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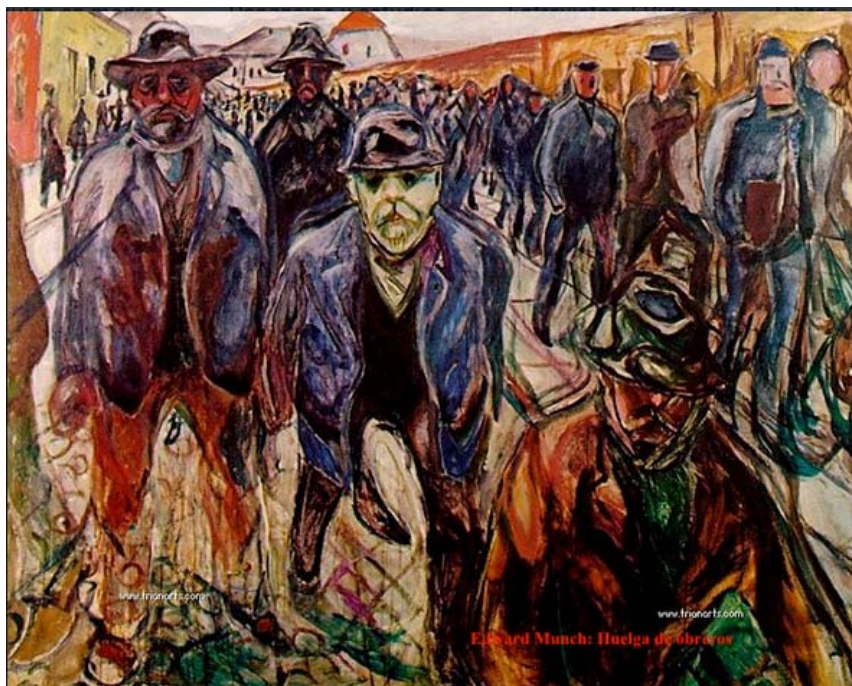
زبانهای اروپایی

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Job insecurity: a business triumph

In Ecuador it operates gradually and in Argentina through shock. It doesn't matter: hand in hand with corporate governments and business presidents, libertarianism offers a future of greater instability, exploitation and insecurity. It can only be stopped by the workers themselves

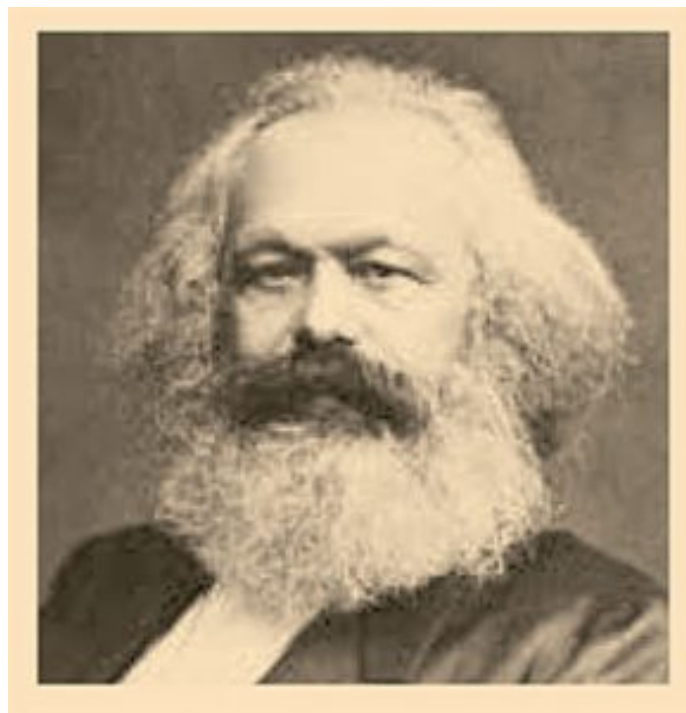


Workers on their way home, 1913 – 1915. Oil on canvas, 201 x 227 centimeters. Munch Museum, Oslo.

While [Adam Smith \(1723-1790\)](#) is regarded as the founder of classical liberal economics, contemporary liberals, neoliberals, and libertarians have never been consistent with [Smith's labor theory of value](#), but rather reject it. That is to say, they discard precisely

the scientific side of the founder, to dedicate themselves to the simple considerations of the market and prices. And they extend it to what they have baptized as the "labor market" or "labor market," thereby erasing all consideration of labor rights, which only appear as hindrances or obstacles to the free market and to employers.

But Smith lived through the early days of capitalism, while contemporary liberals, among whom we must count the most praised, such as [Friedrich von Hayek \(1889-1992\)](#), [Milton Friedman \(1912-2006\)](#), [Ludwig von Mises \(1881-1973\)](#), [Murray Rothbard \(1926-1995\)](#) and many others between the Austrian School and Anarcho-capitalism, have lived through the epoch from imperialism to *civilizational crisis* of the present. Smith could hardly observe the social problem created by capitalism, although he had the insight to understand that the profits of the capitalists come from the labor of the workers, a reality that he considered to be part of the "natural laws" of the system. For this reason, it was the critics of classical liberalism, who directly experienced the enormous social consequences of the workers' misery and the opulence of the bourgeoisie, who developed anti-capitalist theories in step with the advance of the nineteenth century. Practically in the second half of that century, [Karl Marx \(1818-1883\)](#) laid bare the laws of capitalism and discovered, surpassing Smith, that the bourgeoisie appropriates *surplus value*, that is, the value created by the proletarians, over the value of their labor power.



During the nineteenth century, workers' demands grew; and their actions, always repressed even in a bloody way, inevitably led the states to begin to proclaim labor rights, to avoid

not only the sharpening of what Marx called [class struggle](#), but also the fear of a social revolution leading to socialism. All these processes have been extensively studied by a gigantic number of works and articles, which have affirmed the development of the social sciences.



European Colonization by Eneko

But, without a doubt, Latin America followed different processes. It was European colonialism that marked the structural bases of underdevelopment, dependency and extreme social polarization inherited by nation states, once the anti-colonial wars of independence in the region were over. During the nineteenth century, social conquests were isolated and few, such as the abolition of slavery, the tribute of Indians or the most opprobrious forms of servile labor. So it is with the 20th century and the take-off of capitalism in Latin America, although in a differentiated way between countries, that the development of the working classes and the rise of indigenous and peasant struggles led to the emergence of labor legislation. As a result of the Mexican Revolution, the Constitution of 1917 was issued in this country, which was the first to recognize the pro-worker principle, maximum working hours, minimum wage, breaks, protection of minors and women, unionization, severance pay, and other rights of workers, as well as peasants over land. That Constitution inspired the development of social legislation in other Latin American countries. Of course, the conquests came with the rise of the masses, of the working classes and the action of intellectuals and politicians sensitive to social demands.

That rise was partially halted by the Cold War, which in Latin America took root after the Cuban Revolution (1959). Labour rights were affected and employers accused any labour demand, especially if it was trade union, of being "communist". The terrible military dictatorships of the 1960s and 1970s first and foremost attacked labor demands and persecuted leaders. The onset of stable democracies at the beginning of the 1980s made it possible to resume the defence of labour rights. It was for a short time. Then, the agreements with the IMF, the penetration of neoliberal ideology and the transnational globalization that resulted from the collapse of Soviet-type socialism, created favorable conditions for the business elites to define a set of slogans aimed at making labor relations more flexible and precarious, which meant the historic blow to the rights conquered since the beginning of the twentieth century.

In short, labor rights were developed in response to the need to protect workers from the arbitrariness of the capitalists, who in Smith's time overexploited workers who worked more than 12 hours a day, received miserable wages, had no breaks and worse security. His human condition was to die working for the capitalists. And a similar story is followed by Latin America, of which there are studies and research in all fields of its social sciences.

Contemporary liberals, neoliberals, and libertarians are not only unaware of this history. They imagine that the free market could operate as they assume it did in Smith's day. And since the last two decades of the 20th century, they have promoted the flexibilization of labor relations, which implies the annulment of rights that have already been advanced. In Latin America, all countries with governments conditioned by business interests have fueled this process. The result is that they have provoked the sharpening of the class struggle, they have not solved the problem of employment, they have taken advantage of precariousness, unemployment, underemployment and informality to pressure against the legal frameworks that have protected formal workers. In the region, there is no entrepreneurial willingness to create, at least, social welfare economies.



It is within this framework that the popular consultation and referendum called by President Daniel Noboa in Ecuador and which will be held on April 21 (2024) is inscribed. Under a climate of generalized insecurity, disarticulation of the State and penetration of mafias, which are legacies left since 2017 by the governments of Lenín Moreno and banker Guillermo Lasso, the population will be asked if they want the Constitution to be modified to be able to impose *hourly work* and *fixed-term contracts*, currently prohibited by this Charter. It is a new strategy to legitimize flexible policies against workers, which takes advantage precisely of the inability to attend to employment and that, if successful, the country's experience will surely be replicated in other countries in the region. But the experience that Argentina has begun to live is not far away either, where the sui generis *libertarianism* takes flight, which also proposes to destroy labor rights. In Ecuador it operates gradually and in Argentina through shock. It doesn't matter: hand in hand with corporate governments and business presidents, *libertarianism* offers a future of greater instability, exploitation and insecurity. They can only

Juan J. Paz and Miño Cepeda for La Pluma, Ecuador March 4, 2024

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