality, the Puritan work ethic comprises a suite of virtues: industry, frugality, temperance, chastity, and prudence. Puritans argued that everyone must exercise these virtues in service to our fellow human beings as well as ourselves. At the level of political economy, the work ethic concerns the economic and political institutions that best promote, reward, and express these virtues. This book traces the history of arguments over the latter, focusing on the history of classical political economy. These arguments were fueled by the fact that the Puritan work ethic embodied contradictory attitudes toward work and workers that were ultimately developed into the progressive and conservative work ethics. Classical liberals Locke, Smith, and Mill developed the progressive or pro-worker work ethic. Antislavery and radical labor activists, Ricardian socialists, Karl Marx, Friedrich Engels, Thomas Paine, Eduard Bernstein, and later social democrats further advanced this tradition. Neoliberalism arises from the conservative work ethic, developed by thinkers such as Joseph Priestley, Jeremy Bentham, Thomas Malthus, and Edmund Burke. Capital interests and opponents of the labor movement and the welfare state promoted it.

These two versions of the work ethic developed in parallel. I shall argue that they are not equally valid developments of the Puritans’ underlying normative vision of our duties to our fellow human beings. The progressive work ethic embodies a logical development of that vision. The conservative work ethic emerged from the ways
the original targets of Puritan critique – the idle and predatory rich – hijacked the work ethic and turned it against workers, while letting themselves off the hook of its requirements.

My usage of the terms “progressive” and “conservative” is twenty-first-century American. It does not conform to historical or current European usage, which classifies market advocates as uniformly “liberal.” From a work-ethic perspective, any classification that lumps the likes of Burke, Bentham, and Malthus with Locke, Smith, and Mill is normatively superficial. While all of these thinkers support markets, they are divided over their aspirations with regard to the empowerment of workers. Should labor itself be reduced to a commodity, so that workers are forced by precarity and poverty to fall under the arbitrary government of their employers? Or should ordinary workers be empowered politically and economically to run their own lives, both at work and off-duty? Every advanced economy needs to grant a weighty role for competitive markets. Every market system is a product of laws that prescribe the constitutive rules of the market game. Different systems of rules – including laws of property, firm governance, and the employment contract – have profoundly different consequences for workers’ agency and the distribution of income, wealth, and power. Historically and today, these laws have been designed in view of those consequences. I aim to challenge the idea that there is some essence to “free markets” which conservatives then and conservatives and neoliberals today have uniquely captured, which just so happens to deliver deeply inegalitarian results. The constitutive rules of the market game have always been contested. The terms of that contestation have always ultimately been over their expected consequences for equality and social hierarchy. Historically and today, assumptions tied to rival conceptions of the work ethic have deeply informed those debates.

For my purposes, then, the fundamental stakes dividing what I call “progressive” from “conservative” theorists of the work ethic lie more in class-based power relations than in arguments over the desirability of competitive markets. Conservatives, in my usage, favor government by and for property owners, at the level of the state and the firm. They assign different fundamental duties to employers and workers, rich and poor. They expect workers to submit to despotic employer authority. They tend to regard poverty as a sign of bad character and hence regard poor workers as morally inferior. Progressives favor
democracy and worker self-government. They oppose class-based duties and rights, and reject the stigmatization of poverty.

Much of the history of classical political economy, and of ideological conflict between left and right, workers and capitalists, business and government – over distributive justice, economic regulation, the organization and conditions of work, and the welfare state – can be told through the conflict of these rival conceptions of the work ethic. When neoliberals champion purportedly generic ideals of private property, free trade, and free enterprise, they are masking a commitment to specifications of these ideals that express the core attitudes of those who deployed the conservative work ethic to push millions of ordinary workers into precarity, poverty, and subjection to their employers and creditors.

Why should we care about ideological origins? In revealing neoliberalism as the ideological descendant of the conservative work ethic, I aim to unpack its inherent contradictions. It isn’t so easy to do this just by considering its surface claims, for ideologies work at multiple levels. At the level of express content, people use them to justify particular policies. They also serve epistemic functions. Ideologies map our social world in ways that promote particular paths around it, and discourage or blind us to others. They mark people occupying different social positions as more or less credible, trustworthy, or suspect. They inform our emotions, habits, social norms, and practices, often in ways that cannot be fully rationalized by the beliefs and values we consciously endorse. We can better grasp the contradictions between these levels at which ideology works, and between ideology and reality, by investigating the historical origins of ideologies, originally designed for a different social world, with different ends in view.

A quarter of a millennium after the Puritans, we are still in the grip of ideas and attitudes they originated. The study of history may thus reveal how we are unwitting prisoners of the past. William Faulkner famously wrote, “[t]he past is never dead. It’s not even past.” It is rooted in our habits, feelings, and expectations, and adapted to conditions and beliefs that prevailed long ago, which have been passed down by our ancestors. What persists from the past also reflects prior and continuing social conflict. Policy and ideology in the past several decades reflects the triumph of the conservative work ethic over the progressive one, much to the detriment of workers themselves.
In telling the story of the progressive work ethic, I also hope to show how history can be liberating. The study of history may also reveal how differently people thought and acted in the past, and thereby demonstrate the profound contingency of how we think and act today. It may refute the assumption that current ways are necessary or inevitable and spark our imaginations for change. I use history both to reveal the ways we are mired in the past, and how we can mine a forgotten or misremembered past for resources in reconstructing current practices. In particular, I hope economists may draw inspiration from my interpretation of the history of classical economics to enlarge their normative vision, both in terms of the richness of normative standards they use to evaluate institutions, and to imagine bolder remedies for our economic ills, much as their classical predecessors did.

I highlight the neglected role of the Protestant work ethic in the history of political economy, and reassess that ethic. A century ago, Max Weber offered his own gloomy assessment at the conclusion of his pioneering examination of the work ethic: in promoting a disciplined labor regime founded on religious asceticism, the work ethic ultimately gave rise to a secular capitalist system that trapped people in an “iron cage” of meaningless drudgery for the sake of interminable wealth accumulation, irrationally detached from any connection to human welfare or happiness.11 Weber was only half right. He skips over the ways the progressive work ethic offered a promising vision for workers to enjoy a free, proud, and decent life by vindicating the claims of workers against the idle and predatory rich who tyrannized over them. However, reactionaries ultimately turned the work ethic against the supposedly idle poor, in defense of policies designed to subordinate an ever-expanding group of workers to government by and for capital interests. This goal, detached from any duty of the rich or recipients of capital income to promote the welfare of others, licensed the adoption of predatory and extractive business models. This is why I say that conservatives then and neoliberals today hijacked the work ethic.

My history traces the work ethic from the Puritans through the classical political economists in Britain and, to a lesser extent, Germany. I discuss the influence of this line of thinking on British economic and social welfare policy, the rise of social democracy in Europe, and twenty-first-century US neoliberal practice. My narrative tracks some but not all of the key threads in the complex tapestry of the work ethic. I largely set aside the rise of neoclassical economics and its influence on
the neoliberal work ethic. I omit the rich developments of socialist thought in the late nineteenth and twentieth centuries beyond the thread that led to social democracy. I also pass over the historical development of the work ethic in the US, which was profoundly shaped by settler colonialism, slavery, and struggles over the meaning of free labor after emancipation. Without that history, it is impossible to understand the centrality of self-employment in the American work-ethic ideal, the continuing influence of racism on neoliberal welfare and labor policies in the US, and its lack of a large-scale socialist movement. Other aspects of the work ethic are beyond the scope of this study. I set aside the rich Catholic tradition of thinking about work and welfare policy. And of course many countries outside Euro-America have their own work-ethic ideologies, most famously in East Asia. The study of these non-Western work ethics lies beyond my expertise.

I must admit a deep irony in this book. I am thoroughly steeped in the work ethic: dedicated to conscientious, disciplined work and disciplined saving, consuming well below what my family’s income could support, disdainful of conspicuous consumption, reluctant to rest until work duties are complete, impatient about wasting time, restless in leisure, eager to get back to work. Work is central to my identity. I do not work only to live, but live to work. I confess that these dispositions impel me to a poor work/life balance. But they have also rewarded me with meaningful, interesting work, immense autonomy, and honored achievements as well as financial security. Yet I aim to criticize the work ethic, for what it has become: an ideological rationalization for the stigmatization and deprivation of the poor, the precarity of the working classes, and the dominion of capital interests over all other interests of humanity, including the future habitability of the planet. What I criticize is a perversion of the work ethic, indeed a reversal of its aspirations under classical liberalism and successor traditions on the left. Yet from the start it contained the seeds of its own corruption, in its epistemology of suspicion toward the poor and excessive credit toward anyone who is busy accumulating wealth, on the mistaken presumption that their business is adding to rather than merely extracting wealth by manipulating the rules of the system, exploiting others, and plundering the environment. Any version of the work ethic worth following today must repudiate these prejudices and reconstruct itself to promote cooperation on terms of equality, in ways that promote the welfare of every member of global society.