

Does division labour  
encourage or  
discourage social  
cohesion



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The attainment of social cohesion is an old human's dream for which he has long been struggling hard but still is unable to achieve it. There are infinite reasons behind this failure but the factor of economics is the top most of all. If we study the economic history we will get to know that how the wealth differences or poverty caused numerous social evils like kidnapping, exploitation, injustice, and many more. The level of social cohesion varies from country to country. In developed countries its rate is more than that of the under developing and developing countries.

The reasons are again the same i. e. unlimited needs against meagre resources. Along with many other reasons improper allocation of resources is another very major indicator behind lack of social cohesion in the developing countries. In this essay an attempt is made to find out whether the concepts of markets and labour division have encouraged social cohesion in the world or not.

## **The concepts of markets and division of labour**

Market and labour are two constituting pillars of economics. A market is a place where economic transactions are made between producers and consumers. There are various kinds of market structures in economic literature like monopoly, oligopoly, perfect competition, duopoly, monoposony, etc.

The main aim of all types of market structures is profit maximization by minimizing the cost of producers. One more common thing among all such structures is the absence of consumer satisfaction. No producer is aimed at maximization of consumer satisfaction because it is usually assumed that a

consumer is a rational being. Consumer rationality means that he is well aware of the market trends and the prices of the commodity he is going to purchase. There exists two main schools of thoughts about the concept of market in an economic literature: classical and Keynesian. According to classical economists, market should be free from all kinds of intervention. The prices of commodities and labour are determined under the free mechanism of market by invisible hands.

The concept of invisible hands was introduced by Adam Smith, the father of modern economics in order to explain the free market system. He was of the view that factors like competition, self interest and the forces of demand and supply determine the wages and prices. On the contrary, Keynesian economists were in favour of limited government intervention in the market phenomenon. They opine that free market give birth to social evils like exploitation of producer or consumer. So in order to control such disorders, government should intervene in the market either to support consumer or producer.

A splitting up of labour to assign them different tasks in the process of production is commonly called labour division. The purpose of this division is to attain production efficiency by allocating the workers tasks according to their abilities. Adam Smith was of the view that economic gains can be achieved with the help of labour division. Some economists like Karl Marx were of view that the specialization of labour that is attained as the result of labour division diminishes the efficiency of labour

## **The Concept of social cohesion**

The concept of social cohesion is a complicated phenomenon of sociology. Social cohesion is the force or factor that brings the people of the society close to each other for the welfare of the society as a whole. A society is a mixture of different people having varying ideas, values, thoughts and taste but share similarly ethnicity and language. The attainment of cohesion in the society is one of the most difficult and challenging tasks for sociologists, economists and politicians.

Several reasons are working behind the complexity of social cohesion and one of them is the difference of ideas. This point can be well explained by employing the example of 'luxury'. The concept of luxury varies from person to person, for example, for some people playing golf is a luxury whilst for others it is a profession to earn livelihood. That is how wealth or income discrimination disturbs the smooth functioning of social cohesion. (6pdf)

According to ancient philosophers, the subject of commerce is responsible of spreading the light of civilization by transforming fierce human being into a well cultured citizen. We can find the significance of market and commerce in the writings of Plato who stressed that the law of commerce has an ability to ruin or strengthen the societies. Plato was the great pupil of Aristotle who presented a blueprint of the society, which can be seen even today. He was in favour of the common ownership of resources. (5pdf)

Plato did not present his views primarily on the subject matter of economics. Instead his basic aim was to put forward ideas on how a man can get a better living. The economic theories were derived from his views on society

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later, by its followers. Although, Plato was living in the period of political and economic turbulence but his ideas about society, commerce, and the government were extremely modern.

Thus, the growing socio- politico and economic inequalities are the key hindrances in the way of social cohesion.

## **Influence of markets and division of labour on social cohesion**

The concepts of markets and labour division affect social cohesion in multi-dimensional ways. More precisely, it would be pertinent to say that markets and labour division may or may not encourage the social cohesion. The level of encouragement depends on the propriety of the market mechanism and labour division.

Markets based on malpractices, exploitation, inequalities, and disparities do not encourage cohesion but cause more disequilibrium in the societal life. This is so because when producers stop valuing the consumer satisfaction then resentment resurfaces and consumers will boycott the domestic producers. Instead of local producers they will start consuming imported commodities even at higher prices. This will further increase the price level in the country and also hamper the growth of indigenous industrial sector of the country on the whole.

Similarly, if governments will not check the free functioning of market in case of shortages and excess of production then powerful factor in the market will usurp the rights of feeble participants in the retail sector. This

will disturb the harmony of the society. The effects of market phenomenon is illustrated below with the help of phoney market mechanism

In the figure above it is assumed that social cohesion is obtained at point ' e' where market is in equilibrium by the interaction of demand and supply curves. At this point there is no government intervention in the market. Now suppose the market comes out of this utopian social cohesion with the disequilibrium of market. Assume it happens due to increase in price of a good by manufacturers. Now the new market price is ' Pn', at which the excess is created in the market because consumers are not ready to pay a higher prices for a commodity. This market disequilibrium will further disturb the social cohesion in various forms.

Consumers might be attracted towards cheap imported substitute or they might stop the consumption of those particular goods. As in this model it is assumed that there is no government intervention so the market disequilibrium will automatically restored by the soaring down of prices.

Thus the new settled price of a commodity is ' Pf', which is below than equilibrium price ' Pe'. At this new price, the shortage of the goods will be experienced by the market which again disturbs the social cohesion. This time the victim will be consumers because producers will cut down the supply of commodity due to very lower prices.

Again, automatic market forces will exert pressure on prices as they will start going up and ultimately the economy will attain equilibrium. Thus the above model revealed that the market phenomenon directly affects the social cohesion. The disturbed market means a distressed and troubled society.  
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The role of market for the attainment of social cohesion cannot be omitted just on the grounds of some religious restrictions. Although, ancient scholars did not appreciate the commerce activities but they did not clearly negate them. In old writings, the commerce was deemed as a cure for destructive prejudices present in the societies. To ensure the harmony in all the stratum of the society commerce plays a significant role. It teaches the people of society how to live by creating the means for their family. (5pdf)

The market model presented above was without government intervention but the role of government in the market and labour division is gigantic today. Keynes was the key proponent of government intervention in the markets which is also true to a great extent. The government intervention in a market is necessary because the laws of commerce are made by keeping in view the constitution of the societies. And the constitution is made by government along with judiciary support. (5pdf)

The government that is aimed at social cohesion and prosperity invigilate market as a fair referee and intervene whenever the need is originated. On the contrary the government that is aimed at its own delight and prosperity disturb the existing cohesion level in the societies. This is the reason that societies with honest governments are developing with the growing time whilst the societies with corrupt governments are becoming socially, economically, and morally impoverish. The key examples in this regard are Florence, Venice, and Holland against developing states like India, Ethiopia, etc. (5pdf)

The type of government is also a big determinant of social and economic cohesion. Monarchy and theocracies are not as effective as democracy and constrained capitalism are. This is so because in the former types the government deprive the citizens from the due rights by controlling all the means of property and production. However, in the later type the interests of people are given the first preferences by allowing them to participate in the social and economic welfare of the state. (5pdf)

This is why the vast majority of the world has rejected the conventional and forced types of governments. With the arrival of new and modern concepts of government, the overall welfare level has increased in the world. Although the rate of poverty is also increasing alongside the prosperity but this increase is not as detrimental as the slavery was in the old times.

The slavery was a stigma on the face of humanity which deprived millions of deservers from their natural rights. Slavery was also great hurdle in the way of social cohesion because it divides the individual into superior and inferior classes. It does not unite the people but segregate them into strata. Thus, in such state of affair the dream of social cohesion is not less than any utopian concept.

On the same lines, labour division also affects social cohesion in different ways. If labour division is efficient then it will increase cohesion in society otherwise it will disturb the social order. Labour gets rewarded against their services either in the form of wage or salary. In modern societies the labour market is based on well-developed cash economy, which is why the chances of exploitation are low as compared to the old days.



The heterogeneity of labour gives birth to the concept of labour division. The factors like education, training, and efficiency of labour are the determinant of labour division. These factors create the wage differentials between different occupations as well. For instance, the wages of a nurse are far less than that of a financial advisor. A financial advisor enjoys quasi-rent, which means surplus earning by labour or other factors of production whose supply is fixed in the short run. On the contrary a nurse cannot reap such benefits due to their elastic demand.

Wage differentials can either create social disorders or can increase the cohesion by offering some advantages. Wage differentials perform the function of allocation in the society. For example, a high wage rate motivates the labour towards the occupation, which reduces the mobility of labours from one occupation to the other. It also encourages labours to improve their skills in order to earn more income.

When the condition of labour will improve, the output of firms will also grow which further increase the prosperity level in the society. That is how this cycle will work for the maintenance of social cohesion in the societies. An economic position is like glue that sticks the people of the society together. This glue stops working in the conditions of depression, poverty, crises, and all sorts of other economic setbacks. According to academics, economically dejected and politically disenfranchised people are great menace to the social stability. (pdf9)

The economic conditions reflect the social cohesion and its biggest testimony was the high social disorder during 1845- 1847, due to the downturn of

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British and French economies. In addition, the French revolution also speaks of the relation between economic health and social cohesion. The French revolution was the bloodiest revolt in the history of humankind, the causes of which were also economic. The lower and middle class of Europe started rising against the elite class which further engulfed the continent of Europe. (pdf9)

There are two types of poor people in the context of revolution. The first category of poor people is a product of poor government policies, which are incapable of any virtue. This is so because poverty has been imposed on them. The second kind is comprised of people who are naturally deprived of the comforts of life. Such types of poor have never tasted the variety of blessing so poverty is a part of their life. The second type of poor are capable of bringing big changes in the society. This is so because they are liberal in their acts and their consequences. (5pdf)

There is no rational reason to stand and revolt against the governments if the people would have attained their due rights easily. When affluent class snatches the basic rights of poor the later class react, which produce chaos in the societies. This reaction comes in the increasing rate of suicides which first creates hatred and then revolution. Many academics opine that economic crisis aggravates the suicidal tendency in the societies. This view point is testified if we look at the historical statistics. A financial crisis took place in Vienna during 1873- 1874, as the result of which suicide rate also increased in number from 141 to 153 during 1872-1873. The rate further escalates to 216 in 1874. (16pdf)

It is not necessary all the time that increased poverty will also affect the rate of suicide in the society. It can also generate positive effects in the societies surprisingly. For instance, the poverty stricken Calabria has the lowest suicidal rate as compared to France and Spain. There can be various reasons behind the low rate of suicide in Calabria and one of which is moral enlightenment.

## **Conclusion**

There is a direct relation between wealth and social cohesion. The increasing gap between rich and poor devour societies like a termite. If we want to create a unity among our citizens we have to ensure the proper distribution of wealth which is only possible with the help of proper labour division and efficient functioning of markets. The stigmatized markets and discriminating wage rates can never let the societies prosper. The above discussion reveals that markets and division of labour encourage social cohesion as long as they do not create exploration.