

## PUTTING-OUT SYSTEM

The putting-out system was a system of domestic manufacturing that was prevalent in rural areas of western Europe during the seventeenth and eighteenth centuries. It evolved out of an early form of independent commodity production, constituting a *transitional phase* to what German social theorist Karl Marx (1818–1883) called the “formal” subordination of labor to capital.

The subordination of labor to capital refers to a situation in which the direct producers are *separated* from the means of production, depending on capitalists to provide them with the necessary tools, machinery, and raw materials to produce commodities. Such producers also receive a wage from the capitalists and have no control over the disposition of the products of their labor. Wage-earners

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who still retain considerable control over their own labor process, however, are subject merely to "formal subordination" rather than to the "real subordination" to capital that characterizes the fully developed factory system of industrial capitalism.

Domestic workers involved in the putting-out system typically owned their own tools (such as looms and spinning wheels) but depended upon merchant capitalists to provide them with the raw materials to fashion products that were deemed the property of the merchants. Semi-finished products would be passed on by the merchant to another workplace for further processing, while finished products would be taken directly to market. The typical commodity product of the putting-out system was cloth (more specifically, wool textiles), although other commodities (notably ironware) were also produced under this system.

A salient feature of the putting-out system was the high degree of control that the direct producers retained over their own labor processes. Working at home (or near home) and at their own pace, domestic producers were well positioned to balance work-time and leisure-time in accordance with the pre-capitalist preference for leisure. The system also allowed adult family members to develop a domestic division of labor in which their children could contribute productive labor under direct parental supervision. These circumstances were conducive to the rise and consolidation of the nuclear family as a dominant family form—a form that was also encouraged by the earlier (and still-extant) system of independent commodity production.

With time, it became clear to the merchant "putter-outs" that their domestic employees required a greater degree of supervision to maximize their productivity and discourage "embezzlement" of raw materials or even finished products. Stephen Marglin argued in his 1974 article "What Do the Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production," that it was these *social* considerations rather than any technological imperative that accounted for the rise of the factory system. By removing wage-earners from their own domestic environments and assembling them in a common workplace, merchant capitalists were in a better position to control the hours and pace of work and, through vigilant surveillance, to prevent embezzlement. By doing this, of course, many merchant capitalists transformed themselves into industrial capitalists, inaugurating the long transition to a "specifically capitalist" as opposed to an artisanal mode of commodity production.

Dan Clawson argued in his 1980 publication *Bureaucracy and the Labor Process* that Marglin's "social control argument" for the disappearance of the early putting-out system and the rise of the factory has many

strengths but is one-sided in its dismissal of the important role played by new technologies (especially power-driven machinery) in facilitating the subordination of labor to capital. According to Clawson "It is much more fruitful, and obviously the only Marxist approach, to understand the process as one of class struggle: Capitalists tried to impose social control in the form of factories, while workers struggled to resist. In this struggle, technological innovations were crucial capitalist weapons to help change the balance of power" (p. 51). Furthermore, noted Clawson, by assembling workers in large factories and workshops, capital could significantly improve their productivity by imposing ever-more detailed divisions of labor and taking advantage of machinery requiring a central power source.

The putting-out system all but disappeared in western Europe by the nineteenth century. However, by the late twentieth century it experienced a revival, stimulated by the advent of new computer and information technologies. Thanks to computer technology, the Internet, and new systems of inventory control, it has become increasingly possible for capital to employ stay-at-home workers without sacrificing productivity, control over hours, or effective cost accounting. The products of this new putting-out system are varied, but its most typical product is information.

SEE ALSO *Autonomy; Capital; Computers; Science and Society; Conjunctures, Transitional; Division of Labor; Factory System; Internet; Labor; Machinery; Marx, Karl; Microelectronics Industry; Mode of Production; Productivity; Technological Progress, Economic Growth; Technological Progress, Skill Bias; Wages*

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#### PUTTY-CLAY MODELS

SEE *Vintage Models*.

#### PUTTY-PUTTY MODELS

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