



THE ECONOMIC PAMPHLETEER
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Rethinking the value of work

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“How can it be that more than a century after Mumcrakers exposed the deplorable conditions of workers in the food system, that harassment of workers, rapes in the fields, squalid living conditions, pesticide showers, hazardous working conditions, and slave wages continue be the norm?” (Kolodinsky, 2014, p. 198). In reviewing the documentary film *Food Chain*, Jane Kolodinsky provides this fitting description of the inevitable consequences of the commodification of labor in an unrestrained market economy.

The deplorable working conditions in the food

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industry have not been corrected because such conditions are inherent in the industrial system of food production. More effective labor unions and ethical choices by consumers might relieve some of the suffering—at least temporarily. However, the well-being of workers in the food industry and elsewhere will not be significantly improved until we rethink the value of work and restrain our economic system accordingly.

The most basic function of a free-market economy is to allocate land, labor, and capital among alternative uses so as to maximize consumer utility or satisfaction. Anything that

Why an Economic Pamphleteer? Pamphlets historically were short, thoughtfully written opinion pieces and were at the center of every revolution in western history. I spent the first half of my academic career as a free-market, bottom-line agricultural economist. During the farm financial crisis of the 1980s, I became convinced that the economics I had been taught and was teaching wasn't working and wasn't going to work in the future—not for farmers, rural communities, consumers, or society in general. Hopefully my “pamphlets” will help spark the needed revolution in economic thinking.

needlessly increases the cost of food to consumers inevitably decreases economic efficiency and leads to decreased consumer satisfaction. If food retailers agree to pay a penny a pound more for tomatoes to improve the pay or working conditions for farm workers, for example, they expect to pass the cost increase on to consumers—and will likely add another penny for profits. This will raise tomato prices for consumers, including those who don't know or care about the plight of farmworkers, thus decreasing overall consumer satisfaction.

Furthermore, the willingness of some consumers to pay more for the same tomatoes is “economically irrational,” since presumably there will be no tangible differences between tomatoes produced under favorable and unfavorable working conditions. This leaves the fate of farmworkers to be determined by economically irrational consumers who can afford to pay more for tomatoes. “Free choice of employment,” “just and favorable conditions of work,” and “remuneration ensuring...an existence worthy of human dignity” (United Nations, 1948, Article 23) are basic human rights, according to the United Nations Declaration of Human Rights—which the U.S. refuses to endorse. Rights are not privileges to be granted at the discretion of employers or wealthy consumers. Rights depend on social justice—not economics. Economics afford no more respect for the “rights” of workers than for the “rights” of land or capital. They are all just factors of production.

Furthermore, market economies function to meet our needs as consumers, not as workers or as members of society. Whatever economic value we receive from our work is realized only by consuming or using what we buy with the money we earn from working. Whatever we sacrifice as workers must be compensated by the benefits we receive as buyers or consumers. Unfortunately, those who benefit most as consumers are rarely the same

people who sacrifice most as workers. In addition, the lack of economic completion in today's market economy allows some to extract profits from the system rather than reward workers for their efficiency or pass the savings on to consumers. Publicly traded corporations, being *rational* economic entities, have no incentive to do anything for the benefit of workers or consumers unless it adds to their economic bottom line.

The food industry clearly has an economic incentive to minimize labor costs, regardless of who benefits and who pays. According to the U.S. Department of Agriculture (USDA), “wages, salaries, and contract labor expenses represent roughly 17 percent of total variable farm-level costs and as much as 40 percent of costs in labor-intensive crops such as fruit, vegetables, and nursery products” (USDA, ERS, n.d., para. 1). The nonfarm sectors of the food system are even more labor-intensive, resulting in labor costs accounting for roughly 50 cents of each food dollar of U.S. consumers. So, it is naïve to expect industrial farmers or food corporations to gratuitously increase the compensation of farm or food industry workers, or to willingly grant workers their basic human rights.

The fundamental problem is a failure of society to recognize the full value of work. In capitalist economics, work is considered to be inherently unpleasant or distasteful. The money gained from working is the only reward for giving up the alternative of enjoying leisure. Work would never be willingly undertaken without some offsetting economic compensation. In economic thinking, there is no recognition of any positive value of work apart from the economic value derived from the consumer market value of whatever is produced.

While people should expect to work in order to meet their basic needs, even if the economic remuneration is meager, work can also produce social and cultural value. Yet economics gives no

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consideration to the fact that work helps give purpose and meaning to life. The sense of dignity arising from meaningful work can translate into a sense of self-worth that goes far beyond survival or subsistence. The admiration and respect granted by fellow workers, employers, or customers for a job well done may far outweigh any additional economic compensation. Many workers actually enjoy their work. Many more undoubtedly would do so if they were afforded their basic human rights to free choice of employment, just and favorable work conditions, and remunerations sufficient to ensure an existence worthy of human dignity.

To break the bonds of economic slavery, we must value humans as multidimensional beings, not biological machines. We are social beings capable of receiving tremendous *personal* value from positive human relationships—even relationships that produce nothing of economic value. We are spiritual beings capable of receiving tremendous *ethical* value from a life of purpose—including our life of work. Work is not a burden but a privilege, at least when performed under conditions that respect our basic human rights as workers.

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We are not just consumers; we are also thoughtful, caring workers and responsible members of society. Our preferences as consumers cannot be allowed to take priority over our rights as workers and global citizens. All workers, not just farmworkers and food workers, will continue to work under conditions of economic slavery until our market economy is forced by civil society to recognize and respect the full economic, social, and cultural value of work.

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