Abstract
Work is one of the most important parts of many people’s lives and can shape every other aspect. We build relationships, skills, and our sense of self-worth at work, but also face drudgery, conflict and stress. So much of the scholarship on work in economics today has boiled down to the study of productivity alone. Scholars give little to no thought to the impact of work on people’s lives beyond income earned and leisure forgone. I look to the history of economic thought to show that this was not always the case. I put forward the argument that economists and policymakers should return to a more culturally aware approach towards the study of work, like that of classical thinkers in political economy such as Smith, Marx, Weber, and de Tocqueville. I contrast the classical liberal analysis of beliefs and feelings about work with a presentation of the current neoclassical economics approach to studying work that seems to fall short in ways we will outline. I then highlight the work of some of the contemporary scholars who are studying these issues in a way that draws on the tradition of the classical political economists, to show the potential of this approach to generate new and interesting research. I offer some of the policy implications of this approach in areas such as regulation and immigration. The aim is to show that neoclassical economics misses much of what is important to people about their working lives, and that if policymakers want to make decisions that genuinely help people then they must also draw on research that takes a more culturally and socially-aware approach to studying work.

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I. Introduction

There are many complex and contradictory views of work. Society praises and derides work, people long for and shy away from it. Hard work, ingenuity, and grit are notions essential to US cultural history and the American Dream. Robert Reich, economist and former U.S. Secretary of Labor, defines the American Dream as “the faith that anyone could move from rags to riches – with enough guts and gumption, hard work and nose to the grindstone” (2013). Work is also highly valued in policy; maximum employment is part of the mandate of the Federal Reserve alongside stable prices and moderate long-term interest rates. Aside from its productive value, people hold up hard work for its ability to build character and see it as a moral good in itself. For many people, their job and personal identity are heavily intertwined, and following passions or working hard to support a family are ways to show the world something important about oneself.

Policies aimed at bringing jobs to an area are always popular among voters. Worries about the downsides of labor are also prevalent in media and policy debates, such as unfair working conditions at Amazon (Sainato 2019), and unequal pay between the genders (Salam 2019). Despite work’s high status, so much of our language around it is negative: “the rat race,” “slaving away,” “chained to a desk.” Undercover exposés frequently call out the treatment of factory workers in the US and abroad, and the vast inequality between the wages of CEOs and their workers causes much moral outrage.

The role of work and its impact on human nature is a topic that has occupied thinkers for centuries. Some of the earliest ideas on work came from Judeo-Christian belief, which saw work as a curse from God in the Garden of Eden: “Cursed is the ground because of you; through painful toil you will eat food from it all the days of your life” (Genesis 3:17). The Ancient Greeks and Romans held similar views. They disdained physical labor as something that
distracted you from higher pursuits such as art for the Greeks or warfare for the Romans (Hill 1999). It is only in recent history, since the Protestant Reformation, that any positive moral value has been placed on work rather than it being viewed as hard and degrading (Lipset 1990). One explanation for the shift is religious, that the ideas of Luther and Calvin moved work from being merely acceptable, sustaining your family as part of the economic order God created, to something that was praiseworthy and a way to reshape the world to be more like the kingdom of God (Tilgher 1958, 61).

Key figures in political economy have also examined the benefits and costs of work in a market economy. For instance, Adam Smith wrote extensively on the division of labor and the potential for skilled and diligent work to drive great human progress (Smith 2007 [1776]). He linked work with individual gain and put forward the argument that the division of labor would benefit society as a whole, bringing economic growth and new opportunities to many. The benefits of growth came at a cost - the division of labor brings about progress while also being an alienating force for individual laborers. Seeing problems similar to those observed by Smith, Karl Marx highlighted the alienation and exploitation of workers as key pillar of his writings criticizing capitalism (Marx 1996 [1867-94]). Countering such concerns, Max Weber (1958 [1905], 38) explored the impact of the protestant work ethic in the US founding, which viewed work as a means toward moral upliftment; and Alexis de Tocqueville (1969 [1835], 306) illustrated how the unique history and institutional environment of American democracy legitimized work, association, and innovation in society. McCloskey (2007) argues that the acceptance of bourgeois virtues, such as planning, reason and analysis, fueled innovation and progress while legitimizing the industries of commerce and manufacturing.
As the field of economics progressed, the complexities of the role and nature of work has taken a backburner to a neoclassical approach to wages and labor. Contemporary studies that look at work focus almost solely on productivity, and the factors that affect it. Wages are a perennial focus, specifically the idea of efficiency wages – that there is a fair wage above the market-clearing wage, and workers’ productivity will fall as wages drop below the fair wage (Akerlof & Yellen 1990; Mülhau & Lindenberg 2003). When it comes to the experience of workers in the workplace, theories of Industrial Organization focus on the structures of firms and supervision of workers, seeking to find what encourages working over shirking (Alchian and Demsetz 1972). Enriching people’s skills and improving their education is termed ‘human capital investment’. The impacts on people’s satisfaction and fulfilment are not measured; instead, analysis is limited whether the firm’s investment leads to increased productivity and economic growth (Kwon & Rupp 2013). In a recent United Nations Development Report on the dignity of work, Dr. Juan Somavia (2015) laments that “In today’s world defending the dignity of work is a constant uphill struggle. Prevailing economic thinking sees work as a cost of production, which in a global economy has to be as low as possible in order to be competitive.”

The neoclassical approach often views labor as a mere means for production and progress, rather than an activity where human beings learn and utilize skills and relate to one another. Concerns about alienation and exploitation are left largely unaddressed1 or offer policy solutions that fail to understand the underlying complexities of labor issues2.

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1 With exception. Some scholars across the disciplines of economics, sociology and management studies do attempt to study and offer solutions for modern day alienation, such as Shantz, Alfes and Truss (2014) and Nair (2016) who all attempt to bring ideas of meaning, relationships and self-expression into studies of the workplace.

2 If we accept that work means more to people than merely picking up a pay check, and that the dignity, self-enrichment and relationships forged there matter too, then policies aimed solely at “full employment” (Spross, 2015), moving people into any job, as long as it’s a job, are likely to fail. This type of policy aimed at just increasing the number of jobs doesn’t address some of the more complex reasons people choose to work.
An evolving literature in political economy is looking at the role and nature of work and interpersonal relations in markets and civil society. This literature provides a fuller understanding of the complexities of work. I argue that this classical approach resolves some of the tensions between viewing work being essential to progress and viewing labor as a bad at the individual level. While negative aspects of work such as exploitation and alienation are valid concerns, they can be combatted or mitigated through culture and institutions that promote work as something valuable and dignified.

This paper will fit into a broader literature that examines the effect that the market has on our social and moral lives. It adds to the debate surrounding the following questions: Are markets a force for good that civilize and moralize us; are they destructive, alienating us from each other and undermining our values; or are they feeble and capable of less than we give them credit for (Hirschman, 1982)? This paper argues that all economic action is embedded in our sociality, which means that our culture and institutions often mediate the good or bad moral implications of markets (Fourcade, Marion, and Healy 2007, 286).

This paper will proceed in the following way. Section 2 begins by examining the classical political economy approach to work, that takes a cross-disciplinary lens to the subject and takes seriously the social and moral facets of work, weighing both the costs and benefits to individuals and society. The scholars I will look at, chiefly Adam Smith, Karl Marx, Alexis de Tocqueville and Max Weber, could in some ways be described as economic sociologists, though the term didn’t come to be used until after their times, as economic sociology is concerned with how social forces impact and are impacted by economic phenomena. All four of these thinkers were critically aware of the interplay between economic forces and social life. Section 3 moves on to look at the neoclassical approach to economics that is most popular in economics today. I argue
that this view lacks nuance because it focuses on work solely as a means to production and progress and deemphasizes social interaction. Section 4 highlights the contemporary literature that contrasts with the neoclassical approach in favor of the more holistic political economy approach. The contemporary literature examines the complexities of work, interpersonal relationships in markets and civil society, and examines the capabilities of self-governing individuals to live better together allowing for a fuller approach grounded in the reality of people’s lived experiences. It also touches upon work in other disciplines, further showing the potential contribution economics may make. Section 5 offers some implications for policy when viewing work through the lens of political economy rather than that of neoclassical economics. It presents some further areas of study outside the scope of this paper, and shows the potential of this approach to allow for better policy decisions. Section 6 concludes, bringing together the argument for a return to the political economy approach.

II. Views in Classical Political Economy

Early political economists took very seriously the impact work could have on people’s lives. For centuries the vast majority of people labored in fields for their own sustenance, trading now and again, but still very attached to the product they produced. As modern capitalism took hold, people moved into new and different roles. Adam Smith devoted much of his work to documenting and studying the changing political, economic and social landscape capitalism brought with it, and many political economists followed his lead throughout the years. Although capitalism is undoubtedly a boon for economic growth, these classical thinkers sought to understand the effect capitalism would have on individuals and humanity at large, and how a new type of work would fit into society and culture. In this section, four influential figures will be looked at: Smith, Marx, Weber and de Tocqueville.
Smith and then Marx both highlighted the alienating capacity of work. One of the most common and compelling criticisms of work in capitalist society is its potential to reduce workers to mindless drones and decay their cognitive ability, affecting their non-work lives and in turn society. Perhaps the most famous critique of work and its alienating potential comes from Karl Marx, but Adam Smith wrote about the idea earlier (West 1969, 1). Looking at Smith and Marx in turn will help flesh out this critique and provide a foundation for discussion of contemporary literature that speaks to exploitation and alienation in existing workplaces.

Weber and de Tocqueville both sought to understand and document the shifting attitudes that accompanied the acceptance of capitalism. Both took particular interest in the young US, with Weber focused on the spirit of ascetic Protestantism that praised and valued hard work, while de Tocqueville took an interest in democracy that enabled people to imagine a future in which hard work led them to success and growth. Their cultural analyses are rich in detail and each provide a compelling account as to why hard work came to be praised, and how we overcame problems of alienation.

Adam Smith
Although Adam Smith was one of the first to recognize and describe the true value that the division of labor could bring to its society, he was also careful to provide a warning. It is worth quoting a large portion of his thoughts on the matter:

“In the progress of the division of labour, the employment of the far greater part of those who live by labour, that is, of the great body of the people, comes to be confined to a few very simple operations, frequently to one or two. But the understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations, of which the effects are perhaps always the same, or very nearly the same, has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him not only incapable of relishing or bearing a
part in any rational conversation, but of conceiving any generous, noble, or tender
sentiment, and consequently of forming any just judgment concerning many even of the
ordinary duties of private life.”
(Smith 2007 [1776], 602–3)

Smith states here his belief that a person’s work has a significant influence on his or her life, at
least for ‘the greater part of men’, and that the impact on his or her life of specializing in one or a
few single tasks seems to be potentially disastrous. The important aspect here is that it is not the
concept of work in itself that Smith objects to, but the repetitiveness and narrowness of certain
tasks. Smith goes on to explain that people in more savage societies were continually pushed by
changing circumstances and the need to engage in a wide array of activities, such as hunting,
building, and navigating that provided a near-infinite amount to think about and exercised the
mind (Smith 2007 [1776], 310).

Opinions differ on where Smith’s views on alienation fit in with the rest of his work.
Some read it as an afterthought, given its late reference in Wealth of Nations, worth only briefly
mentioning due to the great benefits of the division of labor. In the context of his greater work,
the division of labor grants greater dignity and self-respect by enabling the poorest in society to
exchange freely (West 1969, 12). Other scholars, such as Robert Lamb, believe the concept of
alienation to be much more central to Smith’s thought, pointing to mentions in his early lectures
as well as the harshness of Smith’s description (Lamb 1973, 278).

Another warning Smith expresses, this time in his Theory of Moral Sentiments, is known
as his parable of the poor man’s son (Smith 1982 [1759]). In it he presents an account of a young
man who is so obsessed with growing wealthier that he toils away, working tirelessly, but
eventually realizing that his efforts have not awarded him the peace and comfort he sought:

“The poor man's son, whom heaven in its anger has visited with ambition, when he
begins to look around him, admires the condition of the rich. He finds the cottage of his
father too small for his accommodation, and fancies he should be lodged more at his ease in a palace…

With the most unrelenting industry he labours night and day to acquire talents superior to all his competitors. He endeavours next to bring those talents into public view, and with equal assiduity solicits every opportunity of employment…

It is then, in the last dregs of life, his body wasted with toil and diseases, his mind galled and ruffled by the memory of a thousand injuries and disappointments … that he begins at last to find that wealth and greatness are mere trinkets of frivolous utility, no more adapted for procuring ease of body or tranquility of mind than the tweezer-cases of the lover of toys; and like them too, more troublesome to the person who carries them about with him than all the advantages they can afford him are commodious.” (Smith 1982 [1759], 181)

Here Smith criticizes, or perhaps praises, the great deception of society that makes people believe hard work brings riches, which in turn will bring comfort and happiness. Again, it is important that this parable is read in the context of Smith’s wider work, however, it is undeniable that this seems to be a stark warning against devoting one’s life entirely to work, no matter how diligent and honest. According to Smith, the poor man’s son has become so enraptured by the promise of more wealth, and the idea that hard work can get him there (which in some ways it seems to) that he has become caught in an endless vicious cycle, never satisfied with his current lot.

Despite Smith’s defense of capitalism’s ability to promote economic growth, and the benefits this has for people throughout societies, his warnings are clear. He suggests that devoting one’s life to work, particularly work of a specialized and simple sort, can decay the mind, the body, one’s morals or some combination if we do not actively prevent decay.

Karl Marx

Karl Marx is perhaps one of the most famous writers on the topic of alienation in work, which forms a key part of his criticism of capitalism. Marx (1996 [1867-94], 151) condemned the commodification of human life in bourgeois society, pointing to prostitution in particular as the ultimate expression of this degrading process. In his comparison of alienation in Smith and
Marx, E.G. West terms the type of alienation Smith describes as ‘self-estrangement’, which forms a part of the Marxist critique as well. West also outlines two more concepts, ‘powerlessness’ and ‘isolation’, that Marx saw as features of alienation (West 1969, 2). These three aspects form the core of Marx’s critique on alienation in work.

Key to much of Marx’s writing is the idea of the inevitability of industrial capitalism, of which the division of labor was a key element. In his view, the worker gets caught up in this unrelenting move forward. Under this system, the workers no longer own the means of production and become estranged from what they produce, as well as controlled by the few that own the resources (Marx 1996 [1867-94], 801). From this comes the sense of powerlessness, as workers are alienated from their product and operate at the mercy of the capitalist. Work’s isolating influence stems from the forced communities people are pushed into through work. Rather than choosing their associations freely, work forces people into mechanical and functional groups, thus stunting human development and isolating them from each other (West 1969, 4).

Like Smith, Marx saw the potential for self-estrangement through work. The detachment from one’s job that results from the division of labor causes the workers to become alienated from themselves. As much as labor enables a person to sustain his or her life, it does so only by simultaneously stunting it (West 1969, 5). Marx also criticized the ethic implicit in classical political economy that the driving motivation was to amass wealth. He argued that the goal of profit-maximization had a bad influence on man. Becoming a part of the production and exchange of commodities, with the drive to accumulate more commodities, ensnared and enslaved men in the market (ibid.). Marx argued that the capitalist becomes alienated as well, from himself and from the rest of the world.
If Smith and Marx are correct, and modern work has the potential to alienate the worker, this paints a grim picture. However, it is evident that many do not see their work this way, even those who work in seemingly menial or repetitive jobs by contemporary society’s standards. Cultures that celebrate hard work, no matter how menial, and traditions and institutions that reaffirm the link between hard work and value can counter alienating forces by reminding workers of the value they create. Weber and Tocqueville are two scholars in particular who saw something unique in the attitudes towards work that evolved with the US.

*Max Weber*

Max Weber’s *The Protestant Ethic and the Spirit of Capitalism* is perhaps the most comprehensive study of the evolution of capitalism and culture in North America. It is an attempt to understand the psychological conditions that made the shift to capitalism possible (Tawney, in Weber 1905 [1958], I (b)). He sees the success of protestant immigrants in the Northeast American colonies, a culture which emphasized hard work as a calling, as being key to the strength of capitalism in the country, pointing to the fact that there were many more protestants in capitalistic roles such as factory management (Weber 1905 [1958], 38). Quoting Franklin, Weber points to a spirit of capitalism - an attitude towards making money where making money is in itself is the goal rather than satisfying one’s material needs. Earning money by legally and diligently working is the result and the expression of virtue and proficiency (ibid., 54).

The largest hurdle capitalism had to overcome was the attitude associated with traditionalism. Weber said “a man ‘by nature’ does not wish to earn more and more money, but simply to live as he is accustomed to live” (ibid., 60). He argued that even if a man were offered more money for his product, he would just work less to acquire the same amount as before. It was this attitude that capitalism was battling against, and in the US capitalism triumphed, “the
imagination of a whole people has once been turned to quantitative bigness, as in the United States, the romanticism of numbers” (ibid., 78). Although Weber thought of the Protestant reformation as a foundation for capitalism, he maintained that without it capitalism probably would have succeeded anyway. The ideas of Luther and Calvin, with their beliefs in divine providence that professions were God-decreed, were quite different from the profit-motivated capitalism and respect for work in and of itself that grew from it (ibid., 83). The full economic effect of these religious movements was only felt once the religious aspect had begun to wane, in part, Weber argues, due to the secularizing influence of wealth. Even among the ascetic Puritans greed grew along with wealth (ibid., 176). Eventually capitalism outgrew religion and no longer needed its justifications. Weber is careful to emphasize that this work is no prescription on how to spread capitalism - instead it is a cultural analysis of the path of the US.

The unique character of America seems likely to have had an influence on the development of a unique American work ethic. The Founders emphasized a healthy distrust of government, and the influence of power, evident from their writing at the time, “I am not a friend to a very energetic government. It is always oppressive” (Jefferson, 1788). They eschewed the typical system of a preferred class of rulers and lawmakers for one that split, checked, and balanced power, “It will not be denied that power is of an encroaching nature and that it ought to be effectually restrained from passing the limits assigned to it” (Madison 1788). Various European philosophers such as Montesquieu’s work on the three branches of government and Hume on competing factions influenced the founders. Democracy emphasizes an individualist attitude, of working for yourself and not having faith that the government will look after you – something clearly reflected in the philosophy of work that developed in the US.
There is some debate on whether the Founders were influenced by the Protestant ideas of labor as a virtue, or whether their opinion on work came from the fact that having a hard-working populace is useful in increasing production. In *Notes on Virginia* Jefferson seems to connect his religion heavily with ideas on work, stating “those who labor the earth are the chosen people of God…” (Jefferson 1788). As previously mentioned, Weber also points to the words of Benjamin Franklin, saying his positive attitude towards capitalism comes from his religion. Dickson and McLachlan claim that a deeper look at Franklin’s life and writings shows respect for capitalism comes from pragmatism and is quite separate from his religious beliefs (1989, 88).

In Virgil Storr’s *Understanding the Culture of Markets* (2013), he highlights a takeaway from Weber’s impressive study of the US—the idea that particular economic spirits impact and influence economic development and animate the economic system. A particular form of capitalism is closely associated with a particular economic spirit. Storr explains “The spirit most appropriate for modern capitalist economic arrangements, for example, tends to animate modern capitalist economic systems. And, market-oriented economies tend to be predominantly peopled with market-oriented entrepreneurs. For Weber, then, a particular form of capitalistic enterprise is generally linked to a particular economic spirit” (2013, 61). The spirit of capitalism he mentions in *The Protestant Ethic*, one that encouraged diligent work and ascetic avoidance of excessive pleasure is just one of any number that could exist.

*Alexis de Tocqueville*

Alexis de Tocqueville wrote extensively on the character of the young US inspired by his travels there. Published between 1835 and 1840 in his most famous work *Democracy in America* he charts the democratic revolution, using the American founding to show how a nation’s prejudices and habits can be traced back to its early history (de Tocqueville 1969 [1835], 32). He
distinguishes the North from the South, where slavery dishonored labor and created a division between rich and poor, an almost aristocratic system which brought idleness to society (ibid., 35). The North however was settled by largely skilled and educated people, of fairly equal standing and a joint Puritan calling, which he claimed contributed heavily to their success (ibid., 36). Similarly, de Tocqueville contrasts North America with South America, though both had geographies offering near-unlimited scope and resources for human flourishing, they took different paths. This divergence he attributes to the difference in what he calls mores, or local attitudes (ibid., 135, 306). Americans were not part of a society built to satisfy their desires, so individuals had to pursue those desires themselves, and take the appropriate risks to do so, which led to much success in commerce (ibid., 403).

Although he spends some time on religion, de Tocqueville points to democracy as being the real driving force behind the American philosophy of work. Unlike other countries where democracy developed over time, the US was democratic from the start, and according to Tocqueville, democracy lends itself to individual betterment: “Enlightened men living in a democracy readily discover that nothing can confine them, hold them, or force them to be content with their present lot.” (ibid., 456). Self-interest is often achieved by forgetting about oneself (ibid., 510). In democracies, work is a necessary, natural, and honest condition of men, so profit and work are united.

“Among democratic peoples, where there is no hereditary wealth, each man works in order to live, or has worked, or is born from people who have worked. So the idea of work, as the necessary, natural and honest condition of humanity, presents itself on all sides to the human mind. Not only is work not held in dishonor among these people, it is honored; prejudice is not against work, it is for it.” (ibid., 969).

In contrast with the aristocratic history of much of Europe where your place in society was determined from birth and idleness was praised (ibid., 969), the democratic nature of the US
instilled in people a sense that working hard may allow you to improve your position. In aristocracy, the poor could barely imagine what it may be like to be anything else, and the rich had little concept of losing their wealth. As these ranks and separations degrade, everyone can picture gaining or losing their wealth, and this imagination plays a key role. Echoing the expansiveness of the American frontier, the imaginations of the people of the young US were vast. An individual could be whatever they wanted to be, the only thing they had to do was work.

De Tocqueville observed that this expansiveness in imagination did not translate to a passion for unbounded luxuries. Again, he contrasted this with aristocracy, where the tendency for those seeking material enjoyment so often fall into excess (ibid., 935). The development of a “multitude of mediocre fortunes” (ibid., 933) created in the US a class of people who had enough possessions to enjoy them, but not enough to be satisfied, who devote themselves to gaining more but always with the fear of losing what they have. This softened and curbed seeking of material gain could be reconciled with order, religion and morality, allowing for individual material betterment without sacrificing the spiritual (ibid., 935).

Like Smith and Marx, de Tocqueville also recognized the potentially alienating character of work undertaken as the division of labor increases, and the contentious relationship between worker and master. De Tocqueville had concerns that as industry grows, and the more people work on limited tasks, aristocracy could once again emerge. He wrote: “As the principle of the division of labor is more completely applied, the worker becomes weaker, more limited, and more dependent. The art makes progress, the artisan goes backward.” (ibid., 982). Although he

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3 “when patrimonies divide and enlightenment and liberty spread, the desire to gain well-being occurs to the imagination of the poor, and the fear of losing it to the mind of the rich.” (Tocqueville, 1969 [1835]:933)

4 De Tocqueville describes the worker becoming less intelligent as his mind is focused on a single task, while the manager gains a wide knowledge, and the two drift further and further apart: “Each one occupies a place made for him and does not leave it. The one is in a continual, narrow and necessary dependence on the other, and seems born to obey, as the latter to command. What is this, if not aristocracy?” (1969 [1835]:984)
claims this would be a far more limited aristocracy than any we had seen before given its confines in industry, he warns for proponents of democracy to be wary of the slow encroachment of this phenomenon.

De Tocqueville paints a vivid picture of the culture of the US at his time of writing. Using the contrast of the aristocratic society where work was for peasants who needed to survive, he showed how attitudes were shifting around work. Democracy seems to have been less of a political constraint in de Tocqueville’s eyes, and more of a social condition that enabled people to picture and work towards a better life, and perhaps most importantly gain dignity from the act of working towards their goals.

Growing Acceptability of Capitalism Meant Acceptability of Work

Smith, Marx, Weber and de Tocqueville are not the only classical thinkers to have attempted to understand the changing attitudes of this time, and the rise of capitalism and corresponding attitudes toward profit and work is something modern scholars still puzzle over. Many economic historians agree that at some point, at least in Western history, individuals began to embrace capitalism. Although she spends little time addressing the issue of work directly, Deidre McCloskey’s work on this phenomenon looks at many complementary issues, such as views on profit, the role of institutions, religion, and ideology, in an attempt to explain why capitalism results in economic and social prosperity. An important theme running through McCloskey’s work on capitalism is the idea that market exchange is a unification of the sacred and the profane. As much as capitalism and markets are about prudence, calculation, and planning (the profane), they are also about trust and relationships (the sacred) (McCloskey 2007, 432). Those who run businesses with only the profane in mind miss out on many opportunities to succeed.
In McCloskey’s view, work and profit became more acceptable not so much thanks to the Protestant Reformation, but instead the Protestant Reformation came about because work began to be seen as worthwhile thanks to shifting attitudes and the expanding bourgeoisie. McCloskey describes work as a calling, both as a bourgeois sin and as a bourgeois virtue (ibid., 461). This shift in attitude allowed for those like the Quakers and the Calvinists and the Mormons to make their fortunes whilst still staying true to their religion – more of a self-preservation tactic than a true change of heart (ibid., 461).

That the bourgeois class elevated work to this new standard is quite impressive, and quite revolutionary. Whereas once work was seen as degrading, it shifted to give life meaning. This view on the importance of the work ethic is not restricted to academic thought. In a Labor Day address, Richard Nixon roused the crowd saying, “The ‘work ethic’ holds that labor is a good in itself; that a man or woman becomes a better person by virtue of the act of working” (Nixon 1961). Benjamin Hunnicutt wrote that the work ethic of America makes work a secular religion, offering “personal identity, salvation, purpose and direction, community, and a way for those who believe truly and simply in ‘hard work’ to make sense out of the confusion of life.” (Hunnicutt 1990, 12). In a similar vein, Terkel wrote that a job is “a search, too, for daily meaning as well as daily bread, for astonishment rather than torpor; in short for a sort of life rather than a Monday through Friday sort of dying” (Terkel 1974).

In his book, A Culture of Growth, Joel Mokyr provides an explanation for the immense economic growth of recent years, and touches on the issue of work. Like McCloskey, he does not believe the answer lies in institutions, for Mokyr the answer lies in cultural changes (Mokyr 2017, 7). Culture differs from institutions in that it is entirely of the mind and to some extent a matter of individual choice. Most specifically, Mokyr argues that it is the cultural beliefs
surrounding the attitude towards Nature, and man’s ability to harness it that has determined the
growth of useful knowledge and driven technological progress (ibid., 14)

Religion is once more a key aspect of the origins of modern economic growth. Mokyr
points to Enlightenment religion, particularly the more elite branches of Christianity as having a
significant impact on the cultural environment of the late seventeenth and early eighteenth
centuries, making it particularly conducive to technological creativity (ibid., 246). Here, Mokyr’s
analysis fits quite well with Weber’s, stressing the importance of the fairly radical new view that
economic activity was virtuous, that prosperity and material reward for hard work was perfectly
moral (ibid., 246). The Enlightenment was unique in the Industrial Revolution, the culmination
of a centuries long process of intellectual change in Europe (ibid., 339). It involved two radical
and complementary ideas: “the concept that knowledge and the understanding of nature can and
should be used to advance the material conditions of humanity, and the belief that power and the
government are there not to serve the rich and powerful but society at large” (ibid., 341).
Mokyr’s emphasis on cultural processes stands in contrast to the neoclassical view of work.

III. The Neoclassical Economics Approach to Work

Standard neoclassical economics reduces the significance of work to its contribution to income.
Neoclassical economists view labor as a matter of supply and demand. Workers work to earn
money, and employers employ workers to produce various goods and services. A firm is willing
to hire a worker when doing so would increase the firm’s revenue by more than the increase in
cost, so overall firms have a downward sloping demand curve for labor, with the marginal
product of labor decreasing as more people are employed. The market supply of labor is
generally upward sloping with wages, as people are willing to work more when wages increase
(Cowen and Tabarrok 2015, 331). Unemployment represents wasted potential production within
an economy, but for many modern economists such superficial analysis is where discussions of work stop. Writers in modern political economy rarely give much thought to the impact of work on individuals’ economic lives.

The desire to simplify human interaction with the market is not unique to the study of work. There are many areas where a simplified, exchange-only view of economics clashes with human values and people’s experiences interacting and socializing in market settings. In her discussion of the life insurance industry Viviana Zelizer (1978) explains how the subject of establishing monetary equivalences for things like life and death is chronically understudied. She argues that many social scientists are too absorbed with market models and the notion of economic man, leading them to disregard the complexities that occur in this space where values and the market overlap (Zelizer 1978, 592).

Economists today often talk about work in terms of issues such as gender disparity (Gallen, Lesner, and Vejlin 2019; Azmat 2014; Bellemare, Lepage and Shearer 2010), wages (Hara 2017; Reenen 2011), and education (Meroni and Vera-Toscano 2017), and use econometric analysis and lab experiments to see how such factors effect productivity. There is little or no time spent looking deeper into the why behind these factors, resulting in top-down policy suggestions that work well on paper but perhaps not so in real life.

The shallow approach is widespread at a policy level as well, where statistics are the bread and butter when talking about opportunity, unemployment and working conditions. The top featured story on the US Department of Labor’s website at the time of writing is a report emphasizing that for one year the US has seen more job openings than job seekers, and links to a report by the Bureau of Labor Statistics (2019b). Given that the US, like every other nation, still struggles with unemployment and its associated problems, clearly these numbers are not able to
tell us the whole story. The BLS is an agency whose goal is to be “responsible for measuring labor market activity, working conditions, and price changes in the economy” (2019a). One of their most recent reports is “A Profile of the Working Poor,” which contains information on race, gender, part-time work status, number of children, and education level, and on average how any of these factors increase or decrease your likelihood of being among the ‘working poor’.

Policy makers tend to use such statistics to offer blanket solutions to problems. Inclusion in the workplace has been an important issue for the past few decades, driven by high-status lawsuits and statistics that show low percentages of women and minorities in many more elite workplaces, lawmakers put pressure on companies to improve their diversity (Hirsh and Cha 2016). The effectiveness of such mandates are questionable, given the different structures and needs of individual firms. The command and control strategies of diversity training and diversity programs can stir up resentment and make current employees feel they are being shamed, causing even more resistance and leading to little increase in diversity, or sometimes leading to improvement in statistical diversity but worsening of attitudes towards minorities (Dobbin and Kalev 2016). A ‘productivity-only’ view misses many of these intricacies.

IV. Contemporary Literature: A Return to Political Economy

There is hope that culture is returning to the discussion about the role of work. Culture influences economic development as well as attitudes toward work and community. Don Lavoie and Emily Chamlee-Wright argue that to get a sense of whether a community is likely to grow wealthier you should find out what myths they believe, heroes they admire, and stories they tell, and that a culture that celebrates entrepreneurial activity is likely to be a successful one (Lavoie and Chamlee-Wright 2015, 147). The unique founding of the US helped form a culture and birth institutions that encouraged a strong work ethic and an enrichment through work that fended off
the worst pains of alienation. When people work hard and still live fulfilling lives they thrive, so fostering an environment of work and fulfillment should be a top policy priority. Weber’s *The Protestant Ethic and the Spirit of Capitalism*, is an example of this type of “culturally aware economic analysis” (Storr 2015, 245) that economists might want to do. In studying the spirit of enterprise persistent in the Bahamas, Virgil Storr points to a quintessential Bahamian cultural experience, that of the Junkanoo street parade, as an example of a tradition that teaches and demonstrates an impressive work ethic (ibid., 255). The intense hard work involved in preparing for the parade, spurred by the competitive aspect, reaffirms the link between success and hard labor, and permeates into everyday life outside of the parade (ibid., 255).

In a similar cultural analysis, Emily Chamlee-Wright (1997) looks at female entrepreneurship in the marketplaces of Ghana. Her work involves studying these settings, and talking to the women who live and exchange. Despite social conditions that threaten to alienate them from work, such as weaker access to credit institutions than men, these women drew on their cultural background and established systems of dispute resolution and inheritable property rights that helped them succeed (Chamlee-Wright 1997, 104–110).

Although work like Storr’s and Chamlee-Wright’s is growing in popularity, the field of economics in general, particularly economists who study work, does not engage in this type of cultural analysis. Disciplines outside of economics give the social and moral content of work a more prominent place. Robert Putnam’s sociological work on social capital focuses on how in an increasingly capitalistic and work-driven society, we are beginning to weaken social bonds and degrade associational life, which has very negative effects (Putnam 2000). Sharon Bolton and Knut Laaser (2013) have similar concerns about the degrading effect of capitalism on social and moral life. They recognize the tensions of work under capitalism:
“An increasingly liberalized and disconnected capitalism, its inherent tendencies to treat labour as a ‘fictitious commodity’ and the impact this has on the well-being of individuals and wider society. On the other hand, there is also a need to represent the status, self-confidence, security, companionship and joy that can be derived from work.” (ibid., 509).

The application of sociology to management studies is an area where scholars use culture to gain unique insights. In Lauren Rivera’s “Hiring as Cultural Matching: The Case of Elite Professional Service Firms” (2012) she spends time in the hiring departments of multiple elite professional firms in law, finance and consulting. She discovers that employers engage in heavy cultural matching when deciding on candidates, finding that “concerns about shared culture were highly salient to employers and often outweighed concerns about absolute productivity” (Rivera 2012, 999). In a similar vein, Nan Lin and Mary Dumin (1986) have undertaken work understanding how social ties effect access to occupations, finding that the strength of your social position, and the strength of your ties have influences on both the range and prestige of jobs available to you.

The relational aspect of work and the value people gain from the relationships formed and status built in the workplace is a factor that economists undervalue. Sociologists currently dominate the field in studying why people choose unstable or unprofitable careers that seem to defy rationality. In cultural industries in particular, such as journalism and the music business, the opportunity for creative expression, to attend prestigious events and benefit from the status and psychological reward of working in a field you are passionate about outweighs the lower wage (Menger 1999; Christin 2014; Frenette 2013).

Economists have a lot to contribute in this space. The work of Weber and Tocqueville show that the disciplines of economics and sociology were once a lot closer, constituting a form of economic sociology. Economic sociology is beneficial partly because it is able to avoid the
pitfalls of the neoclassical approach to economics, particularly the over-simplified approach to decision-making. Neoclassical economists see the individual as an atomized decision-maker using utilitarian calculation to determine every choice, resulting in an undersocialized actor (Granovetter 1985, 483). Economic sociology employs the concept of embeddedness, that all economic action is embedded in our social relations, as a useful tool in explaining the behavior of individuals that reflects what we really see in our day-to-day lives.

V. Policy Implications

Although at first glance, the assertion that ‘culture is important’ or that policy must be cognizant of culture may seem quite vague, but this research has important policy implications. For example, when it comes to helping those who are unemployed, policy that just throws money at the issue, or finds busy work to move people into, is ignoring the moral and social importance that work may hold for some people. Certain situations require greater focus on improving civic life. Understanding culture can also help mitigate some of the potential harms of policy aimed at helping workers.

Culture should become a key factor in policy decisions. Culture is as important to understanding human behavior as statistics and models. Ignoring culture can lead to policies that fit poorly with people’s lived experiences causing frictions or unintended consequences that may do more harm than good. In the US, work is valued very highly, not just as a way to earn a wage, but also as something vital to human dignity. Americans tie work to individualism, democracy, and an American identity. In the US therefore, it may be critical to consider whether a policy will increase or decrease the barriers to getting a job, even if it might still put money in the pocket of someone who needs it.
One policy to reconsider on these grounds is occupational licensing restrictions for industries that are traditionally appealing to entry-level or low-skill workers. These regulations intend to keep workers and consumers safe can often have unintended consequences for specific groups of people that are not apparent at first glance. For example, many low-income women look to offering at-home beauty services to make ends meet, such as hairdressing, braiding or nail services, as they often already possess the necessary skills and customer bases they need and can fit work around childcare. Licensing laws for cosmetology vary by state but can be very time consuming and costly, in West Virginia it requires 467 days of training and a $185 fee, while in Alabama it costs $275 in fees and 350 days of training (Gowins 2014). For women already struggling to provide for and dedicate time to their families, occupational licensing restrictions impose a prohibitive cost, crippling their ability to make money and support themselves and their families. This disproportionate cost is not obvious unless one has taken the time to understand the workers in these types of businesses, their motivations, alternatives and beliefs about their skills and work. Policymakers who took the time to understand the needs, obstacles and incentives these women face as well as their beliefs, communities and ambitions, might have been able to predict these adverse effects and search more effective and less damaging solutions.

There are many more areas of policy related to work that would benefit from a return to the approach favored by the classical economists, where a neoclassical approach seems to miss something vital. Given the relationship between work and dependency, welfare policy would also greatly benefit from a deeper examination of incentives and behavior not present in neoclassical economics. The importance of work to people alters the costs and benefits of welfare payments, not just because of the income it provides, but for the sense of fulfilment,
social relationships and self-esteem working affords. Policy makers would be wise to take into account these non-monetary factors.

Immigration is a further area that could benefit from this approach. If a culture sees a profession as less favorable, and employers struggle to fill positions, it may be an area for reform since immigrants would not be denying jobs to native-born people. We often see this with difficult, seasonal jobs such as fruit harvesting and crab picking, where even if farmers and factory owners would rather hire domestically to avoid the extra work of immigration requirements, it is not possible due to low labor supply for these jobs (Escalante, Wu & Li 2015).

Areas of Potential Future Study
Although outside the scope of this paper, the ideas presented here have further interesting applications. The focus here has been on paid work but the realm of free labor, specifically unpaid work given freely and endowed with a sense of autonomy, would be an interesting area to bring in these same themes on dignity and social relations in this unique context. Numerous other factors are at play with unpaid labor. Ashley Mears (2015) looks in depth at the VIP hostess industry, paying particular attention to how the relationships forged and the strict boundaries enforced play an important part in setting their unpaid work apart from exploitation and how the absence of payment legitimizes this work. Boundaries, particularly in the context of relational processes, are essential to many aspects of social life, and help to distinguish professions from one another (Lamont and Molnar 2002). In Mears’ findings the introduction of payment has the potential to turn what is seen as leisure, and having fun with friends (the VIP girls) into something disreputable and demeaning (the table girls), the absence of payment is a symbolic boundary between the two (Mears 2015, 1116). This idea draws on the thesis I put forward that the social and moral content of work is extremely important to people and can completely
change how people view the work they are undertaking, and what they are willing to do. Further analysis of this type of work would help explain why some industries attract throngs of people, despite insecurity, lack of benefits, and sometimes even lack of payment (Kalleberg et al. 2000).

VI. Conclusion

The current neoclassical approach to understanding work seems to miss some of its most important content. Beyond the wages earned and the leisure time forgone, there exist positive and negative aspects that factor into people’s decisions about work, leading them to make decisions that seem irrational, and to overcome issues such as alienation that threaten human flourishing.

Classical political economists such as Smith, Marx, de Tocqueville and Weber emphasized the importance of culture, social relations and beliefs when it came to work and workplaces. Despite being a proponent of the division of labor for its productive potential, Smith warned of its potential for alienation and worried what it would do to societal well-being were steps not taken to mitigate this alienation. Marx saw the alienation of workers, from themselves, from each other and from the world, as a hugely destructive force. When they studied how real people worked and lived, Max Weber and Alexis de Tocqueville found that work very often was not the damaging and decaying force these thinkers worried about. As capitalism grew in the West, and in the US in particular, Weber noted how a certain economic spirit, that he associated with ascetic Protestantism, helped to make hard work and profit-seeking dignified. This added a moral value to hard work that helped to offset the more negative aspects. Alexis de Tocqueville’s analysis of the US contained a similar perspective, that of a growing acceptance of hard work as acceptable and praiseworthy rather than just necessary to survive, though his view linked this
shift to the growth of democracy and the idea that (unlike in aristocratic societies) hard work
could truly lead to individual and societal betterment.

The kind of cultural analysis these classical scholars undertook was replaced in the 19th
and 20th centuries with a focus on neoclassical economics. Studying work became about
production. Factors such as gender, inequality, and wages were examined only for the impact
they would have on the bottom line of a firm, or a nation’s overall production, and statistics
reigned supreme. Although such analysis has much to offer, work is such a vital part of people’s
everyday lived experience and forms a core of their social as well as their economic lives. People
get more than wages from their jobs; they get fulfillment, relationships and personal growth and
ignoring these leads to stunted analysis and ineffectual policy.

If policymakers want to make better-informed policy decisions, they need to be more
acutely attuned to what work really means to people. We cannot prescribe one-size-fits all
solutions that ignore that treat work solely as a paycheck. The work of recent scholars such as
Emily Chamlee-Wright and Virgil Storr demonstrates the high standard of cultural analysis that
is necessary, and what we may learn from it. Scholarship in sociology and other fields show the
potential for economics to learn from and improve upon the work already undertaken. This more
comprehensive view of the role of work in society opens up the door to further examination of
how culture and perceptions of work play into debates on regulation, immigration policy, welfare
programs and the discussion on universal basic income. There is much to be gained from
following their example and returning to the rigorous approach of the classical economists.
References


