

Marx's Reserve Army : Still Relevant 100 Years On

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INTRODUCTION

Over the last eighteen months the economic recession in Australia has deteriorated considerably. In May 1982 the official rate of unemployment nationally was 6.6%; one year later the figure was 10.3%. Married male unemployment doubled in 1982, the gap between migrant and Australian-born unemployment is widening, youth are still hardest hit by unemployment, while female unemployment is still higher than that of males. Australian capitalism is today generating the highest pool of surplus labour since the 1930's. If we consider those who are 'hidden' from the unemployment statistics, one in five of today's workforce are surplus to the needs of private and public employers. And yet in this climate - when Marx's notion of the reserve army of labour would seem to be more relevant than any other time in the last fifty years - the popular view is that it is of little relevance to an understanding of contemporary Australian society.

Over one hundred years ago, Marx argued that the reserve army of labour was central to the 'laws of motion of capitalist society'. It was, he said, "the pivot upon which the law of demand and supply of labour works. It confines the field of action to this law within the limits absolutely convenient to the activity of exploitation and to the domination of capital", (Marx, Capital, p.598).

The industrial reserve army (also called the relative surplus population and relative over-population) had two functions in the process of capital accumulation - to ensure that labour reserves in excess of the demand for labour required for capital accumulation were generated; and subsequently to guarantee that additional labour enter the workforce do so without substantially altering the wage level i.e. to avoid wage increases beyond what Marx called "the tolerance limits". Moreover, there is an implicit political function related to the generation of a reserve army of labour : to shift the balance of political power to enhance the domination of capital.

Marx distinguished between three different 'forms' of this reserve army: the floating, latent and stagnant forms. Each of these forms corresponded to a different 'generative mechanism':

- the 'floating' form corresponded to those workers who were displaced or mobile between jobs from the 'centres of modern industry' because of technical change and the concentration and centralisation of capital;
- the 'stagnant' form related to those whose employment was irregular such as the itinerant or seasonal worker;

- the 'latent' form was essentially composed of workers displaced from the agricultural sector by the growing encroachment of the capitalist mode of production and improved technology.

In addition Marx included what has been called the "lumpenproletariate" as the lowest sediment of the reserve surplus population - this included people past the age of labour, those mutilated or sick, often the victims of industry as well as the criminal element.

Marx argued that the generation of the reserve army of labour was crucial to capital accumulation and at the same time a product of the process of capital accumulation itself. The growth and expansion of capitalist social relations destroyed peasant economies, transformed agriculture, eliminated artisans and many small trades. In addition, the capital accumulation process involved an increasing use of mechanisation or capital per unit of labour - in Marx's terminology, an increase in the organic composition of capital. The result was a growth of "redundant" labour; labour surplus to the employment demand. The creation of this surplus labouring population was therefore "natural" for the capitalist system.

To quote Marx:

"...it is capital accumulation itself that constantly produces and produces in direct ratio of its own energy and extent, a relatively redundant population of labourers, i.e. a population of greater extent than suffices for the average needs of the self expansion of capital, and therefore a surplus population."
(Marx, Capital 1, p. 951).

But how useful or relevant is the concept of the industrial reserve army to Australia today? Most commentators never mention the reserve army of labour in their analysis and interpretation of contemporary Australian society. Those that do, do so critically. Recent critics include Marxists and non-Marxists alike. In particular, a number of recent feminist writers have dismissed the relevance of the industrial reserve army to an understanding of women in capitalist society (Milkman (1976), Power (1979)). Similarly, recent writings from sociologists Robert and Tanya Birrell (1981) argue strongly that the industrial reserve army is of little or no use in assessing the impact of large scale post-war immigration on Australian society. Constance Lever Tracy (1981), arguing from a Marxist perspective, suggests that we need to clarify our notion of the reserve army if it is to be useful to understanding migrants in Australia.

It is clear that no one group in society has permanent or exclusive membership in the ranks of the reserve army. Marx argued that only the lumpenproletariat are permanently surplus labour, but they do not have sole rights of membership of the reserve army 'club': the ranks of the reserve army are also swelled by those who are drawn from 'outside' the system, the latent reserve army, and by those who are displaced from jobs 'within' the system, the floating or stagnant labour reserves. At one time the latent reserve may be agricultural workers not yet embraced by capitalist social relations, at another migrants imported into a country or women drawn from

the home. The floating and stagnant reserves may at one time be predominantly youth or women, at another time migrants or, most probably, some combination of these. The precise combination of the reserve army of labour at any one time depends on specific historical circumstances.

This article attempts to resurrect the notion of the reserve army of labour and to place it in the centre of the stage of the political economy of contemporary Australian society. It will concentrate particularly on those critics of the reserve army of labour as applied to Marxist studies of Australian immigration, with some attention also paid to the relevance of the concept in understanding the position of women in Australian society. It is not sufficient to respond to the critics by merely quoting the "bible"-Capital- to disbelievers. The essence of Marxist political economy is that the changing historical circumstances of a particular society at a particular time become the central focus for study. The task is not one of saying that Australia today is like British capitalism of one hundred years ago. Rather it is to point to the changes, the differences, the modifications and alterations of the society, the process of capital accumulation and the relationship of the reserve army of labour to these changes. Both the sources of Australian capitalism's reserve army of labour and its functions are significantly different to the experience of British capitalism one hundred and thirty years ago. Nevertheless a continuity persists: the reliance of contemporary capitalist society on the creation and recreation of a reserve army of labour.

The structure of the article is as follows. First, the views of critics are interpreted as misunderstanding and misusing Marx's reserve army of labour concept. Second, the sources of postwar Australia's reserve army of labour will be discussed. This will necessitate distinguishing between the latent, floating and stagnant forms of the reserve army and the way in which the composition of the reserve army is determined by cyclical and structural economic change, class conflict and government policy. Finally the article will review the functions of the reserve army in contemporary Australian society. An important argument here is the way that labour market segmentation and centralised wage institutions require a modification of Marx's traditional views in this regard.

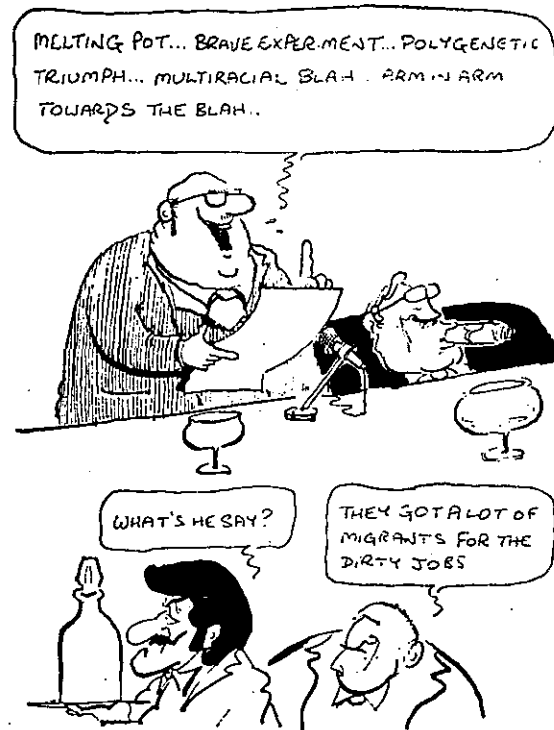
RECENT CRITICS OF THE RESERVE ARMY OF LABOUR IN AUSTRALIA

(a) Robert and Tanya Birrell

One criticism of this industrial reserve army concept as applied to Australian immigration is to be found in An Issue of People, by Melbourne sociologists Robert and Tanya Birrell (1981). They argue that the "reserve army thesis" results in "a misleading picture both of the origins and dynamics of immigration policy, and of the outcome of that policy for the migrants themselves" (p.253). To demonstrate the futility of Marxist analyses of immigration, the Birrells adopt the time-honoured "straw man" technique. The reserve army thesis is characterised as arguing solely that Southern Europeans were consciously brought out to Australia to fill the worst, lowest paying and most dangerous jobs to enrich the pockets of capitalists and to engineer a split in the Australian working class. Much of their book is devoted to answering the question: "What evidence is there that Australian employers did seek out Southern migrant workers?" (p.39). In other words Marxist analysis of Australian immigration is to the Birrells mere conspiracy theory; it is narrowly and falsely characterised in this straw man guise and, like all good straw men, is set alight and reduced to ashes.

It is not surprising that the Birrells find that this conspiracy did not in fact exist. Indeed, as I have pointed out previously, Arthur Caldwell, the first Minister of Immigration who oversaw the post-war immigration programme, was emphatic that a "White Australia" be maintained and continued into the post-1945 period. Caldwell promised: "... for every foreign migrant there will be ten people from the United Kingdom". (Collins (1975):108). That this desire for predominantly British immigration was not met from the outset or in subsequent years was a matter not of design but of default. Unable to attract sufficient British immigration for one reason or another, the postwar immigration programme had to draw immigrants from other European and non-European countries order to fill the desired intake quotas. First refugees from Eastern Europe were accepted, and their "successful settlement" was a forerunner for later intakes from Northern Europe, Southern Europe and later from the Middle East, Latin America and most recently from Indo China. Between 1947 and 1980, British migrants made only just over a third (36.5%) of post war migrants (Price 1979: 11). The post war experience was one of the "numbers" objective overriding the "racial purity" objective. There was no initial conspiracy.

A Question of People is concerned mainly to push an ideological barrow. The Birrells seek to destroy the dominance of Marxist political economy in providing an overview of the Australian immigration experience in particular, and more generally, the growing ascendancy of "marxists" in the sociology discipline within Australia (Birrell and Birrell (1981) : 252). Their alternative theoretical framework is a mis-mash of institutionalist economic theory and Weberian sociology. In the process they ignore the labour process- the nuts and bolts of class struggle on the factory and office floor. When they discuss class it is in the disembowelled Weberian variant that sees class as "occupational placement and its material rewards" (p. 148)- just one part of the holy trinity of class, status and power. "Conflict" comes into their analysis in two forms: conflict over jobs between migrants and others, and conflict in terms of racial attitudes. Racism in Australia is merely to be found in the opinion polls, without any recognition of the historical continuity of racial attitudes today with the earlier exclusion and extermination of blacks after settlement and the history of the "White Australia policy" from its origins last century in the exclusion of the Chinese in the Immigration Restriction Acts. Sexism and the position of women in the labour market - be they migrants or Australian-born - rarely rates a mention



To the Birrells, the answer to the question "Why Immigration?" is to be found in the statements of parliamentarians and businessmen at the time; in the day to day pragmatism of the minister and the various lobby groups. But hasn't immigration been a central feature of Australia since settlement? And hasn't immigration been central to the major capitalist nations such as the U.S.A., U.K., Canada, in Western Europe and New Zealand? Are we to find an explanation for the immigration process by looking at the political pronouncements of governments and lobby groups in each of these countries? Or is there something more systemic, more structural, that is common to all these capitalist nations? Something that the centrality to capitalism of an industrial reserve army might help explain?

(b) Constance Lever Tracy

A more challenging critique of the relevance of the industrial reserve army to an understanding of Australian immigration comes from Constance Lever Tracy. Unlike the Birrells, Lever Tracy (1983) works from within a Marxist framework. Lever Tracy is rightly critical of those who see migrants as the industrial reserve army, evoking the critique of those who argue against the notion of women as being the industrial reserve army. Tracy stresses that migrants have become a permanent part of the Australian workforce. To use her soccer metaphor, migrants have played at centre forward rather than being on the bench as reserves.

For Lever Tracy, there is only one sense in which the industrial reserve army concept is useful in respect to Australian and Western European immigration - this is in recognising migrants overseas as a latent reserve army, as large pools of people that can be tapped according to the requirements of capital accumulation. But once these migrants arrive on Australian shores, the concept loses relevance. There is a "total absence of any reserve army of labour function for immigrants within Australia" (Lever Tracy (1981) :22, emphasis added).

To illustrate her argument with a longer quote:

"... there can I think be no doubt that such a concept must be absolutely rejected as far as Australia is concerned - except in the limited sense as a ONE WAY latent external reservoir, which may be drawn on at will for expansion, but which cannot be made to carry the reflux of recession or crisis; which undoubtedly produces a greater rate of exploitation for a segment, but not a disciplinary pressure on the working class as a whole" (Lever Tracy (1981) :22).

In other words, while Lever Tracy claims that migrants are an external latent reserve; the concepts of a fractional or floating reserve army of labour seem to be of little relevance to migrants once in Australia; and is presumably not relevant to other workers in Australia either. Here she seems to overstate her case in a paper that otherwise throws light on the 'reserve army' concept. Tracy bases her argument on the "marked convergence" of unemployment rates between migrants and 'nationals' in Western Europe and Australia. She argues that, since 1972, the unemployment rates of Australian-born workers and of what she calls "non-Anglophone immigrants" have steadily converged. Lever Tracy also cites evidence that rates of return of migrants have fallen, and that

the motives for those who do return overseas exclude unemployment. She concludes that "we will not find concealed unemployment" among non-Anglophone migrants in Australia.

Even if Lever Tracy is correct in her claims, this would not deny the importance of the industrial reserve army in its floating or stagnant form to Australia today. Official unemployment in Australia is at the highest official levels since the Great Depression of the thirties. The most recent survey of CES offices by the Hawke Government suggests that a rate of unemployment of 11.9% (AFR 6/4/83) while the latest ABS figures show a rate of unemployment of 10.3%. Moreover, the work by Stricker and Sheehan (1981) on "hidden unemployment" in Australia suggests that the real unemployment rate in Australia is double the official rate, i.e. between 20% and 24%. Even if migrants were no more affected than Australian-born, there is indeed a large and growing pool of people - migrants and Australian-born - suffering from unemployment. This is exactly what Marx meant when he talked of the frictional and floating reserve army of labour.

Moreover, the evidence does not support Lever Tracy's arguments of a "convergence" in unemployment rates; official figures suggest some convergence in the seventies, although by 1979, age-specific unemployment rates were still between 35% and 68% higher for overseas-born than for Australian-born (Stricker and Sheehan (1981): 157-8). More recent studies for 1982-83 suggest that non-Anglophone migrants are being disproportionately hit by the recession and that any earlier convergence of unemployment rates is being reversed. One study concluded that migrant workers from "non main English speaking countries are experiencing a more rapidly deteriorating employment situation" (VEAC (1983:12)) than other workers in Australia. This study found that the overseas-born unemployment rate as a whole is increasing relative to that of the Australian-born, while the unemployment rates for migrants from Southern Europe, South America and particularly the Middle East and South East Asia have substantially higher unemployment rates than other migrants. The unemployment rate of the Lebanese is three times that of the national average! Moreover, the study found that the rate of increase of both youth and overall unemployment of the overseas-born has for the past eighteen months have been greater than that of the Australian-born.

The above argument has relied on "official" unemployment rates. As Stricker and Sheehan have demonstrated, hidden unemployment has increased in Australia since the onset of deep-seated recession in 1974: leading them to conclude that "at least as far as unemployment is concerned, much of the brunt of the recession has fallen on migrants" (p.167). After assessing changing participation rates, Stricker and Sheehan point to a large incidence of hidden unemployed among migrants: they estimate that over 150,000 persons born outside Australia are hidden from the unemployment statistics. Non-english speaking migrants have been hit especially hard:

"As a proportion of either population or adjusted labour force, hidden unemployment appears to be between two and three times as important for migrants as for Australian born, and within the migrant group is especially concentrated on persons born in the three Southern European countries and other non-English speaking countries" (p. 171)

Tracy's notion of "convergence" seems difficult to accept, as indeed is her notion of "permanence". While migrants have been crucial to the growth and expansion of Australia since the war - have been a more or less permanent addition to the population - no worker is permanent these days as the growing rates of unemployment (official and real) testify. The recession has hit the manufacturing and construction sectors hard, with some 200,000 jobs lost between 1974-79. And the recession has deepened considerably since then as the recent war of retrenchments glaringly highlights. Moreover the widespread penetration of micro-processors and computer chip technology is taking its toll on blue and white collar jobs, as does movement of capital "off-shore" to the ASEAN countries. Surely such a climate makes it difficult to talk about workforce "permanence" anymore, as the growing number of unemployed executives glaringly indicates! Today migrants are increasingly being replaced from the workforce: the centre forwards are becoming reserves.

Lever Tracy has focussed attention on the reserve army of labour and the relevance of such a concept to migrants in Australia, unlike the Birrells who reject it outright. She has sharpened our understanding by stressing the three 'forms' of the reserve army. However she over-argues her case. The baby (migrants as part of the floating and stagnant reserve army) is thrown out with the bathwater (a well-argued case for an emphasis of migrants as a latent reserve army and against migrants as the reserve army). Her contribution is nonetheless important, addressing debate towards the contemporary role of the reserve army of labour.

(c) Women and the reserve army.

Early in the seventies a popular theme to be found in feminist writings was that women - particularly married women - constituted a reserve army of labour. They were cheap workers who could be called upon when work was available and thrown back into the home when economic recession hit. (Adamson (et.al) (1976)). Women were then a buffer-zone of workers whose employment was irregular and who bore the brunt of recession. This fitted with notions of women as second class citizens. But when the economic crisis struck the international capitalist system in the mid-seventies, the expected did not happen: women did not immediately lose their jobs to men. This caused women writing in the United States (Milkman (1976)) and in Australia (Power (1979)) to criticise the notion of women as a reserve army of labour. They pointed to the sex segregation or segmentation of labour and the differential impact of economic recession which affected some women's jobs and not others. Many feminist writers therefore dismissed the reserve army of labour as no longer relevant.

Much of this response stems from a misunderstanding of the concept of the reserve army itself. In the first place many of these writings did not distinguish between the various forms of the reserve army: the latent, floating and stagnant. Moreover it is not correct to dismiss the reserve army of labour just because women were not the sole bearers of the brunt of the economic recession. Exactly which group in society is thrown onto the dole queues as the floating or stagnant reserve army depends on the structure of the labour market and the nature of the economic recession. Women may dominate the group at some periods of history, but not at others. No one group in society has sole and exclusive membership of the reserve army. As economic conditions change, as the labour market becomes segmented in a particular way, as government policy changes and as class conflict changes the conditions of work, so too will the composition of the reserve army of labour change.

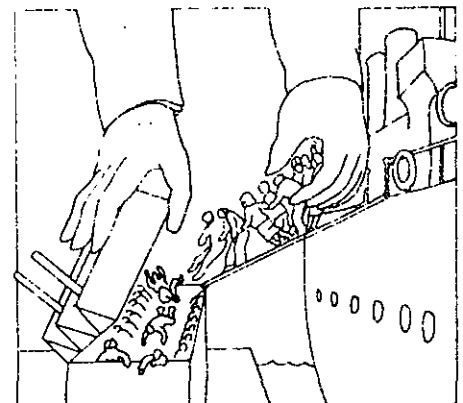
This has been well-documented by O'Donnell (1983). Stressing the importance of "the successful and failed struggles of labour" and empirical study in understanding the reserve army of labour, O'Donnell looks at the labour market experience of women as teachers, public servants, retail workers and clothing workers and the way that successful struggle altered conditions of work and the nature of women as a reserve army. When women teachers won the right to permanency - in N.S.W. in 1947, Victoria in 1968 and South Australia in 1972 - they could no longer be pushed out of the teaching services when the demand for teachers fell. Today's unemployed teachers are the new graduates - about 75% female - who have not yet been appointed to teaching jobs. In the N.S.W. State Public Service, labour shortages after World War II created the conditions which led to a dismantling of barriers against female entry to many formerly male clerical jobs. But until 1968 women who were married had to become temporary workers and forfeit the rights to career progression. The removal of these barriers, together with the granting of maternity leave, has changed the conditions generating a reserve army of female workers in these areas.

The reserve army is not a static phenomenon: and women's relationship to it will change, over time. But the reserve army of labour is still relevant to women in Australia. Women have been, and to a lesser degree still are, an important latent reserve army that can be drawn on to expand the labour force (Simmeral 1978) and Jones (1980)). The next section will elaborate further on this point. Moreover, as the recession deepens the rate of female unemployment still exceeds that of males. Women are therefore being thrown into the ranks of the stagnant and floating reserve army of labour, though not exclusively. Clearly those migrant women who are concentrated into the segment of the female labour force which is concentrated into the manufacturing sector form the bulk of today's female stagnant reserve army. But those women in the other sectors of industry are being increasingly casualised or employed as temporaries as part-time work spreads to an increasingly greater proportion of the female workforce. These women are swelling the ranks of the stagnant reserve army of labour.

THE INDUSTRIAL RESERVE ARMY IN AUSTRALIA SINCE THE WAR.

Labour shortage has been one of the key features of Australian capitalism during periods of economic boom. With little unemployment during these periods - little surplus labouring population - the floating and stagnant ranks of the reserve army of Australian labour were insufficient to meet the labour needs of capital accumulation. It was therefore necessary to tap other sources of the (latent) reserve army. But unlike the nineteenth century, the agricultural sector in advanced capitalist countries could not provide adequate labour reserves. In the period since 1945, new sources of the latent reserve army were found: women in the home and workers and their families overseas.

More than half of the population increase between 1947 and 1980 (during which population almost doubled from 7.6 million to 14.6 million) was the direct product of the postwar immigration programme. As Table 1 indicates, immigration provided most (61.2%) of the increase in the Australian labour force in this period. The contribution of immigration in the years 1947-61 is even greater: over 80% of the increase in the male labour force and 55% of the female was attributed to postwar immigration: a significant latent reserve indeed!



The other major source of the latent reserve army was women in the home. In 1947, just over one fifth (22.4%) of the workforce was female, but only 15.3% of this female workforce were married. By 1979, over a third of the workforce (36.1%) were women, with married women 61.4% of the female labour force. The postwar period therefore saw an increasing number of women, particularly married women, enter the paid workforce. Table 2, which shows the labour force participation rates of married women for Census years 1933 to 1981, demonstrates this point clearly. The increase is across the age spectrum but is evident particularly in women of the 35 to 49 age bracket.

During the period of the so-called Second Long Boom, 1949-74, unemployment averaged about 1.9%. The stagnant and floating reserves were overshadowed by the latent reserve army. Australian immigration has been described as a 'boa-constrictor', taking in huge gulps of people during periods of economic boom only to be slowed down to a trickle. It suggests that during periods of economic expansion, when internally generated labour reserves are largely depleted, the latent reserve army is tapped to draw 'new' workers into the labour force. Conversely, during periods of economic recession, when the ranks of the stagnant and floating labour reserves are swelled, there is less need to draw on 'latent reserves'.

A close look at the current recession suggests that this explanation is only partly true. While immigration intake hit its lowest postwar level in 1975, (when net immigration was actually negative), the Fraser Government progressively increased intakes to around 120,000-130,000 in its last years of office despite persistent economic recession and rising unemployment. Similarly the labour force participation rates of married women continued to increase between 1976 and 1981. This suggests that there are a number of factors other than labour supply and demand that influence the way in which the ranks of the latent reserve army is tapped.

Immigration policy reflects the politics of the Government of the day. The Fraser Government showed little concern for the growing dole queues in Australia and was happy to justify increasing immigration on the grounds of skilled labour shortages, particularly in areas associated with the 'resources boom'. The option of retraining the unemployed received little priority. Even when the resources boom evaporated before its eyes, the Fraser Government continued its push for more migrants. Moreover, as the Birrells suggest, the immigration lobby - business interested in the increase to consumer demand that accompanies immigration, ethnic pressure groups and the immigration Department itself "whose interests are directly linked with immigration expansion" (Birrell and Birrell (1981:237)) - pushes to maintain immigration intakes. The Hawke Government has reduced migrant intake to 90,000 a year and reduced substantially the 'employment category' intake.

The increase in the participation rates of married females can be explained by the intersection of two factors. First it is clear that the 'tertiary' sector of the Australian economy has shown an increase in employment, despite the decline in the manufacturing and building and construction sector. Many of these tertiary jobs are taken by women. Second, there has been increased casualisation and a growth of part-time work amongst the female workforce. Between 1966 and 1979 the number of persons employed in part-time work

doubled. Most of these jobs were taken by women. The number of female part-timers doubled between 1966 and 1979, when more than one third of all employed females worked part-time. Part-time work is more predominant for married women workers - in August 1979, 43.9% of married women worked part-time (Women's Bureau (1980: 18-19)).

As the recession has deepened, the ranks of the internally generated reserve armies of surplus labour have swelled considerably. Most of these would fall into the category of the floating reserve army, those displaced from the centers of modern industry by a combination of structural change and cyclical economic crisis. As we have seen, migrants from non-English speaking countries are disproportionately present among these ranks. Table 3 gives the most recent unemployment data by country of origin. Table 4 shows that the rates of female unemployment are slightly higher than for males. Moreover, youth unemployment is substantially higher than adult unemployment. If we alter slightly Marx's notion of the stagnant reserve army we can include those part-time workers whose employment, while often not irregular, is certainly under-utilised. These workers could be called into fulltime work and thereby are potential labour reserves if the jobs were available and facilities like child care provided. As O'Donnell (1983) indicates, women workers who are temporaries in the Public Service, casuals in the retail or teaching industry or outworkers in the clothing industry belong to these ranks. Successful labour struggles have won for these women regular, though part-time, work.

Australian society today is therefore characterised by a swelling in the ranks of the floating and stagnant reserve army of labour. There is a reduction in the tapping of latent reserves (females, migrants). Immigration intakes have been reduced, although the potential supply of migrant labour is ultimately inexhaustible. Moreover, recent information suggests that the participation rates of women have fallen as the recession deepened, while male participation rates have been falling since the mid-sixties. While more women work than decades earlier, this latest reserve is not fully tapped. Women have a participation rate in the workforce around 44%, while for males it is 78%. (VEAC (1983: Appendix 1)). One of the ways that employers have dealt with the economic recession is to encourage early retirement, thereby swelling the ranks of those past the age of labour. Once again this group, which Marx included in the lumpenproletariat, remain a potential labour reserve, though it seems unlikely that this will ever be tapped.

FUNCTIONS OF THE RESERVE ARMY

It is beyond doubt that the function of the reserve army in ensuring that labour reserves required for capital accumulation continue to be significant, although the sources of this reserve army have changed considerably. The other two claims that Marx made for the reserve army of labour are more contentious: to guarantee that workers entered employment without substantially altering the wage level; and to shift the balance of political power to enhance the domination of capital. These two functions will be considered in turn.

Australia has a unique institutional form of wage determination through the Commonwealth Conciliation and Arbitration Commission. Wages are set not solely by the forces of the 'market' but with a framework of minimum wage and

equal pay legislation and varying wage formulas from collective bargaining to wage indexation. Moreover, the labour market in Australia is highly segmented (Collins (1978)). In the words of three American political economists, there are much different 'social structures of accumulation' that influence wage determination and political struggle than in Marx's day. (Gordon, Edwards and Reich (1982)).

Lever Tracy is one critic who argues that these features of contemporary Australian society invalidated the functions that Marx constructed:

"Insofar as migrants in the workforce are segmented, insofar as they do different jobs from indigenous workers and insofar as there are systematic obstacles both to them taking other kinds of work and to indigenous workers (even unemployed) accepting or being accepted for theirs, to that extent they cannot function as a reserve army of labour, they cannot be adequate to the range of needs involved in any sudden unforeseen spurts of expansion and they cannot (except to a limited extent and indirectly) regulate wages of, and be used to impose discipline on the working class as a whole" (Lever Tracy (1981: 11)).

Indeed, Lever Tracy argues that there is a fundamental incompatibility between labour market segmentation and the reserve army of labour, which seems to be an overstatement of her own case. At first glance this argument is persuasive. The ranks of unemployed migrant women would bear little on wages or struggles of male air-controllers. What happens, though, in that the reserve army of labour is itself segmented; it is not homogeneous, with each segment of the labour market generating its own reserve army. But it is difficult to make generalisations here. As O'Donnell suggests, each occupation and industry requires detailed historical and empirical study before the relationship between those in an industry and the reserve army standing outside it can be fully understood. O'Donnell's case studies suggest that the reserve army of labour significantly influences conditions of employment despite entrenched segmentation.

In the retail industry, "married women and school students provide a huge and readily available reserve army of labour which has been used very successfully by capital to eliminate jobs and erode conditions and security of the retail workforce" (O'Donnell (1983: 10)). In the clothing industry a large reserve army of clothing workers permits employers to close down factories and become profitable subcontractors with adequate supplies of outworkers who are paid lower wages and do not incur 'overhead costs' or labour 'on costs'. In the Public Service, where 59% of women have temporary status, a large pool of willing workers provides a large flexible workforce who are "in a position to be 'pulled into and pushed out of' the workforce as needed" (p.8). Many of these women work as cleaners or clerical assistants who are put off in seasonal periods when their services are not required. On the other hand, in the teaching profession, the reserve army is limited to new graduates with little influence on conditions of work or wages of employed teachers, "other than in the sense that unemployment within the community generally has created the conditions for wage pause legislation which affects all workers, including teachers". (p.7)

This last point should not be ignored. There is a means by which a society's general reserve army influences the political muscle of the labour movement in general. With centralised wage determination, the Arbitration Commission must consider the industrial relations outcome of a wage decision. If the ACTU can point to wider-spread strikes and conflict, the Arbitration Commission is obliged to reconsider its deliberations. In periods of large unemployment, workers are concerned to hold on to their jobs and are much more reluctant to strike, hence weakening the ACTU bargaining position. And when collective bargaining is the appropriate wage determination system, the political militancy of workers within each union crucially influences the outcome of wage negotiations. To this extent the size of the reserve army influences labour costs to employers in particular, and the political strength of the working class as a whole.

But when considering labour costs it is important not to focus solely on wages. As Ward argues, "there are many ways to skin a cat, and many ways for an employer to get more out of his workers for the same money". (Ward (1975: 27)) One way is to increase what Marx called the 'intensity of labour': In other words a boss can get more value out of a days work of his employees by increasing the speed of the line, cutting down on lunch, toilet and washing-up breaks, applying greater surveillance over workers and greater intimidation. There have been frequent complaints of such employer action since the onset of the recession from metal workers and others on the shop floor. Workers are concerned to retain their jobs in a period of wholesale retrenchments, are less likely to take militant action and more likely to toe-the-line. Newly-arrived migrants will work in dirty dangerous conditions, 'saving' the boss costly improvements to the work environment. Moreover, employers can use selective retrenchment to get rid of "trouble makers".

An increasing reserve army of unemployed in a specific segment of the labour market and across all labour markets has an impact on class relations within the labour process. Employers have restructured the production process, introduced new technology, rationalised production - all of which would have met severe worker opposition during times of full employment. Technologies alter the nature of work tasks and often 'deskill' jobs that can be reclassified at a lower pay rate. Indeed, this is why the period of economic recession and crisis can contribute to economic recovery : class relations within the labour process and in the labour market generally reflect employer dominance and allow for greater capital accumulation given the limits set by international and domestic economic fluctuations and government policy. In this way a period of economic recession creates the basis for future economic recovery. (See Collins and Brezniak (1977)).

CONCLUSIONS

It seems that the industrial reserve army of labour has not disappeared, but is alive and kicking. With the ranks swelling. Even the federal government's 1983/84 budget was based on the prediction of growing unemployment. Both the sources and functions of the reserve army of labour in Australia, while refracted through a prism of change, resemble in a substantive way that recognised by Marx one hundred years ago. At such a period of our history we should not discard the reserve army of labour as a concept of analysis, but

sharpen and hone our understanding of its variable impact by further detailed empirical study. We need more industry studies, more specific studies of migrant and female dominated industries, more study of the lumpenproletariat. In this way we can understand more fully the forces that generate the industrial reserve army of labour in Australia today, and the attendant economic, political and social consequences.

Table 1

Increase in The Labour Force Attributable
to Post-1943 Immigration (%)

	1947-61	1961-72	1947-72
Male	81.8	68.4	75.5
Female	55.3	39.8	41.6
Total	73.0	52.3	61.2

SOURCE: First Report of the National Population Inquiry,
AGPS, Canberra 1975, p.109

Table 2

Labour Force Participation Rates,
Married Women in Australia 1933 to 1981

Census Year	Age Group									
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64
1933	3.2	4.4	4.5	4.8	5.1	5.6	6.0	6.1	5.7	3.7
1947	11.4	11.6	8.3	7.6	8.6	9.1	9.3	7.8	6.6	4.1
1954	17.4	20.1	14.4	13.2	13.4	14.7	14.3	11.7	8.1	4.7
1961	19.9	24.5	17.2	17.4	21.0	21.5	20.3	17.4	12.6	6.5
1966	29.4	37.0	26.0	26.8	31.4	33.7	31.6	26.6	20.0	11.1
1971	36.4	44.1	- 33.0 -	-	- 41.3 -	-	- 36.1 -	-	23.2	12.0
1976	49.4	55.5	44.4	47.1	55.9	57.6	53.6	44.3	32.8	17.1
1981	45.7	57.4	48.4	49.6	56.9	60.0	55.6	45.3	31.3	15.0

SOURCE: P. McDonald "Can The Family Survive?"
Australia Society Vol. 2 No. 11 December 1983

Table 3 Unemployment Rates by Birthplace Australia

	<u>AUSTRALIA</u>		May 1983	April 1982
	May 1982	April 1983		
Australia	6.2	9.5	9.6	5.7
Africa	13.6	9.7	10.5	*
America	*	15.5	16.7	*
Asia	10.5	18.3	18.0	12.1
Lebanon	18.2	38.0	28.8	*
Europe	6.6	10.8	11.1	5.5
Germany	8.2	11.8	12.1	*
Greece	8.5	13.2	13.9	8.2
Italy	4.4	8.1	7.9	*
Malta	*	*	*	*
Netherlands	*	10.9	10.6	*
Poland	*	15.7	16.8	*
UK & Ireland	6.7	9.6	10.4	5.3
Yugoslavia	9.9	14.2	14.1	*
Oceania	8.2	13.3	14.2	*
New Zealand	8.3	13.1	14.4	*
Total O'Seas born	7.5	12.0	12.3	6.9
Total	6.6	10.2	10.3	6.1
Main English 1 Speaking	*	*	*	5.7
Other	*	*	*	7.4

1. See Table 2 for definition

* = NOT AVAILABLE

SOURCE: Victoria Ethnic Affairs Commission
Migrants and the Workforce 1. Unemployment Trends
East Melbourne, August 1983 p 11.

Table 4

Unemployment Rates by Age, Sex and Birthplace
(Month of May in all cases)

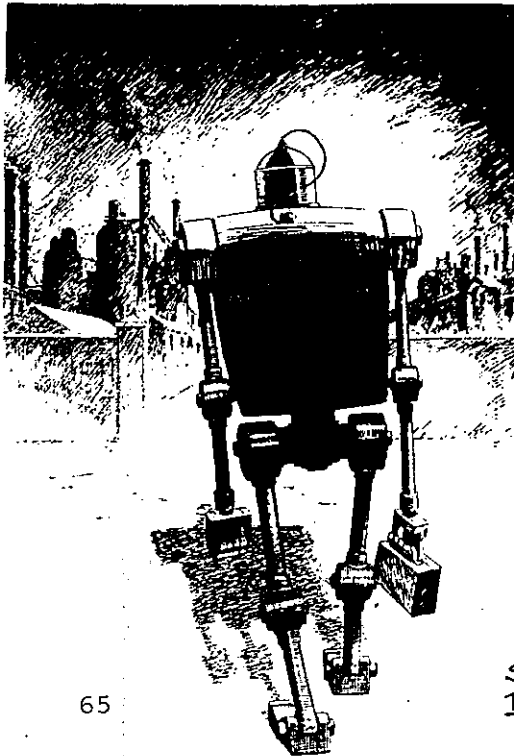
<u>Age Group</u>	<u>MALES</u>		<u>FEMALES</u>	
	<u>AUSTRALIAN BORN</u>		<u>OVERSEAS BORN</u>	
	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>
15-19	15.2	21.3	17.8	28.9
20-24	9.2	16.3	12.6	24.9
25-34	3.9	7.6	5.7	11.4
35-44	2.3	4.8	5.2	9.1
45-54	2.3	4.7	4.1	8.8
55+	2.3	4.6	4.4	10.2
	<u>AUSTRALIAN BORN</u>		<u>OVERSEAS BORN</u>	
	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>
15-19	18.2	22.5	24.6	29.7
20-24	8.8	11.6	13.0	17.2
25-34	6.8	8.7	8.8	13.6
35-44	3.8	6.3	7.5	10.9
45-54	3.5	4.1	6.5	8.9
55+	*	*	*	*

* = NOT AVAILABLE

SOURCE: VEAC (Op.cit: 14-15)

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