

# **Decommodification as a Foundation for a Human Rights Based Political Economy**

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## **Introduction**

One of the main features of mainstream economics is that ideally, exchanging labour and goods and services should take place in a market, where both suppliers and demanders seek to satisfy their respective private interests, the equilibrium between each position being reached through price flexibility. This is actually the essence of this approach as Alfred Marshall claimed in his *Principles of Economics* when writing: "Economic laws, or statements of economic tendencies, are those social laws which relate to branches of conduct in which the strength of the motives chiefly concerned can be measured by a money price" (Marshall 1890). However, jobs and some goods and services, such as water and social security, are needed to secure human rights. Consequently, one is entitled to ask if there should be a specific mode of allocating them. Mainstream theory admits an exception to market rule for public goods and services, but most goods and services necessary to secure human rights are not public and could, therefore, be partly exchanged according to market rules, and from the point of view of mainstream theory, if they can they should.

Economic and social rights such as the right to work and the rights to water and social security form the basis for the discussion carried out in the following pages. The right to work, means the opportunity to gain ones living by work and to just and favourable conditions of work ensuring a decent life and is recognized by article 23 of the Universal Declaration on Human Rights (UDHR) and articles 6 and 7 of the International Covenant on Economic, Social and Cultural Rights (ICESCR). The right to water and sanitation was recognized at the General Assembly of the United Nations through resolution 64/292 (UN 2010), the United Nations Council for Human Rights

(UNCRH) having passed in September of that same year another resolution recognising the right to water and sanitation as part of the human right to an adequate standard of living (OHCHR 2010). In turn, the right to social security, whose purpose is, first, to guarantee access to health and social services, and second, to provide income security to meet life's risks, in other words, to avoid or alleviate poverty resulting from unemployment, disability and old age (ILO 2005), is recognized in articles 22 and 25 of the UDHR and article 9 of the ICESCR.

The main issue here is whether these human rights can be commodified, our understanding of commodification being that of political economy, where it means above all a process within which economic value is assigned to something not previously considered in strictly economic terms. Labour, water and social security, would then be provided by the means of a market transaction, this exchange being monetised and motivated by profit. Thus, one should ask if this is compatible with human rights principles. There are essentially four groups of fundamental human rights principles. First, universality and indivisibility; second, accountability and rule of law; third, participation and empowerment, and; forth, equality and non-discrimination.

Respect for the principles of universality and indivisibility imply that no one can be arbitrarily deprived of the enjoyment of human rights and that the value of each human right is intrinsically equal. The principles of accountability and rule of law presume that each individual has some sort of credit with society concerning the guarantee of human rights. In human rights language the exchange held between an individual and a provider consists in a relationship between a rights-holder and a duty-bearer. If the rights of an individual are not secured, this means that other individuals or institutions have failed in carrying out their duties, accountability becoming therefore a critical issue.

Participation and empowerment mean not only that every person and all peoples are entitled to active, free, and meaningful participation in decision-making processes that affect their lives and wellbeing, but also that the outcome of these processes should strengthen the participation and the empowerment of these same persons and peoples in other levels of social life. In other words, decision-making processes must be

substantively democratic and simultaneously should contribute to reinforce substantive democracy (Branco 2012).

Finally, equality and non-discrimination; human rights, if they are to be fully taken as rights, must be equally allocated among all those entitled to enjoy them within the community. Basic liberties do not admit any allocation other than an egalitarian one (Rawls 1972). This does not imply that goods and services necessary to secure human rights must be equally distributed among people, but that everyone must have equal access to the minimum amount of that material provision considered fundamental to secure a given human right. Non-discrimination means that no one can be deprived of his or her human rights on the basis of ethnic, religious or political affiliation, and also gender and economic status. The following lines will argue that markets cannot fully meet such human rights requirements as universality, equality and accountability.

### **The commodification of water and of social security**

As commodities, water and social security have a price and are provided in order to meet a viable demand and obtain a return. This commodification process is also characterised by the marketization of the state, that is to say by a growing intervention to support and enhance the market (Holden 2003) or a tendency of the state to behave like a market oriented firm (Branco and Henriques 2012), namely by introducing the principle of full cost recovery (Bakker 2007). In Durban, South Africa, for example, a public official declared in December 2004 that they were running the city's water distribution exactly like a business, except that they were not operating as a profit maker or a loss maker; and therefore had to pass on tariffs to recover costs, adding that delivering water was no free lunch (in Bond 2014: 10-11).

The consequences of commodifying water and social security, as human rights, are twofold. On the one hand, it transforms the relationship between the recipient and the provider of human rights into a commercial relationship (see Carvalho and Rodrigues 2008). A commercial relationship connects a buyer and a seller who exchange goods and services in return for a certain amount of money with the purpose of maximising

utility in the case of the former and profit in the case of the latter. In human rights' discourse the nature of the relationship is substantially different. In the language of human rights the rights of individuals correspond to duties of other individuals or institutions, and, thus, wherever there is a right of an individual, there is a duty to provide institutional protection to this right. In this case, therefore, the recipient is considered a rights holder rather than a mere client, and the provider a duty bearer rather than a mere merchant. Furthermore, exchanging home appliances and water or social security according to the same principles based on exchange value, implies considering human rights as having the same basic properties as a toaster, or a microwave oven.

At first glance there seems to be some general agreement in human rights and economics literature that, if unregulated, markets fail to secure economic and social rights (Freeman 2002, 149). Since the concept of merit goods was proposed in the late 1950s (Musgrave 1959), one could think that even mainstream pro-market scholars would agree that the main responsibility for securing economic and social rights should not be given to markets. In reality, though, there is a wider range of perspectives. Some scholars argue not only that markets cannot secure human rights (Petrella 2001; Halperin 2004), but also that they can be blamed for creating the conditions that made human rights necessary (Donnelly 2002) and even that they may oppose to human rights (Held et al. 1999; Seymour and Pincus 2008). For some others, on the contrary, this is a question that probably should not even be raised, as people already satisfy many of their economic, social and cultural rights through markets, paying market prices for food or shelter, for instance (Osiatynski 2007). In the case of the human rights to water and to social security there are voices that argue that private provision is not only possible (Bakker 2007; World Bank 2012) but also virtuous (Kotlikoff 1996; Rogers et al. 2002; Bailey 2005; Segerfeldt 2005) if properly regulated.

Up until 1989 very few communities in the world, outside France, had privatised water supplies (Hall et al. 2011). From early 1990s onwards, though, a considerable wave of privatisation has occurred in many parts of the world most especially during the post communist transition in countries of Eastern Europe, and in developing countries as a consequence of the conditionalities imposed by the International

Monetary Fund (IMF) and the World Bank. More recently, in addition to the fact that private delivery of water services in the world never actually managed to reach more than a small minority of communities, this wave seems to have somewhat receded. In the case of developing countries this was largely due to the failure to achieve acceptable return on investment and control risk (Bakker 2007: 440). In developed countries, however, pressure to privatize continues to be felt, albeit discretely. These same 1990s were also the time for many governments to seek the reduction of their own responsibilities in social security, paving the way to private supplying (see ILO 2011). From 1981 to 2007, for instance, more than thirty countries worldwide fully or partially privatised their pension systems (Orenstein 2011: 65–66). Thus, taking into account the different points of view on the role of markets and the performance of the private sector in providing water and social security world wide, the question must be raised as to whether markets can secure these human rights, which means complying with human rights principles.

When the provision of goods and services as human rights is concerned, one is forced to admit that the degree to which people's needs are covered in a certain instance may be better than in another. In other words, this provision must be understood as a statement of a social preference. A situation in which all the population benefits from safe tap water or social security is better than any other. Actually, when human rights are concerned, universal coverage is the only acceptable situation, at least as a tendency. Any situation other than universal coverage must, therefore, be considered not only inferior, but also unacceptable, as it could be considered a violation of human rights. Furthermore, rights, if they are to be fully taken as rights, must be equally allocated among all those entitled to enjoy them within the community. Markets cannot do this, however; they cannot state social preferences such as these.

In the case of social security, for instance, not only private health insurance schemes will not insure those incapable of paying, contradicting the principle of universality, but also will not insure people equally depending on their ability to pay, contradicting the principle of equality. Regarding retirement pensions, through capitalization or pre-funding, in contrast with a public contribution, or pay-as-you-go system, in which the amount of the pension is predetermined, a private insurance scheme cannot guarantee by the end of its customer's active period a comfortable level of income without

speculating in financial markets (Piketty 1997; Orenstein 2005; Halperin 2004). With a pay as you go pension system, income is an a priori guarantee, which constitutes the essence of a right, whereas with a capitalization pension scheme, income constitutes an a posteriori result of a financial venture, whose fruitfulness is submitted to probability, an uncertainty that contradicts the binding character of a right. Furthermore, the risk involved in these investments is placed on the employee, in other words on the person who should supposedly be protected by social security (Halperin 2004).

The second argument concerns the lack of accountability of markets. Water and social security being human rights, it follows that each individual has some sort of credit with society concerning the availability of drinking water and social protection. If there is not enough water or social protection for everybody and therefore the individual's rights to water and to social security are not being secured, he or she must know whom to hold accountable. When the state, for example, fails in securing an individual his or her human rights, the state is accountable, either legally in a court of law or politically through elections. If the market fails in securing human rights, whom should an individual turn to?

Corporations operating in markets in a capitalist society are at most indirectly accountable to its shareholders (see Ellerman 2007, 16–17). According to corporate governance, in a capitalist society decisions are not taken by all those affected by them, but by those who own the capital. Therefore, in a society where markets take most of the major economic decisions, controlling accountability becomes, at best, dependent on each shareholder's financial weight; at worst, citizens will be governed by an unaccountable entity. Some argue that privatisation would actually reinforce accountability in delivering water and social security (e.g., World Bank 2012; Kotlikoff 1996; Rogers et al 2002; Winpenny 1994), but the sort of accountability referred to in these arguments relates to a responsible relationship between provider and paying customers and not to accountability to those that have been excluded from access to water and social security, a critical issue considering the large number of citizens around the world affected by a deprivation of this sort.

## **The commodification of labour**

In mainstream analysis labour is also considered a commodity, and as with any other commodity, suppliers and demanders are supposed to meet in a market to exchange it. Within this framework labour embodies the supply side and capital the demand side, with workers selling labour and capital owners buying it. Logically, the relationship between supply and demand in this market will determine the price and the amount of the item transacted, in other words the equilibrium real wage, and the equilibrium level of employment. Consequently, for capital owners, besides a productive resource, labour is a cost.

This approach has deep and long-established roots in mainstream economic thinking also outside academia. David George, for instance, observed that articles published in the New York Times since 1900 were twice as likely to refer to money spent in labour as a cost rather than a salary, wage or earnings (George 2013: 94). Conversely, since 1980 money going to managers has been twice as likely to be termed a salary instead of a cost (George 2013: 95). Labour being considered a cost among others in mainstream economics it is, therefore, quite logical to look for saving as much work as possible. In a world relentlessly pursuing efficiency, cars burn less petrol, home appliances use less electricity, communications take less time, and a particular economic activity requires fewer people. This discourse leaves little room for considerations such as providing a job for everyone, in other words to comply with the principle of universality. Mainstream labour economics goes even a step further as a matter of fact. If for employers, wages are a cost, for employees, on the contrary, they are a benefit. Therefore, by referring to wages mostly as a cost, mainstream economics clearly embraces employers' point of view whereas the right to work objectively responds to the need to protect workers, the weakest link in the labour transaction.

The way wages are supposed to be determined in mainstream theory adds yet another element to the understanding of its conflict with the right to work. In the mainstream view, wages depend basically on labour supply and demand. The demand for labour, in other words the number of jobs available, depends in turn on the marginal productivity of labour. The higher this marginal productivity, the higher the demand

and, therefore, all things being equal, such as supply, the higher the wages. In this language, wages remunerate the performance of a task and depend on how productive that performance is. In the language of the human right to work, on the contrary, wages, and especially minimum wages, are primarily seen as the income necessary to satisfy the needs of workers and their families, irrespective of performance. This interpretation of wages is quite explicit in articles 23 of the UDHR and 7 of the ICESCR referred to earlier.

Furthermore, in this theoretical scenario any resulting unemployment is purely voluntary or frictional. Lacking a job, then, is not the consequence of a violation of an individual right but that of an individual choice. An individual made the choice of retreating from the market because at the equilibrium wage he or she is not interested in working and prefers leisure instead, for instance. Likewise the responsibility for the mismatch that may occur between the needs of the market and the qualifications of the individual, which according to mainstream theory supposedly explains part of the existing unemployment in developed economies (Simkovic 2013: 62), can also be assigned to the wrong choices regarding his or her education. In the mainstream scenario, thus, the individual has been given the right to choose this or that training and whether to work or not to work. Consequently, no objective responsibility can be assigned to society for the situation in which one willingly decided to place oneself. In such a scenario, again, there is no room for the right to work and the corresponding duty to provide for it.

In human rights language society is a duty bearer and the individual is a rights holder. Thus, when it comes to the right to work, society has the duty to make jobs available for all those willing and fit to work, although individuals do not have the objective right to a particular job with a particular firm or organization. Mainstream economics, however, reverses this logic of responsibility. Indeed, in its discourse not only do individuals have a duty to acquire the qualifications for which market demand is highest, but also they are denied the moral right to refuse work if they consider that the putative equilibrium wage is insufficient to provide a life with dignity. An approach that is summarized as follows: "the unemployment spell will last longer the larger is the asking wage" (Borjas 2013: 513).



## **Decommodifying Human Rights**

If securing human rights cannot be rightfully done through a market system, then an alternative mode of allocation is needed. First, one has to bear in mind that meeting human rights is about allocating use value rather than trading exchange value. Human rights, and most especially, economic social and cultural rights correspond to material or immaterial human needs, such as food and shelter or health and education. These needs are met in the first instance by getting hold of the use value contained in food, housing, medical treatment or schooling, not from the exchange value assigned by a putative market. Second, economics must acknowledge that value can be produced outside the market. The first step towards making economics converse with human rights with the purpose of securing them would, then, be to consider demarketizing or decommodifying the allocation process within economic theory and analysis.

The concept of decommodification was first, explicitly, introduced by Gosta Esping-Andersen according to whom decommodification "occurs when a service is rendered as a matter of a right and when a person can maintain a livelihood without reliance on the market" (Esping-Andersen 1990: 21-2). Still according to Esping-Andersen the decommodification of certain goods and services via social protection has been implemented by the welfare state precisely to protect individuals from the exclusive reliance on the market induced by a commodified society. Although they didn't explicitly use this terminology, the concept of decommodification was already present in the works of Karl Polanyi (1944) and Karl William Kapp (1978 (1950)) for instance. Polanyi and Kapp were worried about the consequences for society of the necessary commodification of labour and of human needs under capitalist rule. The marketization of society and growing social costs were the natural consequences of this commodification, paving the way to compromising human livelihoods.

Decommodification may be defined, then, as any form of economic activity that is non-exchanged, non-monetized or without a profit motive (Williams 2005). In other words "decommodified areas of social life are relatively autonomous sub-systems of life oriented to the production and distribution of use values" (Offe 1996) and grounded in a logic centred on meeting social needs rather than on obtaining profit

(Vail 2009). Although decommodification supposes in principle the absence of money prices, some sort of price mechanism, that Klaus Offe and Volker Ronge call nominal fees, may be used in the process of allocating some goods and services, namely to secure the sustainability of its provision. According to them, however, these fees do not transform the allocating process into a sale, on the contrary, they preserve its character of legal claims, legal compulsion, acknowledged need or simply free use (Offe and Ronge 1975: 145).

### **Decommodifying goods and services necessary to secure human rights**

Reconsidering the role of money prices in the process of allocating decommodified goods and services inevitably leads to raise the question of gratuity. If universality and equality are mandatory principles when allocating goods and services necessary to secure human rights, gratuity becomes, logically, the most effective mode of guaranteeing access to them. Considering gratuity means a significant change in the way contemporary economics envisages the allocation of goods and services, but maybe not such a radical change after all. Gratuity obviously releases the service of the price, so dear to economics, but not of the cost (Ariès 2018) and, therefore, does not totally exclude the use of traditional principles of economics. A report by the Institute for Global Prosperity of the University College London justifies free access to some goods and services such as health, education, food and housing on the basis of relative cost efficiency and tax neutrality (Institute for Global Prosperity 2017), for instance. Besides, this same report determined that for the United Kingdom the costs of free access to Universal Basic Services would be of 2.3% of the GDP (Institute for Global Prosperity 2017: 14), an amount that would hardly cause a systemic quake.

Another aspect of decommodification consists in recognizing that value can be produced outside the market and that this value is not a mere manifestation of the value created in the market. In other words non-market production adds rather than subtracts to market production. In mainstream economics financing non-market production like welfare, for instance, can only be achieved through a retrenchment on the value produced in the market sphere (Harribey 2008: 70). Logically if one wants to increase welfare, market production should be increased in turn. This is a fallacy

says Jean Marie Harribey (2008). This fallacy lies partly in considering taxes, by which non-merchant goods and services are paid, as a retrenchment on income rather than as the means of payment required by the specificity of these goods and services.

Furthermore, just as work in the market sphere creates market value, work in the non-market sphere creates non market value, but value after all. Therefore, wages in the non-market sphere, for example, are not paid by the income generated in the market sphere; but by the income generated in the non-market sphere itself even if of a different kind. Thus, arbitrating between marketable goods and services or goods and services necessary to secure human rights is of the same nature in terms of the impact on the overall income as arbitrating between bread and shoes. One of the main reasons why the affordability of rights issue comes up so frequently in public debate is precisely that the dominant vision of economics does not assign the same character to the value held by rights and by marketable goods and services.

If goods and services necessary to secure human rights should not be considered as commodities how should they be within human rights-based political economy? What would decommodification of human rights consist of? The first answer that will eventually come to mind is that decommodification means that the state should take charge of producing and allocating decommodified goods and services. However, it is worth remembering that one important aspect of present day commodification lies precisely in state behaving like a market-oriented firm. Therefore, the private versus state divide does not exhaust the debate on decommodification. One alternative to the commodity may, then, be the commons. Commons can be understood as a resource available to all members of a society, based on the notion that just by being members of the human family, we all have rights to certain common heritages (Barlow, 2012), as much as a social practice of managing a resource by neither the state nor the market.

The question becomes whether water and social security considered as commons positively respond to the requirements of securing human rights. First, commons meet the requirements of universality and equality as well or better than the state. The statutory purpose of community management is to serve community interest and in the case of water or social security, community interest means water and social

protection for all, thus solving the problem of incentives to avoid under-provision. Regarding equality, Elinor Ostrom reports that in Nepal farmer managed water systems are likely to distribute water more equitably than state systems, for example (Ostrom 2010). The European continental model of social security (see Esping-Andersen 1990), in turn, based on the contributions made by employers and employees and only sporadically on taxes, and generally managed in a mutualized fashion, although by the state on some occasions, theoretically guarantees a retirement pension without involving equity risk. In some systems like the French, unemployment subsidies are also partly managed in the same way. Finally, a mutualized health care system does not exclude beneficiaries on the basis of health risk as a private system may do.

Second, commons provide for accountability. Community management is governed by a set of norms that require the dissemination of information concerning compliance with statutory objectives. Thus, not only can defaults be detected but also those responsible for such non-compliance. A member of the community who considers that his or her right to water, for example, has not been secured knows whom to turn to for accountability. On the other hand, in addition to social pressure from members of the community (Bakker 2007), sanctions associated with possible non-compliance can be provided for in these same norms. Third, contrary to markets commons demand participation and empowerment. In community management shareholders and stakeholders make one and participation in at least annual meetings, where the main decisions are taken, is a norm.

Besides participation and empowerment, community management promotes cultural freedom, a crucial aspect of human rights, as local norms and cultural idiosyncrasies can more easily be taken into account in the process. In the case of water for instance, determining the minimum amounts of water that each family should have access to may be deeply influenced by local culture. The proximity provided by community management also favours, theoretically, greater acceptance of the arbitration between water's different uses. In social security, in turn, this proximity could also allow meeting more effectively the needs for social support of the community. Local criteria or definitions of deprivation may be more adaptable to local conditions and culture than rigid technical national formulas and households can also be identified quicker

since community groups may already have better information for identification of needs (UNDP 2016: 82). Furthermore, community involvement may potentially foster and strengthen social cohesion and community organizations (UNDP 2016: 82).

The question whether goods and services necessary to secure human rights should be free or paid for is another essential issue in discussing de commodification. The ICESCR states in its article 13, for instance, that primary education shall be available free to all and that secondary and higher education should be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education, which means that for the international community gratuity is considered a critical means in securing the human right to education. How does this apply to water and social security? Delivering the right volume of water of the right quality to the right place requires major investments of capital and labour, and these have to be made available and paid for, claims Eric Swyngedouw (2013).

Calculating the monetary cost of providing water and social security, in other words determining how much society must pay in order to secure these human rights is one thing, calculating these same costs in order to confront them with the benefits expected to derive from its enjoyment, by aggregating individually measured utility, in order to decide if society should provide water and social security to all, is quite another. Assigning a price to water and social security has a double and contradictory effect. On the one hand money price acts as an instrument of exclusion, and therefore can be considered blameable for the possible violation of those human rights exercised through the consumption of goods and services. On the other hand, money price can play an important role in controlling over-consumption, and, thus, in ensuring sustainability, a basic condition for long term universal access to these same goods and services.

By stating in its General Comment on the human right to water that people should have the means to access water, the UN Committee on Economic, Social and Cultural Rights agrees to the fact that it is acceptable for water to have a price (UN 2002: 6). Catarina Albuquerque, once United Nations special rapporteur on the human right to safe drinking water and sanitation, and today CEO of Sanitation and Water for All, hosted by the UNICEF, even argues that there are disadvantages in delivering water

and sanitation for free (Albuquerque and Roaf 2012). A price system could, therefore, be used within a human right to water framework. In South Africa, for example, government used its regulatory powers to require all municipalities to provide a basic minimum of 25 litres free of charge to each household and established stepped tariffs to provide a cross-subsidy from high-volume users to low-volume users (UNDP 2006, 64). Such an intervention undeniably guarantees that in theory poor households have access to a minimum amount of water regardless of the provider's nature, but only in case the necessary infrastructure already exists. Indeed, this same intervention does not guarantee private provision of the infrastructure, a process that requires a large investment and whose profitability is obviously more hazardous than just managing the existing infrastructure.

The act of attaching a price to a non-market object is not neutral, however; it has the effect of inscribing it into a specific framework of legitimacy, into a market order opposed to other equally legitimate visions and social orders (Calvo-Mendieta et. al. 2011: 305). Inscribing goods and services into a human rights framework implies valuing them differently, in a way that reflects collective purposes rather than putative market or public accountancy equilibriums. In other words, these prices, that Klaus Offe and Volker Ronge call nominal fees (Offe and Ronge 1975), should be used chiefly in order to ensure sustainability not in order to merely achieve profit as in private corporations or full cost recovery as in market-oriented states. The key issue here is to determine the rules according to which these prices should be calculated. Valuing decommodified water and social security could be based on principles such as deliberative democracy, a set of techniques founded on the assumption that public decision making should result, not from the aggregation of separately measured individual preferences, but from a process of open public debate (Farber et. al. 2002, De Groot 2006). With decommodification, communities and society become fully enabled to account for all of water and social security's values and to gradually incorporate them in decision-making processes concerning provision and allocation.

Some could say that more important than decommodifying goods and services necessary to secure human rights is guaranteeing a sufficient income to people. This is also partly the point of view of the UN when stating in its General Comment on the human right to water, cited earlier, that people should have the means to access water.

However, guaranteeing an income to everybody in order to secure access to those goods and services necessary to secure human rights may involve a decommodification *de facto*, not necessarily of the goods and services themselves, but of labour, an issue that will be discussed more thoroughly in the following lines.

### **The decommodification of labour**

Within mainstream labour theory an employer will rationally purchase labour power to the extent that its expected marginal utility is superior to its cost. Whether or not workers have jobs therefore depends on their employability and willingness to work. Human rights speak a different language. The mainstream notion of employability opposes to that of entitlement, which is dear to human rights language. Indeed, utilities as human rights are seen as an entitlement rather than as something that must be traded for. By emphasizing entitlement, the right to work discourse empowers all individuals in their aspiration for a job, whereas by emphasizing skills and price - in other words employability - mainstream economics legitimizes the joblessness of individuals regarded as unqualified or plainly undeserving. A human rights-based political economy must, therefore, consider individuals as citizens holding rights rather than as ordinary sellers of a particular commodity. In other words, labour should be decommodified.

The 1944 Declaration of Philadelphia clearly stated that labour is not a commodity (Benedek 2006). As holders of commodities, workers depend on the whims of the market for their livelihoods, not infrequently to the detriment of their freedom, understood in a broad sense. Decommodifying labour should, therefore, help to empower workers as citizens in relation to the forces of the market (Holden 2003). As Gosta Esping-Andersen declared:

"When workers are completely market dependent, they are difficult to mobilise for solidaristic action. Since their resources mirror market inequalities, divisions emerge between the 'ins' and the 'outs', making labour movement formation difficult. Decommodification strengthens the worker and weakens the absolute authority of the employer. It is for exactly this reason

that employers have always opposed decommodification" (Esping-Andersen 1990: 22).

The decommodification of labour can, and maybe should, go a step further. Allocating work should no longer be primarily determined by a price mechanism; the very notion of a labour market should even be abandoned. This should not be very hard to consider, actually. Labour has not historically been always treated like a commodity. This is a distinctive feature of capitalism, and just as one-day work came to be treated as a commodity it is perfectly conceivable that one-day it may also stop being treated as such. Decommodifying labour can roughly be understood in two ways. First, by transforming every worker in an entrepreneur of himself (see Foucault 2008) that can freely choose when and to whom to sell his or her services. Second, by decoupling from work the income needed to ensure a life with dignity. Because lately transforming every worker into an entrepreneur has mostly been used to generate more precariousness in labour relations, decoupling income from work will be the main focus of the following lines.

Decoupling income from work is not about giving up the centrality of work in society, a critical element of the right to work, but about giving up the centrality of the market. In a market, according to the utilitarian logic, an individual obtains utility in return for disutility; he or she gets hold of the utility attached to goods and services by accepting to give up the utility of holding money. According to mainstream theory, utility is, thus, essentially obtained in the consumption sphere. Logically, disutility should be endured in the opposite sphere, where income is obtained, which is to say at work (Méda 1995; Perret 1995; Lane 1994). This principle that considers work as disutility, and therefore as a counterpart of consumer utility, is very clearly stated in Genesis 3.19, for instance, when claiming that "you shall eat your bread in the sweat of your face", as much as in the modern accounting systems, where for each asset there is a corresponding liability (Lane 1994: 26). In conclusion, in order to enjoy the utility given by the consumption of goods and services, one is obliged to endure a disutility, which is to work. The assumption of disutility is also present in principal-agents models, in which work takes the form of provision of effort that workers try to avoid by 'shirking' (Lopes 2016: 3).



Contrary to the mainstream postulate, in real life work or activity is not solely considered a disutility and a source of income. Indeed, work is considered an important element of quality of life. Studies on what American citizens regard as quality of life have concluded that what mostly contributes to their greater or lesser degree of satisfaction are the feeling of having fulfilled their duty and of controlling their environment, feelings that would originate in the sphere of work (Lane 1994: 19). Work matters for quality of life also because it provides identity to people and opportunities to socialise with others (Stiglitz et. al. 2009: 49). In addition, studies in happiness economics have shown that the non-pecuniary costs of unemployment considerably outweigh the loss of income for those that have lost their job (Lopes 2016: 1).

Decoupling income from work would contribute precisely to take work out of the disutility domain governed by prices and set it in the domain of rights where personal achievement is a key element. The welfare state in general has partly contributed to this process by allowing an individual to maintain a livelihood without reliance on the market, rendering services such as education and health a matter of right, and ensuring an income to inactive individuals through retirement pensions, for instance, but it probably will not suffice. Decoupling income from work responds to what Gosta Esping-Andersen probably had in mind when he wrote, "If social rights (...) are granted on the basis of citizenship rather than performance, they will entail a decommodification of the status of individuals *vis-à-vis* the market" (Esping-Andersen 1990: 304).

Decoupling income from work contributes to the right to work in yet another way. As stated earlier, besides jobs for all, securing the right to work demands that these must be decent and remunerated at a level consistent with a life in dignity for workers and their families. In reality, there has been often a contradiction between the quantitative and the qualitative dimensions of the right to work. Guy Standing for instance argues that many of the jobs available not only have not been freely chosen but also are degrading and poorly paid (Standing 2005: 95-96). On this basis, a source of income disconnected from work would precisely allow workers to refuse degrading and underpaid jobs without compromising their livelihoods, and encourage employers to provide quality, well-paid jobs, at the risk of not being able to hire a single person,

otherwise.

Universal Basic Income is probably one the most discussed forms of decoupling income from work. Although the feasibility of such a system has been clearly dominating the debate, the issue here is not about if and how it can be implemented, but why its implementation is the logical corollary of decommodifying work. A universal basic income above all challenges the mainstream principle that postulates that income depends on what a worker produces rather than on what this same worker and his or her family needs to live a life with dignity. Basic income may also stimulate work that would otherwise be left undone, because people would not have the time or the energy to do it, or because there is not enough income to act as a market stimulant for that type of activity (Standing 2005: 100).

If labour should no longer be treated as a commodity how should it be? As with water and social security a logical alternative to labour as a commodity could be labour as a commons. Managing labour as a commons means managing it as a resource for the benefit of society rather than as an object of capital's value practices (Azzellini 2016). In short it means focusing on labour's use value rather than on its exchange value. In practical terms retrieving labour from both the market and the state has mainly consisted in creating labour cooperatives, where typical wages may not be the default mode of remuneration, or labour or time banks, where labour is exchanged without money involved according to rules of reciprocity. These latter systems are widely spread but only practised on a relatively small scale, as in the case of neighbours helping each other in home rehabilitation or community or farm work, for instance. This is not the place to engage an in-depth discussion on the feasibility of allocating labour without money involved on a global scale. However, if a universal basic income were to be implemented this is a crucial issue to be addressed by any alternative to mainstream labour economics.

The assignment of the duty to provide jobs is also a crucial issue since, as pointed out earlier, to every right corresponds a duty, the duty of creating jobs being, therefore, the flip side of the right to work. Within the framework of decoupling income from work, the word job must not necessarily be understood in its usual sense of directly paid activity, but merely as activity in general. Who should be the duty bearer in a

system where labour is decommodified, then? If corporations cannot assume their responsibility as duty bearers in providing goods and services necessary to secure human rights, how could they provide a job for every person fit and willing to work? In other words, job creation cannot be left to the good will or the interest of the market, because it has neither of these. Consequently, the state may be called upon to play a decisive role by taking part of the job creation into its own hands. This is the essence of the concept of the state as employer of last resort. This is a policy instrument that responds in principle to the requirements of assuming the role of duty bearer and has been the object of many studies (see for example Minsky 1987; Forstater 1998; Ramsay 2002-2003; Sawyer 2003; Mitchell and Wray 2005).

## **Conclusion**

The preceding pages showed how the commodification of labour, water and social security, within mainstream economics contradicts the human rights to work, water and social security. Therefore, in order to reconcile economics with securing human rights, a different approach is needed. Within this approach, decommodification plays a crucial role. Commodification fills human rights with exchange value but empties them of political significance in return. Bringing back the necessary political dimension of labour, water and social security as human rights to the forefront demands, therefore, their decommodification. Decommodifying goods and services necessary for securing human rights is nothing new. In fact, from the outset, the welfare state meant a decommodification of these goods and services, such as education and health. The decommodification that has been referred to in the preceding pages should possibly be called a re-decommodification in reaction to the recent attempts of commodification. However, the question is not just reverting to a putative golden age of welfare, but attempting to resettle decommodification on foundations that go beyond the mere divide between public and private. It is a question of attaching decommodification to the broader endeavour of defining a human rights-based political economy.

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