

Piece-Rates as Inherently Exploitative: Adult/Asian Cam Models as Illustrative

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ABSTRACT: This paper argues that, regardless of contingent conditions, piece-rates are *inherently* exploitative. It theorizes piece-rates as a labour-remuneration system that is contrary to the interests of labour, exemplified by the new industry of Adult/Asian Cam Models (ACMs). Very little of any literature addresses the question of why a piece-rate system is deleterious for the worker. What the literature *does* extensively dwell upon is the *kinds* of piece-rate systems and their *situational* risks, effects, advantages and disadvantages, rather than the underlying principle of piece-rates as an *inherently* exploitative system. Thus the paper critiques a sample of contemporary economic/labour literature that focuses on the various models of piece-rate payments to best optimise worker productivity and gains *for capital*. Given the significant increase in piece-rate work throughout the world in the last few decades, the paper highlights how capital has shifted the risk of production to the worker.

KEYWORDS: Adult/Asian Cam Models; cyber sex; labour relations; piece-rates; work conditions

Introduction: Piece-rates and Sex-work

A piece-rate system of payment consists, in its simplest form, of remuneration to workers on the basis of *the number of “products”* they produce in a given period of time vis-à-vis a wage that is dependent on the *time* at the work place. In its more complex forms, quotas may be imposed by the capitalist, penalties applied for failing to meet quotas, rates and quotas varied arbitrarily, and poor quality products rejected and thus not included in a quota. In some cases the supply of materials and tools – and their use – is subject to capitalist control or have to be paid for by the worker. “Work at home” schemes, such as marketeers for Amazon, are modern examples that are subject to many of these conditions, such as supplying one’s own capital (a computer, internet connection fees, electricity) or meeting quotas, and

will be illustrated with case studies of ACMs.¹

One of the major changes in western economies over the past few decades has been the increased use of various forms of performance-based pay vis-à-vis wages or salaries (Chang et al. 2013). According to Lemieux, Macleod and Parent (2009), the proportion of jobs that use performance-based pay in the USA rose from 30 percent in 1976 to 45 percent in 1998.

Despite the increase in performance-based payment among many occupations, and a plethora of material (Lazear 1986:406) examining the best practice for this form of remuneration, there is a dearth of material on the exploitative nature of piece-rates, about which even Marxist theory has little to say.

¹ ACMs are girls who present themselves live via internet camera to solicit customers to view the girls engaging in virtual sexual activities in a private show

Rather, contemporary material focuses on the various models of piece-rate schemes to best optimise worker productivity and gains *for capital*. Both Stiglitz (1975) and Petersen (1992), for example, address the comparative advantages for both the worker and the capitalist (firm) of piece-rates compared to wage-based remuneration, but within a framework of screening and management theories; their focus is on which system of payment is best *for the firm*. Most of the literature extensively focuses on the *types* of performance-based systems and their *situational* risks, their effects, and advantages *for capital*, rather than the underlying principle of piece-rates as an inherently exploitative system (cf. Chang et al. 2013). Thus very little literature addresses the question of why a piece-rate system as a *system* of payment is deleterious for the worker (cf. Lazear 1986).

In this regard there are two questions: (1) Are piece-rates exploitative of the worker only in given situations? or, (2) Are piece rates *inherently* exploitative? Is there something *intrinsic* about a system of piece-rates that is exploitative for the worker?

If the latter, then the first question is *ipso facto* answered in the negative. If there is nothing intrinsically exploitative about such a system, then we need to look at the particular conditions under which piece-rate workers labour to determine the features of exploitation.

However, the thesis of this paper is that there is indeed an intrinsic principle of exploitation in any system of piece-rates. Regardless of the situational conditions, it is the piece-worker who, within the existing normative framework of capitalism, bears the burden and risk of production. This arises because the management of labour always poses a problem for capital; to minimise that problem capital shifts the risk of production, at the point of production, to labour. This is illustrated by one form of sex work, ACM-ing, that wholly uses piece-rates.

Economists have paid relatively sparse attention to the sex industry, despite its size and financial importance. Where there has been some interest, it has tended to follow traditional discourses and focus on which economic techniques could be applied to explain sex-work or for policy development; the former has often focused on financial necessity of sex

workers, while the latter has focused on economic incentives or strategies to limit or eradicate sex-work.

Generally, economists, among other researchers, have focused on several main areas:

- “Explanations” of sex-work as a market, and links between sex-work, poverty, and inequality, and thus entry into sex work;
- Contributions of the sex industry to development;
- Economics within the sex industry;
- Economic empowerment or income generation for sex workers.

Sex-work has principally been of interest to researchers usually in the context of public health, sexual exploitation, trafficking, or eradication policies. A great volume of research on sex-work has focused on socio-economic and sexual inequality or psychological factors (cf. Weldon 2006, O’Neil 1997) as root causes of sex-work, or with sex trafficking. These dominant discourses emphasise poverty and exploitation as the main features of sex-work. Economics of course does play a role in sex workers’ entry to the industry and their continuation of sex-work (Benoit and Millar 2001, McKeganey 2006, O’Neill and Campbell 2006, Willman-Navarro, 2006).

In the late 20th century there emerged a counter discourse of agency (cf. Agustin, 2005). While this discourse acknowledges economic factors in sex-work, studies here still tend to draw on anecdotal, microcosm case studies to illustrate or justify sex-work, and continue to argue within the “sex-as-work” and “abolitionist/moralist” dichotomy. Such an agency-economic bent presupposes that sex workers are not only rational beings, but also economic ones, and, importantly, that they have a great deal of control over economic structures within which they must work; in this way sex-work resembles other forms of market-based work. Several autobiographies by sex workers also tend to follow the same socio-economic discourses and thus lend credence to such views.

Clearly, sex-work is an income-generating activity. As such, economic incentives do play a role in attracting people to sex-work. Therefore, economic analysis should provide a useful tool for examining sex-work and the various types of economic incentives that may be determinants. However, prejudices are common in such studies on sex-work, with a bias

towards supply-based analyses that tend to focus on how economic conditions push people into sex-work.

Overall, there is an abundance of studies about sex-work, much of it within the dichotomy of coercion/necessity/morality vs agency, with some studies exposing what occurs *within* the industry in terms of sexual exploitation and coercive work and financial conditions. But none of these link the micro-economics, the conditions of sex-work, with economic structures and principles. Despite the morality, poverty/inequality and agency discourses, there are more grand economic structures that impinge upon, restrain and determine the features of sex-work and its remuneration system. In other words, whatever the reason people become sex workers they are deemed morally exploited. But there has been little understanding of the economic principles of payment, even in the best situations. ACMs provide a good illustration of this connection between sex-work² at a practical level and economic principles of remuneration. ACMs provide an opportunity to consider why girls enter into sex-work and their situational working conditions, and also the wider economic principles that govern their work and remuneration.

While some studies of street and brothel sex-workers have briefly enumerated payment arrangements, none acknowledge the underlying economic principle of piece-work on which this remuneration is based, and the implications of that. Thus, while these forms of sex-work could equally provide an illustration of the payment system under which they toil, the literature is poor on reliable and comprehensive data, which empirically is very difficult to obtain. But more importantly, it fails to examine why a system of piece-rates prevails, or why this may be *ipso facto* exploitative.

Sex-workers undertake their activity for some kind of remuneration, regardless of how important that may be for taking up the activity; that much we know. But what we are often left with is anecdotal evidence of how much sex-workers earn. But none of the literature addresses the principles of economics

that govern how that remuneration is paid. In short, such studies document the obvious and appeal to the popular and to the morality-laden situational exploitation that supposedly occurs. The ACM industry affords opportunity to explore these issues; to not only quantify remuneration, but also to understand the economic principles of piece-work that underpin that remuneration.

However, in contrast to the plethora of scholarship on prostitution, there is no academic literature on ACMs, other than my own (cf. Senft 2008, who has barely two pages of snippets in her book that deal specifically with paid sites like *AsianPlaymates*).

The paper begins by reviewing how much of the literature has focused on the circumstantial implementation of piece-rates and situational exploitation of workers, generally. In the following section I argue that, regardless of the situational conditions, it is the piece-worker who bears the burden and risk of production because of an underlying intrinsic principle on which piece-rates as a system is based. This is further developed by focusing on why the management of labour poses a problem for capital, and how that risk is shifted to labour under a piece-rate system. Following on, a brief contextual introduction to ACMs is provided, and the paper describes how the ACM industry works and the system of piece-rate payments. The final section uses ACM-ing to illustrate the intrinsic risk to labour in adopting piece-rates as a payment system.

The Contingencies of Piece-Rates

Stiglitz (1975) once bemoaned the lack of interest among economists concerning what goes on inside the firm (Fernie and Metcalfe 1998). Since then, the “new” economics of personnel (NEP) framework of the 1990s attracted growing interest, with a substantial text book (Lazear 1998) and a *Journal of Economic Literature* survey on compensation systems (Prendergast 1998) being produced. While there was no shortage of theories within this NEP framework, less empirical attention continued to be paid to an important and obvious distinction in methods of compensation, namely, a fixed wage for some period of time, (i.e. paying on the basis of input), and paying a piece compensation that is specifically geared

² While ACMs have much in common with non-virtual sex-workers, they also differ, and thus problematize what sex-work – specifically, “prostitution” – is. ACMs may not necessarily identify their work as sex-work or prostitution. (See Mathews 2010).

to output (Ferne and Metcalfe 1998; cf. Lazear 1986:405–406).

Sociologists, on the other hand, have long examined the operation of piece-rate payment systems as direct incentive structures. The foci of these investigations have been how direct incentive structures induce workers to expend more effort by allocating uncertainties, at the point of production, to the workers, as well as how such structures give rise to social rewards and informal relationships that regulate the behaviour and interaction of workers (Petersen 1992:68), often without the need for direct supervision by management. Essentially, much of the literature documents how piece-rates can be intelligently implemented and highly effective in motivating employees, thereby leading to a rise in standards of service by providing incentive and opportunity.

However, several problems have been identified by researchers. If such schemes are implemented “carelessly,” expected standards and quotas can be a source of significant stress, low morale and other problems. Other problems identified include poor quality of output, the neglect of work tasks for which workers are not paid, and the manipulation of performance targets in order to maximize or stabilize earnings, along with several other issues.³

One of the key problematic issues identified in much of the literature is that of quality of output under piece-rate systems. Lazear (1991:105) notes that, “a piece rate that is tied to quantity and ignores quality will induce the worker to produce lower quality items.” Likewise, Shaw and Pirie (1975) confirm that *time* rates are appropriate when it is important to maintain standards of quality. Ferne and Metcalf (1998:36) argue that the quality of product is one of the most likely victims of piece-rates; therefore, when it is difficult to verify and measure the “quality” of service the firm would be more likely to use time-rates. Where a piece-rates system is used, the NEP framework predicts that it would be group-based or profit-sharing, rather than individual payment by results (Ferne and Metcalf 1998:7).

More generally, these views about problematic quality influencing which remuneration system should be utilized overlooks the motivation of workers themselves to ensure quality, for the fact is that poor quality work can be returned to the worker for amendment and the additional work not paid for. Hence, while quantity is significant, the quantity is only acceptable if the quality is also. This will become self-evident in the case of ACMs.

Other issues that piecework may also need to confront include industrial relations problems, as workers and management dispute what are reasonable and attainable piece rates. In addition, unlike wage work, for piece-rate workers there may be no regularity of work and income, something that the worker is least able to weather vis-à-vis the capitalist; rather, it is the piece-rate worker who bears the risk.

Also in piece-work there may be contraventions of workplace safety standards, health and hygiene; and piece-rates usually do not allow for breaks, holidays, leave, or for much control over work conditions (cf. Chapkis 1997:138).

Crystal (1991) and Kohn (1993) contend that performance-related pay contracts are often ineffective and may have deleterious effects; the riskiness of performance-based pay causes employees to assume a risk-averse posture, lowering their propensity to be innovative; these issues adversely affect both workers and the firm.

Further, the performance of a complex job as a whole is reduced to a simple, often single measure of performance. For instance, a telephone call-centre may judge the quality of an employee based upon the average length of a call with a customer. As a simple measure, this gives no regard to the quality of help given.

What is striking in this literature is how piece-rates are seen as a strategy by capital for the enhancement of capital’s profit. Thus, what I am concerned with, contrary to much of the literature and at a more fundamental level, is what economic principle underpins piece-rates as a system of remuneration. Ultimately it puts the burden of proof of the worker’s ability onto the worker, and the need for him/her to control his/her *own* input and hence output, and in

³ Many of these situational problems or adverse effects are commonly listed in the literature; see Heywood and Wei (2006:525–526) for a partial summary.

so doing places the risk of performance (productivity) on to the worker vis-à-vis capital.

While capitalism is an economic system it has, since its inception, gathered a normative and thus moral dimension. As an economic system it is constituted by capitalists who bring together (in one place) land, labour and capital for the production of goods and services, and because of this organizing principle and the financial advantage the capitalist holds in terms of ownership of land and capital, takes control of the means of production (MOP). In return for taking a risk that such control will deliver a return above costs, the capitalist receives a dividend, or surplus value, i.e. an income over and beyond the cost of labour power and producing a product. In order to do so, capital must also control the supply and use of and the demands by labour; just as the capitalist must keep costs of land and capital to a minimum, so too must he or she keep labour costs to a minimum. Thus, as an economic system, there is an inherent risk of not controlling (the cost of) the MOP, particularly labour power.

A key and indeed the largest ongoing cost is that of labour, which, unlike machinery, is able to influence its own cost. While in principle capitalism is a system that should/could treat all components with relative value, accordingly, in its historical development, it has had to deal with the human element that, unlike other elements, is not inert, and thus there also evolved a moral and normative dimension. If capital was to extract a surplus value simply from the supply and control of the MOP, from taking a risk that it could take, then, unlike labour, it should do so. Thus it became the normative order that capital, not labour, should take a risk that production would yield a value over and beyond costs, a surplus value.

Whatever other dimensions of exploitation that this may entail, here I am concerned only with how that principle of risk-taking is violated. Given that capital is now perceived as not only an economic system but also carries with it a normative dimension, an expectation underpinned by moral constraints and prescriptions, what piece-rates as a system of remuneration to labour does is shift that risk to labour. Capital not only violates this normative order, or established principle of

capitalism, but does so by false pretences – by presenting piece-rates work as opportunity, when in fact other facets of capitalism such as control of the production process and other capital still provides the capitalist with an advantage, that he or she is able to utilize situationally. In other words, under a normative order in which capitalism has come to accrue surplus value through and because it takes a risk with its organization and control of capital, it has shifted some of that risk, i.e. the control of labour and the extraction of surplus value, to labour.

It may be argued that this normative order is one that is constructed, historically. This is true. But equally true is that it is the system with which we must deal, and in so dealing with it take account of how risk, that should be the domain of capital, is shifted to the worker.

Marx argues that time and piece rates are equally exploitative, in that they both extract surplus value, and indeed this is true. But what piece-rates do is breach the established economic and normative principle of capital taking a risk, for which it reaps a return, and shifts that risk to labour whose sole role is to provide labour power. While there is very much a normative dimension to all this, it does not escape notice that as an economic principle capital is rewarded for taking a risk with the organization (and control) of the MOP, from which capital derives a return. In principle, then, labour taking a risk vis-à-vis a wage purely for its labour power, and situationally without control of other capital, blurs, at best, the roles of labour and capital, and, morally, under false pretences.

Thus, in the following section I am not concerned with how capital *situationally* uses piece-rates and capitalists' situational strategic manipulations within such a system. Such an approach would largely abide with what Stiglitz, Petersen, Lazear and other scholars present in the literature. Rather, the following section argues that, regardless of the situational condition of the piece-worker, it is the piece-worker who bears the burden and risk of production because of an underlying intrinsic principle on which piece-rates as a system of remuneration is based.

Shifting the Intrinsic Risk

Piece-rates “represent the conversion of time wages into a form which attempts ... to enlist the worker as a willing accomplice in his own exploitation” (Braverman 1974:62-63). It is a form of capitalism in which the capitalist does not assume the essential function of management, i.e. direct control over the labour process (Braverman 1974:63). Unfortunately, Braverman says little more on these issues, and nothing about how or why piece-rates may be intrinsically exploitative for the worker. Similarly, Marx (1990) has little to say, other than that piece-rates call upon and exploit the personal interests of the worker to strain his or her labour, and as intensely as possible; such personal interest enables the capitalist to set, or raise, more easily the normal degree of intensity of labour.

While the worker in a piece-rate system may believe that he or she has a share in the surplus value of their own labour power (as capital), the fact is that both social and economic inequalities place greater risk on the piece-rate worker than the counterpart capitalist who supplies only the machinery, land and other disposable capital, at minimal risk. This capital can be sold or used for another purpose; but labour can only be sold and used as labour power.

Capital makes a profit because it organizes the MOP and takes the risk that the surplus value will be greater than the input. The capitalist’s power is derived in part from the ownership or control of the common instruments of production, against which the worker has only his or her labour power. By monopolising the MOP, and therefore the workers’ means of subsistence, the capitalist compels the worker to submit to the conditions of remunerated labour. Operationally, these conditions consist of not only the monopolisation of production and thereby control over even the ability to work, but also the form of remuneration.

These conditions also involve various strategies, some of which we shall witness amongst ACMs. For example, truck and barter or “tommy shops,” setting rates and quotas, usury, ensuring that materials used in production are bought from the employer rather than elsewhere, or charging for ancillary services

needed for production (Steinberg 2010:179, 192).⁴ But these are situational strategies, made possible because of the piece-rates remuneration system.

Such conditions or situational strategies notwithstanding, that piece-rate work is intrinsically exploitative is *implicitly* recognized in some of the literature (see Lazear 1986:422, for example), although only directly substantiated by snippets of reference in the economic literature, which rarely deals with the risk to the worker or with risk transfer (cf. Toms 2010). Much of the literature also acknowledges the issue of risk aversion by workers, taking this for granted, but few question what this risk *is* that may be averted, other than possible low income, or why this risk factor is a major issue. Indeed, so little attention is paid to this issue of risk for the worker that it appears in only a footnote of Stiglitz’s (1975:558) seminal work: “Reducing the risk faced by the worker increases the risk faced by the firm,” which would clearly imply the converse.

These snippets of workers’ risk appear in such comments as the following few examples, and imply, but rarely analyze, the risk piece-rate workers take on:

- Prendergast (1998) suggests that advances in the field of remuneration systems can be obtained by collecting more data on contracts, but one wonders for what purpose? Apart from using such information to test theories – which invariably contribute to improving efficiency, productivity and control in firms, for capital, and which imply some kind of risk – none of these purposes, theories and studies comment on or are designed for the betterment of workers or the mitigation of *their* risk.
- Fernie and Metcalf (1998:35-36), writing within the NEP framework, note under the heading of “Risk Aversion” that, where the firm is risk-averse the employer will tend to prefer piece-rates because its “wage bill varies automatically as demand and output fluctuate...incentive

⁴ See Steinberg (2010) for details of strategies, and which ACMing illustrates. For example, some ACMs must contribute to the electricity used in their work; others are required to be boarders at their workplace; girls may be expected to purchase goods from another business run by their boss; and usury is common. Platteau and Nugent (1992:391-397) provide further examples in marine fishing of how the capitalist shifts some of his/her risk to labour and is able to set terms.

schemes give management a desirable flexibility in costs.” In other words, there is a risk for capital in terms of labour costs that is transferred to labour; even using the title of “risk aversion” implies this. They go on to say that widespread dissatisfaction among workers occurs with the uncertainties that arise from piece-rate systems, and that such systems provide more security of employment in industries where demand fluctuates, implying that workers risk and bear the brunt of economic downturns.

- Heywood and Wei (1997:241), citing McKersie et al. (1964), similarly note that the capitalist’s assurance for high productivity and the need to lower costs, which are risks for capital, are particularly important during intense competition, which gives more incentive to introduce incentive pay schemes. Thus, when competition increases capital’s risk, the risk is shifted to labour.
- Bloom and Milkovich (1995) also investigate the effects of risk on the formation and outcomes of performance-based pay contracts. They point out that classical agency theory argues that the choice of an optimal compensation system is contingent on both the need to direct employee behaviours and the need to mitigate the effects of risk *to the firm*. The premise is that the use of incentives to align workers’ behaviour and reduce capital’s risk also increases the formers’ risk, and this balance of incentive against risk-sharing is the fulcrum of agency theory. As organizations face greater risk, they are more likely to use variable pay to control costs and ensure that employees’ behaviours are aligned with organizational goals. In effect, the organization creates an employment contract that shares some of the risk with employees through a variable pay scheme tied to organization performance. Here, these authors, among most others, are concerned with capital’s risk in terms of income streams, strategic, financial and stock return risk, and competition.

But few studies develop the most fundamental principle of risk *for the worker*, that Marx’s seminal work noted; rather, the focus of contemporary literature is on that which constitutes the greatest and most costly component for capital and hence

risk, that of labour – its cost, control, quality and productivity.

Thus as Haywood and Wei (1997:247) state, firms “that adopt piece rates do so to elicit effort in a manner that conserves managerial resources. Once in place, the piece rate acts as a ‘self-monitoring’ scheme that reduces ... the need for other managerial oversight,” thus echoing Marx’s (1954) axiom that under piece-rates the “superintendence of labour becomes to a great part superfluous” – and it can only be superfluous if labour is its own “manager.”

But rather than analyze this shift of risk to and for workers, the literature addresses risk *for* capital, and hence the plethora of literature and models that discuss the means of limiting that risk for capital. One means is by shifting the risk for capital to the worker; where this is even partly successful, it implies that the risk that capital should shoulder falls to the worker who, unlike the capitalist, has no fall-back position. Indeed, as noted previously, much of the literature discusses models of employment which best benefit capital, i.e. reduce *its* risk, and one key model, with numerous variations, is piece rates.

Logic would tell us, then, that in capital shifting its risk to the worker, there is created for the worker an intrinsic risk that was once intrinsic for capital because of the nature of capitalism as it currently exists. In other words, it is not merely the risk to capital that is transferred, but the intrinsicity of that risk also, which capital has always had to face. However, whereas capital benefits from taking a risk, labour cannot, because labour has no control over the risk and cannot produce a surplus value for itself.

But risk for capital is not only about economic downturns, it is also about ensuring control over labour to ensure surplus value, and this is always a problem, as Burawoy (1979) notes: rather than taking for granted management’s ability to control labour, as the human relations school had done, we can invert this approach, viewing managerial control as a problematic phenomenon that itself needs to be explained (cited in Vallas 2001:5).

Capital's Problem, Labour's Risk

The intrinsic problem for capital is that it *must* employ labour, which is the largest cost for capital and often presents difficulties in controlling and ensuring that it produces surplus value. Thus, the employment of labour renders the accumulation of capital *inherently* risky; therefore, in seeking the maximum rate of profit, the capitalist's incentive is to incorporate risk minimisation. The transfer of risk from capital to labour in this sense is rational (Toms 2010:97). However, if one transfers the risk, one also transfers the intrinsicity of that risk. Indeed, Lazear (1986:422) says as much: "salaries are more likely to be paid when workers have a high degree of risk aversion relative to owners." This clearly implies that non-wage work *does* carry risk for the worker.

But what exactly is this risk for capital, that becomes the risk for the piece-rate worker? In capitalism,

through a market relationship potential labour power is commodified and made a form of property. ... This creates possible problems for the capitalist who legally owns this potential labour power as a use-value to be expended, but does not actually have full propriety control over it. For the capitalist this creates the imperative of exerting control in the labor process to realize the full value of the commodity. [Steinberg 2010:180]

The capitalist gets around this problem of control, and extracting surplus value from labour, by largely *not* having to deal with it. The capitalist gives up his or her legal ownership of labour power as a commodity for the advantage of shifting the realization of the full value of labour power to the worker. Thus it is left to the piece-rate worker to realize the full value of the commodity (labour). That is, if the capitalist cannot have full incorporation of labour into the production process by means of the social relations of production (i.e. real subsumption), then the capitalist needs another way to realize full value of the commodity, or in the least, to minimize the capitalist's risk of controlling labour to capital's best advantage.

Put more simply, the problem for capital is that it must not only employ labour, at a cost *ipso facto* (whether the labour does anything or not), but also

ensure that labour creates surplus value (in terms of both quantity and/or quality) with minimum costs to capital; to ensure this, labour needs to be monitored, which involves an additional cost. If the cost of monitoring output is high for the capitalist, then it would be rational to shift that cost to the worker (cf. Lazear 1986). Petersen (1992), who draws on Stiglitz (1975) and Lazear (1986), sums up this intrinsic exploitative nature of piece-rates. Both Petersen (1992) and Stiglitz (1975) note that piece rates "*allocate to the workers some of the risks at the point of production*" (Petersen 1992:68, my emphasis).

While workers may not have physical capital, in the situation of piece-work their labour power is treated as capital vis-à-vis labour power tied to a wage, and therefore they are not drawn into the capitalist relations of production as a wage worker; and in taking this risk with their labour-as-capital they are taking on a combined role. It is a role that involves risk, which should be the domain only of capital.

Thus piece-rate workers are neither wage-workers nor capitalists; their labour has not been transformed into a saleable item to a capitalist who then resells its surplus value, but rather, through their own labour-as-capital the piece-rate worker risks their income. That is, their labour is a form of capital and not a commodity, yet they produce a surplus value for capital rather than for themselves.

Marxist-based theory would argue that piece-rate workers risk their income on the basis that the value of their input will be less than or equivalent to the production value of their output, and that by various means over which they supposedly have some control, they can increase their output and hence their income. For classical Marxist theory, this situation is a blurring of the capitalist and worker roles, which Marx was at pains to distinguish. The problem with piece-rates, for Marx, was that the system made the worker neither labour power nor capital, and in that ambiguous role the worker became a willing accomplice in his or her own exploitation, and in a situation controlled by the capitalist. For Marx this was both ideologically and economically wrong, although for the piece-worker, in practical terms, it seemed to make sense and *appear* to provide opportunity. It is

this “sense” to which piece-rates appeal – which is well illustrated in the case of ACMs. But it is simply an economic façade for exploitation. The piece-work system of payment introduces the *semblance* that the worker obtains a specified share of the product.

Many of the foregoing situational features, and the intrinsic exploitative nature of piece-rates, are evident in the ACM industry of the Philippines, to which we now turn.

ACMs

Ann, a Filipina ACM, was poor by most standards: lack of money; no saleable assets; no “capital” other than her sexuality and youth; limited social capital and education; unsure of where she would sleep at night. While she did have a “job,” she was unsure if that would last and even if she would be paid at all. She complained about having to socially forage for food each day. Her father and grandmother were sick, and soon her grandmother died, putting a burden onto Ann to travel home for the funeral and help pay for it. She asked to borrow money from me to meet this commitment, commenting that she didn’t like to ask, but had no one else. I sent her the money, not for the reasons she had espoused, but rather for the chilling comment she made: “*I hate being like this... I hate being poor.*” (Mathews 2010: iii).

While Ann’s story is but one microcosm of the labour relations, vulnerability and exploitation evident in the ACM industry of the Philippines, it is too readily interpreted through the myriad lenses of feminism and gender/sexuality, medical discourses, third-world exploitation and underdevelopment, or contingent labour relations, that generally fit within four major ideological stances evident in the sex-work literature: (1) moralistic viewpoints that regard sex-workers, predominantly women, as immoral and the antipathy of womanhood; (2) medical-centred viewpoints that treat the women as either sexually promiscuous or as health research subjects in need of education; (3) first-wave feminist and sociological viewpoints that consider them victims of patriarchal culture and gender inequality, and sex-work as a form of oppression; and (4) the liberal feminist standpoint that argues sex-work is work and advocates

decriminalization of prostitution and legal rights for sex workers, which has recently branched out to explore notions of agency (e.g., Agustin 2005; Ding and Ho 2013:44). But such interpretations obscure the fundamental economic principle of piece-rates as a remuneration system in which contingent labour relations are made possible and under which most sex-workers toil.

No doubt sex and economics are closely tied in terms of the commodification of labour and (women’s) bodies. ACMs, like “other” sex-workers, employ practices to develop different “currencies” – bodily beauty, sexual values, knowledge, practices and skills, gender performance, and sexual and emotional sophistication – in exchange for primarily economic capital (Ding & Ho, 2013: 43). Be that as it may, this section focuses on the economic vis-à-vis the sexual and gender perspectives. Here I document and theorize the piece-rate system under which ACMs work; it is a labour-remuneration system that manifests as almost Dickensian.

Thousands of girls, subject to the influence of digital technology and cultural globalization, work as ACMs in the Philippines. While it is clear that specific internet sites benefit, as do some of the ACMs’ bosses, it remains problematic if and how ACMs themselves could benefit from the piece-rate system under which they labour. I will begin by briefly outlining the ACM industry and payment system, and how this and local relations of production can be abused, before presenting how ACMs well illustrate the intrinsic risk and exploitation of piece rates.

ACMing

ACMs are girls who present themselves live via internet cam to solicit customers to view the girls naked or engaging in sexual activities in a private show, usually at \$1 per minute, of which the girl gets only 25 cents. Their presentation is facilitated by one of several sites. *AsianPlaymates* is one such site.

This site provides a technological base to register ACMs, clients and guests, allow them to communicate directly, and collect and disburse payments through web-based credit card facilities. Clients access *AsianPlaymates* by logging on with

a Screen-name. This provides access to 400+ photos of Filipinas, in different poses, each with their own screen name, such as *SweetChelsea*, *Angelface*, *WickedAngel*, *SinBabe*, *Digital Miss*, *HotnJuicy*, *Sexilicious69*. These girls are available free of charge to “chat” with and, ultimately, to take into a private, one-to-one show with a paying client at \$1 per minute.

The site promotes itself as a benign employer to potential models in very much an appealing and monetary way (Figure 1).

It is in fact at this very starting point that persuasion, inducement and economic exploitation commences, seductively offering young, attractive, but largely impoverished and uneducated girls an “opportunity of a lifetime” – as the site’s web-promotion exemplifies: flexible working hours, being one’s own boss, work from home, monthly cash prizes, and, the ultimate, *50 percent* of all income. Too good to be true? All you need is a PC, cam, modem, internet connection, electricity and a safe place, and the dollars will simply roll in. It is all presented as the perfect solution for lifting the abject poor of the Third World into prosperity via “self employment” and to counter Ann’s lament of “I hate being poor.” The opportunity presents itself in such easy steps and terms, and highlights in 24-point font the “50%” that the girls will earn, and goes on to say, “work at your own pace in air-conditioned comfort, with no boss. Make money from home, and be your own boss!”

But situate yourself as a young, uneducated, attractive, Filipina, with no job, no prospects, with a family to support, and certainly no capital; someone who “hates being poor.” Where will you get a PC, modem and cam, and how will you pay the deposit on a studio and internet and electricity connections? How could you be self employed? The obvious and easy solution is to find someone who *does* have the social and financial capital, a “boss,” who supplies the computer, webcam and the studio, and pays for the

Become a CHATHOSTESS PERFORMER!
Be listed on one of THE LARGEST NETWORK OF CAM SITES AROUND.

- Earn thousands of dollars from home!
- More than a million registered Members!
- Nothing to download to get started!
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Join Chathostess
and in a few minutes you can be online and making money.

REASONS TO CHOOSE CHATHOSTESS.

- 1.) Earn money from home.
- 2.) Your privacy is very important to us.
- 3.) TV-like video quality which will boost your sales.
- 4.) Cash prizes given out monthly.
- 5.) You set your own schedule. No one tells you when to work.
- 6.) Payouts made twice a month. We offer several payout methods that are free.
- 7.) Choose free chat or members only chat.
- 8.) Earn money while you are not online by making your old private video session available for rental.
- 9.) Live Support that is available 24 hours a day 7 days a week. We never close we are open every day of the year.
- 10.) Here is the biggest one we payout

50%
of everything you earn in private chat.

STEPS TO BECOMING A PERFORMER.

- 1.) Create a Master Account. Complete all the online forms.
- 2.) Validate you email.
- 3.) Create a model account for yourself and also your friends.
- 4.) Once our 24 hour staff approves your account you can log on and start earning.

WHAT YOU NEED TO GET STARTED!

- 1.) Computer
- 2.) Web Camera
- 3.) Color Scans of your Government Issued Photo ID
- 4.) DSL or Cable Modem connection.

Figure 1. Webpage promoting employment opportunities for ACMs.

electricity and internet connections.

Having a boss not only *immediately* cuts into the proffered 50 percent of profits offered by the site, but also gives a great deal of power to the boss, the supplier of capital. This is capital that can be easily withdrawn, used for other purposes or sold, and a power that can be wielded in setting terms and conditions. All that the ACM has is her physical and emotional labour, her erotic capital, on which she depends for producing “products.” The more she produces the more she can earn – for the boss, the site and *possibly* for herself.

Thus, for the ACM piece-worker, becoming an ACM seems to make sense and *appears* to provide opportunity. But as we shall see, the piece-work system of payment introduces only a *semblance* of equality and opportunity, a façade, not simply because of the power imbalance between the ACM and boss, but because the remuneration system itself posits full responsibility onto the worker to produce. The girls’ income is derived from private shows. The

girl of course aims to get as many or long private shows as possible, for she is paid by the minute in each private show – that is, a piece rate.

The System of Piece-rate Payments

There are serious implications that arise from this situation and the payment system under which these girls labour. The terms by which ACMs sign up to the site are that the site takes 50 percent of all income derived from private shows. The boss and the ACM each take 25 percent of the remaining income – provided the ACM meets her quota, which can be as minimal as 100 minutes per month. If she fails to reach her quota, then she *may* forfeit *all* of her income. That is, she is not paid a proportional amount of the quota: it is all or nothing. Thus, each girl gets on average a thousand pesos (\$25) a month (Mathews 2010).

In effect, in one month an ACM may spend 192 hours (11,520 minutes) at work and have, for example, only 80 minutes of paid private shows (0.7 percent of her total time); consequently, she may get *no* payment at all. Even if she were to meet her quota of 100 minutes per month (0.9 percent of her time) she brings in a *gross* amount of \$100); 50 percent of this goes to the site, 25 percent to the boss (paid by the site directly into the boss' bank account and thus giving complete control of income to the boss); the ACM receives 25 percent, *not* the 50 percent that the promotions promise. This equals a net amount of \$25 a month, (\$1 = P40). On an individual-show basis, she would receive on average a net three to four dollars.

But there are limitations to labour. An ACM exposes her body across the globe and performs as sexually appropriate, yet she is required to put in 11,520 minutes just to be paid for 100 minutes of actual work. Even if she were to triple her number of private shows and thus income, she would still need to work 192 hours for 5 hours of pay.

Chelsea is a case in point: She indicated that she may get 30–40 minutes per day in private shows; this would give her P300–400 for the day; multiplied by 5 days, she would get P1,500–2,000 per week. This of course depends on her getting those minutes each day. But, on one occasion, she had worked for 22

days in one month, had had 140 minutes of private shows, for which she received P1,400 – in 3 weeks, *not* per week. She further illustrated the situation by saying that on the previous night she had worked for 240 minutes, of which only 23 minutes were private shows; this equals P230. *If* this were an average, then in 5 days she would get P1,150 per week, or about P4,600 per month; but indications are that 23 minutes every 4 hours is not an average for some girls.⁵ Regardless of the income, however, the critical feature is that *Chelsea* worked for 4 hours but was paid for only 23 minutes of her time, that is, about 10 percent of her actual time and labour at the work site. Similarly, *xxSpiceyxx* also earned P10 a minute for private shows. She had 40 minutes of shows in 15 days, for which she received P400. In effect she worked 7,200 minutes for 40 minutes of pay (0.5 percent of her time and labour).

While work conditions and rates vary from one ACM to another, the fact is that the ACM does not get paid *for the hours “worked”*; that is, she is not paid for the time she is at the work site, but only for the “pieces” of work she actually “produces.”

While these rates of “productivity” may appear to be no different from that of a saleswoman on a wage, there are in fact significant differences, the most important being that a shop assistant gets paid for the hours she is actually in the shop, regardless of whether or not she actually does any work. Besides, a shop assistant can be otherwise productive such as by sweeping the floor, arranging goods, doing administrative tasks, etc. An ACM is neither paid for the total number of hours she sits in front of a computer, nor able to do other productive tasks. As labour, she is wasting much of her labour power, about which she can do little. Thus she is taking a risk that she can utilize her labour power to full capacity.

This system of piece-rates for labour can be quite tyrannical, because there is often necessary negotiation between unequal partners and, commonly, debt. Essentially, a worker is required to meet a quota, and there may be provisions should the quota not be met such that a lesser amount, or even nothing, would be

⁵ *Chelsea* would seem to be earning only one fifth of average family income. (2000 Family Income and Expenditures Survey: www.census.gov.ph).

paid. As a result, the worker may have to borrow from her boss against future labour, and negotiation would then ensue about future quotas, interest on “loans” and about piece *rates*. This puts pressure on the girl to go beyond a standard quota to enable repayment of her debt; she can often end up in a spiralling cycle of debt and obligation, which may only be repaid in “kind.” On the one hand, all this is possible because there is often no written contract setting out terms and conditions, nor is collective action against adverse situations always possible. On the other hand, and at a more fundamental level, there cannot be a contract because the piece-rate worker operates under a standing economic principle of being responsible, come what may, for the production of the goods or services. In other words, the *responsibility* for production has shifted from the capitalist to the pseudo-capitalist, the piece worker.

Piece-rates, as a remuneration system, is perhaps more tyrannical when one considers that those who work in a piece-rate system often have few or no other options for the deployment of their labour; therefore an employer can demand not only the remuneration system, but can also demand contingent additional “services,” merely to retain the worker. This in fact became evident with two ACMs: *Avril* said that her boss’ husband would not be so mean to her if she provided him sexual favours; *AsianTribal69* said that her male boss had demanded sexual favours from her, simply to retain her employment.⁶

The often conjunct to such sexual exploitation is economic exploitation in various forms. One girl reported she had not been paid for 3 months. She thus had to stay with her boss to ensure she might eventually get paid, and also had to borrow money from her boss. These circumstances more closely tied her financially to her boss.

Another form of exploitation is the boss’ demand for the girl to intensify labour output, which can be a major source of conflict between workers and “management” (Hutchison 1992:482-483). This arises from a tension between resistance to the intensification of work and the means to increase output, and

concerns over employment.

The intensification of labour involves “increased expenditure of labour in a given time” (Marx 1990:660). However, for ACMs it is difficult to increase productivity through the intensification of labour. While an ACM may take fewer breaks within her given work time, longer hours cannot constitute higher productivity, because the “given” time is also extended. Essentially, the only way an ACM can increase her productivity is through improving her quality by such means as appearing more alluring, developing her emotional labour, or providing promotional “free samples.” Unlike workers in garment manufacturing or craft-work, who may increase their speed, streamline production or use their unpaid children to assist in order to increase productivity, ACMs have little scope other than simply being more alluring physically and/or in terms of performance. These strategies themselves, however, may be limited because the girls have neither the skills nor the resources to develop their presentations, as well as there being practical limitations on how alluring any girl can be, and how many times they can engage in virtual sexual activities.

Piece-rate arrangements have traditionally placed a premium on speed for the completion of products. In the case of ACMs, however, keeping a client in private as long as possible constitutes productivity; this implicitly favours young, attractive, sexy, overt, “promiscuous” workers, and hence productivity can be directly linked to sexuality. Because ACMing is a service rather than a vendible product, the route to quantity is more direct: quantity in fact depends entirely on quality, in many respects – appearance, friendliness, performance, emotional labour, communication and connection, or what Hakim (2011) calls erotic capital. This requires “grooming” clients before, during and after any private show, and this takes a great deal of effort and time, culminating, hopefully, in a private show, which may last only a few minutes. Thus ACMs are required to focus on quantity *directly through quality*. In short, if the quality is not salient then the quantity will directly suffer. While theories of productivity commonly focus on the quantity of output, that quantity for ACMs indeed depends on quality. By shifting responsibility for quality and

⁶ Another form of incentive, or punishment, was revealed by *SeductiveAnn*: if she did not get any private shows each night then her boss would not provide her with food.

hence quantity to the worker, quantity and hence surplus value for the boss is almost guaranteed.

However, for both quantity and quality there are practical limitations: an ACM can have only a limited number of performances per hour, and over which she largely has no control; and there are limitations on quality. Even though ACMs may develop their erotic capital and modify their choreography, they are in a precarious if not unique “product” position: each girl *is* the product, the *same* vagina, the *same* breasts, the *same* face, essentially the *same* performance, on each occasion. Thus while the “quality” of an ACM initially may be high, it can also quickly wane, for, ultimately, the whole industry relies on diversity and novelty. Thus there is the problem of limited repeat-customers. The implications are that ACMs must either continually reinvent themselves and their performances, or largely rely on an endless supply of new customers.⁷

Since an ACM’s performance is measured solely by the number and length of private shows, there is no consideration by the boss about the quality of her public chat that may induce a potential client to visit that girl. Indeed, some bosses, with little understanding of management practices or erotic capital, openly discourage girls from extensive public free chat, reprimanding girls to the effect that if a client does not quickly take the ACM private then she should not pay much attention to him. Many of the girls, particularly the inexperienced ones, also expect a visitor to take them private very quickly, and pay little heed to visitors who simply want to chat. There is an assumption that, simply because an ACM is a girl, attractive, young, and willing to provide vicarious sexuality, then clients would *want* to take her private. But some clients want more than an attractive face and sexy body (cf. Caldwell 2011).

Chelsea, for example, clearly cultivated the kind of friendly relations that potentially *could* lead to something which would improve her life chances, and she had a repertoire of choreographic presentations to keep patrons interested. She would spend hours chatting with potential clients, and even engage those who logged in as a guest. Nevertheless,

Chelsea’s efforts went largely unappreciated or unrewarded, other than perhaps they *may* have led to more private customers. The problem, of course, from an accounting perspective, is that it is difficult to measure the contribution of unpaid choreography on output, which can only be measured by the quantity of private shows.

While there is in fact opportunity to increase productivity through the cultivation of one’s appearance and choreography, few girls have the resources, experience, knowledge, skills or personality and perseverance to do so. Even if they were to cultivate these skills, it would require a continual reinvention of one self and the input of significant emotional labour – qualities and skills that continue to be measured in purely mathematical terms of how many private shows an ACM performs. More importantly, the requirement for quality shifts the responsibility from the boss to the worker; and given that quality is so integral to quantity in ACMing, it therefore shifts the risk of production to the worker. That risk can be exacerbated in times of low custom, where multiple workers compete for the attention of fewer customers. But unlike a wage worker who gets paid regardless of custom, the ACM has no control over this.

Thus, there are conditions under which a piece-rate worker may be disadvantaged or exploited, in a practical sense, and of which ACMs exemplify as a particularly unscrupulous case. Be that as it may, it can be argued that, *regardless* of the work conditions and situations, piece-rates per se are *intrinsically* exploitative, even in the best situations.

Intrinsic Exploitation: the Risk for Labour

While the previous section provided a brief empirical illustration of what goes on inside the firm (Stiglitz 1975), it also presents a unique case that challenges economic and labour theories, and illustrates how a fundamental labour-capital relationship simply has been taken for granted.

Situational conditions and exploitation are largely possible because it is the ACM who is taking the risk in production. Thus while the site and the boss have almost nothing to lose, because they can employ other labour or use the capital for other

⁷ For a similar scenario, about taxi-dancers set in the 1930s, see Cressy, 1932; Mathews 2010: 51.

purposes, the ACM now has to bear the risk of production to meet her own needs (i.e. returns to labour), as well as, incidentally but by no means insignificant, situational obligations.

ACMing illustrates how the capitalist shifts the risk of production to the worker, at the point of production. In cases where it is not feasible or cost-effective to monitor input, particularly high-cost labour, piece-rates can make sense to the capitalist and are made to appear sensible if not outright attractive to labour. This may be particularly so in the case of service industries, such as ACM work. It would be far too costly time-wise and monetarily to directly supervise any number of ACMs and ensure they are responding quickly and appropriately to potential customers, or to constantly appraise their private show performances. Particularly in the Philippines where it is common to have multiple sources of income (“sidelines”), it would make no sense for a boss to tie up her or his time with direct supervision; the very nature and advantage of ACMing, which allows outputs to be computerized and hence directly measured against inputs (i.e. labour) without constant supervision, is in fact what may attract bosses to the business, providing them with another source of income whilst they pursue others.

As ACMing illustrates, by using piece-rates, the worker becomes his or her own monitor, and therefore for capital the cost of measuring the input to output ratio becomes low, as the boss has only to do this periodically, with minimal effort, or not at all, for output by piece can be simply and easily calculated via the site. Similarly for quality: a periodic or random check suffices to monitor quality. But even this is not necessary in ACMing since poor quality performance will be reflected in the low quantity of output, which the worker bears.

Although piece-rates were originally used in industries that provided vendible products, they can of course be used in services industries, which ACMing illustrates. Like vendible products, service can be assessed. In the case of ACMs, short performances or a lack of customers that reflect either customers’ rejection of the service or a lack of performance, would reflect on a girl’s ability to solicit

(i.e. the quality of the “product”). Such assessments would appear in the monthly tally, and hence particular strategies, as we have previously noted, could be used to penalise the ACM.

The most significant risk that a capitalist must face, and one that he or she passes on to labour, is the control of labour; this means ensuring labour is motivated sufficiently to meet production requirements in terms of quality and quantity, and in such number and cost effective manner that a surplus value can be had.⁸

In brief, then, piece-rates is all about controlling labour and minimizing for capital the risk that labour will not create a surplus value. By placing monitoring in the hands of labour itself, as self-policing, and setting conditions on rates, outputs and quality in return for remuneration, the capitalist places the burden and cost on the worker, thereby shifting the risk of low productivity to the piece-rate worker.

For the piece-rate worker, I have already mentioned several risks, and they are the same risks that capital faces. The first is that, for a piece-rate worker to be remunerated sufficiently for necessary labour, output value must exceed inputs, for she receives only 25 percent of output value, and must receive sufficient income in order to reproduce labour. If for any reason – such as absence, sickness, injury, lack of ability, broken machinery or lack of raw materials – he or she cannot meet that output, it is the worker who must bear the brunt of low production and hence low income. While there are strategies in the social relations of production that may mitigate the worst effects of these situations (see, for example, Platteau and Nugent 1992), these serve not to eliminate risk, but rather, highlight the fact that there *is* inherent risk in a piece-rate system. Indeed, why else would one have strategies of mitigation in the social relations of production if there were no risk in the relations of production?

Second, piece-rate workers are adversely affected by lack of custom. While this is also true of capital,

⁸ It is frequently noted in the literature on piece-rates that self-discipline is a problem, along with ensuring other members of one’s family or work-mates commit to their share of the work. This is common in the literature on various Philippine industries, particularly agriculture and craftwork. See Maquiso (1985), for example, who makes this issue quite clear.

the capitalist has various means and strategies to address this. The capitalist can more readily weather downturns, especially if he or she has reserve capital or other means of sustenance; he or she can diversify, cut prices or use other strategies to promote products and attract customers, or cut costs, especially labour costs; and ultimately, in becoming bankrupt, the capitalist can fall back to a position of being a worker him or herself. For the piece-worker, almost none of these are available; he or she has little or no capacity to promote purchases by customers; cutting costs essentially means cutting livelihood; and few piece-workers have sufficient reserves to see them through any significant period of economic downturn. The only real option is for the piece-worker to move to other employment, to diversify, assuming he or she has the skills to do so and other employment is available. All of these apply to ACMs.

Given the foregoing conditions, possibilities and limitations for labour, it is difficult for labour to move from one employer to another, and, more significantly, almost impossible to get out of labouring itself. In the case of ACMs, moving to another boss may provide slightly better social relations of production, but it does not escape the intrinsic risk that the piece-rate worker confronts. My data on ACMs document numerous cases of ACMs leaving the industry, possibly seeking other employment forms, or simply becoming unemployed, only to return to ACMing a few weeks later. Thus, whatever their situational circumstances, the fact that they are burdened in whatever situation or social relations they find themselves, with having to bear the risk of income, highlights the underlying capital-labour relations of piece-rates as a system, and a system of intrinsic exploitation.

Yet, economic models attempt to posit inadequacies of piece-rates on the social relations of production, the situational conditions of capital-labour relations, rather than the underlying principle of how piece-rates shift the burden of risk *ipso facto* to labour. That is, focusing on the social relations of production is to *presuppose* the intrinsic nature of exploitation and to focus on schemes that are implemented “carelessly,” or on strategies of how situational conditions may be mitigated; they shift the exploitation of piece-rates

from a principle of capitalism to the situational, to the social, and this appears to make intrinsic exploitation simply situational – and more bearable if not changeable.

Indeed, much of the literature addresses these issues, if only to shift analysis and responsibility from an economic system per se to the situational relations. That is, much of the literature points out the importance of the social relations of production by drawing on case studies, and in so doing examines how piece-rates operate in practice, and subsequently draw economic models from these studies. But those empirical studies obscure the underlying principle (and exploitation) of piece-rates as a system of remuneration.

Generally, the literature argues that economic relations do not exist in a social and cultural vacuum, but rather, income “inequalities under various payment schemes need not primarily reflect different risk-sharing arrangements, but may rather reflect differences in the division of surplus from the relationship between workers and managers” (Petersen 1992:68-69). In other words, the emphasis is not on the economic relations of production but the social relations of production, in which capitalists have the power to negotiate rates, quotas and conditions that best advantage them, and who are able to invoke socio-cultural sanctions, morals and obligations. While one is readily tempted to suggest that the social relations of production is a further risk for labour, it is a situational risk, and is thus a red herring.

Conclusion

This paper has argued that, regardless of the situational condition of the piece-worker, she or he bears the burden and risk of production by having to monitor her or his own labour-as-capital. Given the need for capitalism to employ labour and the inherent risk therein to control labour and ensure its productivity, any attempt to shift that inherent risk is also an attempt to shift the intrinsic nature of that risk, thus relieving capital of this risky burden. In simple terms, piece-workers take it upon themselves to ensure their own survival, and in so doing risk failure at the very point of production, at the coal-face of the labour-capital process. Failure

to appropriately monitor their own work capacity and work ethic, and to ensure output greater than their labour input, brings forth the risk of under-employment or unemployment.

While variations in piece-work schemes, combined with social relations of production, may mitigate or exacerbate the situational conditions under which piece-workers labour, these at best can only buffer immediate setbacks in productivity and hence worker income. Thus much of the literature has considered what variation is best for capital, to minimize *its* risk, while little literature has developed an analysis of the principle of exploitation in shifting the risk to the worker. Largely ignoring this principle, although acknowledging it in passing, many authors have at best dealt with how variations in piece-rate plans may mitigate the worst effects of this production risk, primarily for capital, and only occasionally for the worker.

This paper also has briefly documented the situational exploitation of ACMs working under a piece-rate system. ACMing is a new industry of service provision but one which, like few other piece-work services, presents the useful effects of labour embodied in the person herself as the commodity, and in the manufacture of which production and consumption are simultaneous.

ACMs illustrate both the potential (and real) situational exploitation and the principle of intrinsic exploitation in piece-work, and also highlight how

quantity (piece) and quality are linked. Unlike many other forms of piece-work, ACMs have very limited opportunity to increase their productivity, particularly since so much of their productivity depends on the inherent or nurtured quality of the commodity herself. Thus they are particularly subject to the burden of risk.

While it is important to explore this new industry for several reasons pertaining to possible sexual/gender exploitation, or in terms of agency, trafficking, health or globalization, ACMing also is important for illustrating empirically how exploitation within socio-cultural contexts may occur. It is also significant because it clearly illustrates gaps in our empirical and theoretical knowledge, and challenges existing understandings and treatment of piece-rates as a *system* of remuneration.

This paper has thus identified a theoretical gap in much of the literature. Rather than consider how firms reduce risk and costs, or examine the various strategies firms use to motivate labour, this paper has argued that much of the literature has taken for granted and glossed over how piece-rates burden labour with capital's own costs of supervision and productivity and the intrinsic risk associated with labour's failure to meet productive requirements.

While I have not explored all economic and accounting literature within the limited space of this paper, it is hoped that the focus I have provided on some central writings will open up sociological and economic issues in need of further study.

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