

Lecture Notes 8 : Chapters 16-22

Chapter 16: Absolute and Relative Surplus-Value

the crucial analogy: teaching and sausages (644)

Formal vs. real subsumption

The production of RSV requires a 'specifically capitalist mode of production', a mode of production:

which, along with its methods, means and conditions, arises and develops spontaneously on the basis of the formal subsumption of labour under capital. This formal subsumption is then replaced by a real subsumption. (645)

The distinction is intended to cover the 'subjective' principles of the division of labour characterizing manufacture, as opposed to the entirely 'objective' principles of large-scale industry. (see also *Results*, 1028-38):

Manufacture's formal subsumption does serve production for production's sake, but:

this inherent tendency of capitalist production does not become adequately realized - it does not become indispensable, and that also means technologically indispensable - until the specific mode of capitalist production, and hence the real subsumption of labour under capital has become a reality. (1037)

Rudiments of historical materialism

Class division presupposes the existence of a surplus:

<i>Form of Economic Structure</i>	<i>Level of Productive Development</i>
1. Pre-class society	No surplus
2. Pre-capitalist class society	Some surplus, but less than
3. Capitalist society	Moderately high surplus, but less than
4. Post-class society	Massive surplus

Table 1: From Cohen (1978), 198

Chapter 17: Changes of Magnitude in the Price of Labour-Power

Say working day = 12 hours, value of product $u = \text{€}12$, $c = \text{€}6$, $v_t = \text{€}4$, $s = \text{€}2$. Then value of labour power halves, s.t. $v_{t+1} = v_t/2$. Assume further that the price of labour power also falls, but does not halve, s.t. $p_{t+1} = \text{€}3 > v_{t+1} = \text{€}2 \simeq p_{\text{subsistence}}$. It follows that:

it is possible, given increasing productivity of labour, for the price of labour-power to fall constantly and for this fall to be accompanied by a constant growth in the mass of the worker's means of subsistence. But in relative terms, i.e. in comparison with surplus-value, the value of labour-power would keep falling, and thus the abyss between the life situation of the worker and that of the capitalist would keep widening. (659)

Increasing real wages are compatible with increasing inequality between capitalists and workers.

Further rumination on post-capitalism:

If the whole working day were to shrink to the length of its necessary component, surplus labour would vanish, something which is impossible under the regime of capital. Only the abolition of the capitalist form of production would permit the reduction of the working day to the necessary labour-time. But even in that case the latter would expand to take up more of the day, and for two reasons: first, because the worker's conditions of life would improve, and his aspirations become greater, and second, because a part of what is now surplus labour would then count as necessary labour, namely the labour which is necessary for the formation of a social fund for reserve and accumulation. (667)

Socialism would not abolish saving and investment, but give them a new form.

Chapter 18: Different Formulae for the Rate of Surplus-Value

Marx distinguishes between three different formulae:

- I. $\frac{\text{surplus-value}}{\text{value of labour power}} = \frac{\text{surplus labour}}{\text{necessary labour}}$
- II. $\frac{\text{surplus labour}}{\text{working day}} = \frac{\text{surplus-value}}{\text{value of product}} = \frac{\text{surplus product}}{\text{total product}}$
- III. $\frac{\text{surplus-value}}{\text{value of labourpower}} = \frac{\text{surplus labour}}{\text{necessary labour}} = \frac{\text{unpaid labour}}{\text{paid labour}}$

Formulae like II 'express, in reality, only the proportion in which the working day, or the value produced by it, is divided between the capitalist and the worker.' (669) This makes it look as if they divide the product in proportion to their contribution, which is false, because capital's 'contribution' consists in 'its command over surplus [and therefore unpaid] labour'. (672)

Chapter 19: Value of Labour-Power into Wages

Belabours the distinction between labour and labour-power: the expression 'the value of labour' is as meaningless, for Marx, as 'the length of a meter'. Labour is an 'immanent measure of value', just as a meter is a measure of length.

Chapters 20-22: Time Wages, Piece Wages, National Differences

Important distinction between time- and piece-wages. Piece wages are more adequate to the capitalist mode of production. They also:

make it easier for parasites to interpose themselves between the capitalist and the wage-labourer, thus giving rise to the 'subletting of labour'. (695)

Chapter 22 is an attempt to refute the idea that productivity explains wage differentials, by pointing to an equivocation between the absolute and the relative price of labour (702).

Suggested Reading

Cohen, G. A. (1978), *Karl Marx's Theory of History*, ch. 4.

Further Reading

Postone, M. (1993), *Time, Labour, and Social Domination*, ch. 7.