

Karl Marx (1818-83)

Marx and the Enlightenment

- Marx and science
 - The materialist conception of history
 - Base and superstructure
- Marx and individual rights
 - Freedom versus equality
 - Workmanship and the labor theory of value

Part I:

**The Marxian challenge and the
project of classical political
economy**

Marx's Intellectual Biography

- **The German Marx and the English Marx**
- **Early utopian politics; subsequent disillusionment**

Project of classical political economy

- The search for theories of “natural” and “market” theories of wages, prices, rents and profits
- Need to explain declining tendency in the rate of profit
- Use-value, exchange-value and “Value”
- Marx’s definition of a commodity

Commodity Exchange under Capitalism:

- $C \gg M \gg C$
- $M \gg C \gg M$
- $M \gg C \gg M'$
(where $M' > M$)

The basic problem of classical political economy:

How is profit possible? According to Marx:

“The transformation of money into capital has to be developed on the basis of the immanent laws of the exchange of commodities, in such a way that the starting point is the exchange of equivalents. The money-owner who is as yet only the capitalist in larval form, must buy his commodities at their value, sell them at their value, and yet at the end of the process withdraw more value from circulation than he threw into it at the beginning. Its emergence as a butterfly must, and yet must not, take place in the sphere of circulation. These are the conditions of the problem.”

Part II:**The Labor Theory of Value;
Exploitation, and Injustice**

Freedom: The Absence of Alienation

“...[t]he division of labor offers us the first example, as long as man remains in natural society, that is, as long as a cleavage exists between the particular and the common interest, as long, therefore, as activity is not voluntarily, not naturally, divided, man’s own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him. For as soon as the division of labor comes into being, each man has a particular, exclusive, sphere of activity, which is forced upon him and which he cannot escape. He is a hunter, a fisherman, a shepherd, or a critical critic, and he must remain so if he does not want to lose his means of livelihood; while in a communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, and criticize after dinner, just as I have a mind, without ever becoming hunter, fisherman, shepherd or critic” *The German Ideology* (1845)

The Labor Theory of Value

The exchange value of any commodity is determined by the amount of socially necessary labor time [SNLT] for its production

SNLT is defined as “The labor-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of the labor prevalent in the society.”

The Labor Theory of Surplus Value

Living human labor-power is the only source of new exchange-value

Labor-power is a commodity like any other. Its exchange value is determined by the SNLT needed to produce it.

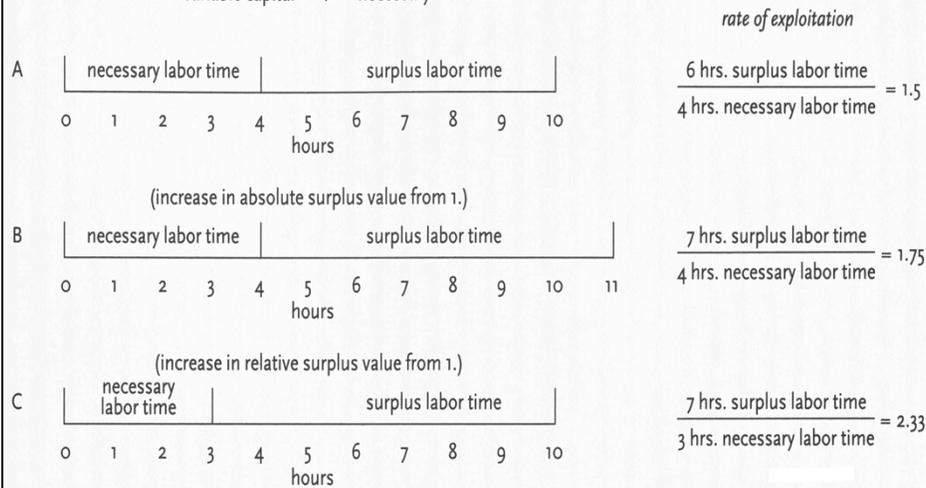
Labor-power has one unique property: Its consumption as a use value leads to the creation of fresh exchange.

Constant and variable capital

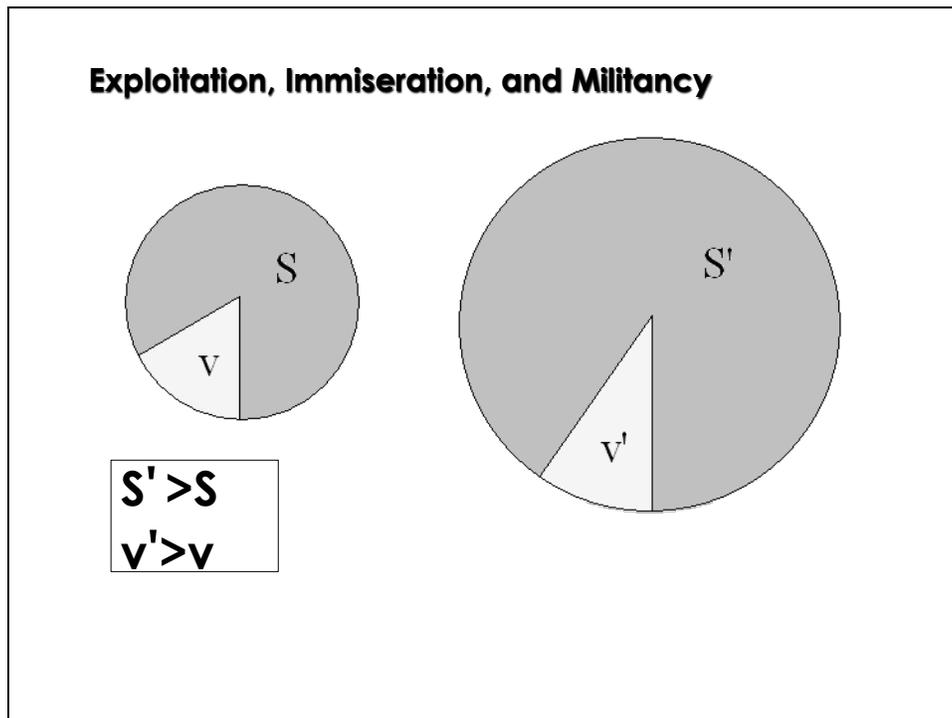
$$C=c+v$$

Relative & Absolute Surplus Value & Rate of Exploitation

$$\text{rate of surplus value} = \frac{\text{surplus value}}{\text{variable capital}} = \frac{s}{v} = \frac{\text{surplus labor time}}{\text{necessary labor time}} = \text{rate of exploitation}$$



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Socialism: A Society Based on Genuine Workmanship

“What we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capitalist society; which is thus in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges. Accordingly, the individual producer receives back from society—after the deductions have been made—exactly what he gives to it.... He receives a certificate from society that he has furnished such-and-such an amount of labor (after deducting his labor for the common funds); and with this certificate, he draws from the social stock of means of consumption as much as the same amount of labor cost...

Socialism: A Society Based on Genuine Workmanship

...Hence, *equal right* here is still in principle—*bourgeois right*, although principle and practice are no longer at loggerheads, while the exchange of equivalents in commodity exchange exists only on the average and not in the individual case....

In spite of this advance, this equal right is still constantly stigmatized by a bourgeois limitation. The right of the producers is *proportional* to the labor they supply; the equality consists in the fact that measurement is made with an *equal standard, labor.*”

Socialism's Limitations

“But one man is superior to another physically, or mentally, and supplies more labor in the same time, or can labor for a longer time; and labor, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. This *equal right* is an unequal right for unequal labor. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege. It is, therefore, a right of inequality, in its content, like every right. Right, by its very nature, can consist only in the application of an equal standard; but unequal individuals (and they would not be different individuals if they were not unequal) are measurable only by an equal standard insofar as they are brought under an equal point of view, are taken from one definite side only—for instance, in the present case, are regarded *only as workers* and nothing more is seen in them, everything else being ignored. Further, one worker is married, another is not; one has more children than another, and so on and so forth. Thus, with an equal performance of labor, and hence an equal in the social consumption fund, one will in fact receive more than another, one will be richer than another, and so on....”

Superabundance and Communism

“...These defects are inevitable in the first phase of communist society as it is when it has just emerged after prolonged birth pangs from capitalist society. Right can never be higher than the economic structure of society and its cultural development conditioned thereby.

“ In a higher phase of communist society, after the enslaving subordination of the individual to the division of labor, and therewith also the antithesis between mental and physical labor, has vanished; after labor has become not only a means of life but life’s prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly—only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!”

—*Critique of the Gotha Program (1875)*

Part III:

Marxism’s Failure and Legacy

- **Persistence of scarcity and politics**
- **Marx's Historical predictions**
- **Teleological conception of history**

5 Part Theory of Crisis

- **Money**
- **Declining tendency in the rate of profit**
- **Monopolies and the elimination of competition**
- **Under-consumption**
- **Working-class consciousness**

Labor-theory of value

- Living human labor-power as the only source of surplus
 - Contribution of dead workers
 - Contribution of the capitalist
 - Other contributions-the feminist critique

- The hidden moral argument
 - Corn theory of value and exploitation
 - Role of workmanship

- Alternative formulations

Moral assumptions behind workmanship

Consider Chief Seattle:

“This we know: the earth does not belong to man, man belongs to the earth. All things are connected like the blood that unites us all. Man did not weave the web of life, he is merely a strand of it. Whatever he does to the web, he does to himself.”

Chief Seattle’s letter to the American Government, c. 1854

Moral assumptions behind workmanship

Or consider Robert Nozick's question:

“Why does mixing one's labor with something make one the owner of it? Perhaps because one owns one's labor, and so one comes to own a previously unowned thing that becomes permeated with what one owns. Ownership seeps over into the rest. But why isn't mixing what I own with what I don't own a way of losing what I own rather than a way of gaining what I don't? If I own a can of tomato juice and spill it into the sea so that its molecules (made radioactive, so I can check this) mingle evenly throughout the sea, do I thereby come to own the sea, or have I foolishly dissipated my tomato juice?”

Robert Nozick, *Anarchy, State and Utopia* (1974)

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 - Role of workmanship
- Alternative formulations
 - Exploitometer might not reward fairly, but nor do markets
 - Freedom argument: class monopoly and domination