

From the classical notion of subsistence wages to a well-being approach to the labour market

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In the history of economic thought, living conditions of the population have been defined in different ways and given different positions according to analytical frameworks. As a consequence, also indicators vary, passing from room, food, bundles of goods and commodities, welfare, and, recently, to human development indexes used to express a state of well-being seen as a set of individual capabilities and effective functionings of individuals (men and women) embedded in social contexts, given in time and place (Sen, 1985).

In this paper, focusing in particular on the living conditions of the labouring population, we use the notions of subsistence and well-being to speculate on their implications for the waged labour market. On the one hand, we work on the expansion of the concept of living standard, from a bundle of necessary commodities to a notion of multidimensional well-being. On the other hand we keep the living conditions of the labouring population within the classical-political- economy macro approach and within the Ricardian and Marxian institutional distribution that Sraffa recovered with regard to net and subsistence wages. While, the well-being approach is centered on a multidimensional individual, searching for an answer to a philosophical question of “how to live”, the macro perspective of classical political economists is focussed on the processes of production, distribution and exchange of wealth and surplus value.

In this paper, the thread followed to speculate on the relationship between the classical notion of subsistence wages and the present notion of well-being and on its potentials for the analysis of the waged labour market, leads us to the body-mind human dimension, the historical process of social reproduction of the population and the historical structure of the waged labour market. In order to cope with the complexities inherent in the process of social reproduction of the population, as emerge from the two different analytical perspectives, it is necessary to work on the history of economic thought on which both perspectives are rooted, in particular on Smith and Marx.