

Some Continued Discussion

[This is a continuation of the discussion between a correspondent and me about the Labor Theory of Value and related topics, that occurred in the [Letter on the Morality of the Continued Exploitation of Labor Through the Use of Machines Created by Past Labor](#) (Jan. 16, 2009). This follow-up discussion took place on Jan. 19, 2009. –S.H.]

[From my correspondent, circa Jan. 19, 2009:]

Scott

Thanks very much for the comprehensive response.

I agree with you mostly regarding the moral status of value derived from machinery (though maybe from another angle it could also be argued that the surplus value produced by machines ‘for free’ is like the value of natural resources to which no particular individual or class has an exclusive claim).

I think my major concern was that a sense of entitlement to this surplus value in the consciousness of workers may diminish as automation increases. For instance, in the nightmarish android scenario of the future where there are only capitalists and impoverished welfare recipients, the class of welfare recipients may never feel or be aware they have any right to more than the scraps they receive from the machines, even though from a historical and philosophical perspective they would have such a right.

But I do take your point that hypothesising about what might be is a moot point in view of what the actual current situation is. I don’t have the economic background to assess your bold predictions of how the current crisis will develop, but if you’re right the android scenario will be of complete irrelevance, although I think surplus value from automation could still be a major factor which could undermine traditional Marxist analyses.

I wonder whether, along with the various possible outcomes of the crisis you have mentioned another one might be a form of ‘market socialism’ or more benign capitalism, in which the international ruling class decides it is in their interest to pay workers an amount equivalent to the value they add to the product and only appropriate for themselves the machine generated indirect surplus value (of course there would be no exact calculation of these values, but the gist of it would be that workers would be paid more so they could consume more).

In that case, maybe capitalism would be able to lurch on for a few more decades. Perhaps the main societal contradictions (besides overproduction) would then be increasing unemployment from automation and the continuing reliance on indefinite and therefore ecologically unsustainable economic growth, whereas only true socialism would allow a sustainable, steady state economy to be implemented.

Incidentally, I hope you don’t mind but I referred to your review in a discussion I had on another blog I

read: <http://enpassant.com.au/?p=924>

Regards

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[Scott's response, on Jan. 19, 2009:]

Hi,

You make some interesting points! And with regard to the working class not even realizing it is being exploited (or not realizing it is also the continuing victim of past exploitation at present and also in some hypothetical future society where machines do *all* the work), this is in fact quite conceivable.

After all, the exploitation of even the *current* human labor in the capitalist production process is sufficiently obscure that most workers do not automatically understand it. (That is the genius of the capitalist mode of exploitation!) The reactionary "labor leaders" tell workers that they are receiving a "fair day's wage" for a "fair day's labor", and many of them really believe this. Even most of those who don't believe it imagine that they *could* be paid a "fair day's wage" if the company wasn't such a cheapskate. Almost nobody understands (until they encounter Marx) that as long as the company is able to stay in business *at all*, then they are still being exploited in the scientific sense.

Only if the wages at some individual plant were large enough so that the capitalists *could not afford* to hire the workers, would there be no exploitation at all at that plant! (Because, in that case, there would be no surplus value to allow a profit for the capitalist who owns the manufacturing plant, and also no source for the profit which ends up in the hands of the retail store owner who sells the commodity to the public, etc.)

This is also why the scenario of a more "benign capitalism" that you postulated can't really work, certainly not while the need for current labor in the production process is anywhere near as substantial as it still is.

If there were only a very few extremely skilled human workers still needed, while almost all surplus value came not from these humans any more, but from intelligent machines of one sort or another, then yes it is conceivable that these few skilled workers might not be exploited. They might even get a share of the company's profits (derived from the surplus value generated by the past human labor via the machines). But of course for capitalism to work at all, even in this extreme case, there must be a net exploitation of labor—of past and current labor added together.

But as we've been saying, it doesn't seem at all possible that capitalism will be able to continue to develop to such an extremely skewed situation. On the contrary, capitalism is even right now like a "house that is burning down", and not all of us inside the house are likely remain inside, dying, until the last cinders die out.

However, I think capitalism, on a world scale, will in fact “lurch on” for a few more decades even so. The reason is that the subjective element (people’s revolutionary consciousness) has not for the most part developed yet. It will take a lot more economic disaster (unemployment, starvation and other misery), and also environmental and probably additional types of disaster (such as from wars), before the great majority will be ready for genuine anti-capitalist revolutionary action. At least this is the prospect for most countries, including the advanced capitalist countries. Hopefully a number of Third World countries will move toward revolution much more quickly than that.

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I don’t at all mind your reference to my comments and web site in other places. I looked at John Passant’s response to you (and me!) and wasn’t very impressed, however. He seems to be one of those fairly doctrinaire sorts who has difficulty even thinking about whether his own ideas might have some flaws in them. For example it is not enough to just keep saying that *only* human labor can generate surplus value, without actually considering the question of “*Why is it* that only human labor can generate surplus value?” And in my opinion there is *no* good answer to that question.

His referral to the article on the Jim Davis web site, however, was more interesting. (I’m talking about the article “The Shape of History: Historical Materialism, Electronics and Value” at <http://www.gocatgo.com/texts/histmat.html>)

Davis’ last paragraph did in fact give me pause:

“With the spread of electronics-based production, social organization on the basis of value—the participation of human labor in production—begins to disintegrate. Electronics lays the basis for the destruction of the value system. At the same time, just as in the period when industrial production developed, new social forces begin to emerge to champion the new technologies—to reconstruct society so as to put the new technologies to optimal use. This can only be accomplished by the public ownership of the technology and the other means of producing necessities. At the same time, with the end of the wages system, a new system of distribution is demanded—one based on the circulation of the wealth of society on the basis of need. The public ownership of the means of production, and the distribution of wealth on no other basis than need are the cornerstones of the communist economy, the form which makes optimal use of electronics-based production.”

That is very well said! His conception is still that *only* current human labor in production process can generate surplus value, but he recognizes that current human labor in the production process is becoming less and less necessary (in historical terms at least).

In effect what Davis has done (and maybe what Marx meant to be doing as well) is to simply *define* surplus value as deriving *only* from human labor in the current production process. And if you do that, and persistently keep to that perspective no matter if space aliens show up on earth and join the work force, or androids join the work force, then you can in fact reasonably say that the *value system* itself

(since it is based only on *human* labor) is disintegrating in those circumstances. And, no matter how you look at it—Davis’ way or mine—the only real solution is still social revolution, and ultimately communism.

But I still think that this approach is less satisfying intellectually than admitting that it is not just current human labor which can generate surplus value, but also anything *equivalent* to that current human labor (i.e., anything which could *replace* that current human labor). This could conceivably be aliens from another planet or androids (“artificial people”). But most plausibly at present, it is simply *past* human labor which has been made reusable because it has been encapsulated in the form of machinery.

Under the standard Marxist conception (that of Jim Davis) automatic machinery is leading to the death of the value system itself (since their theory is that *only* current human labor can generate value and current human labor is becoming gradually less important). Under the conception I am putting forth, it is not the value system which is directly disintegrating, but the capitalist social system which is disintegrating because it is unwilling and unable to reasonably *distribute* the value that is still being produced today, but more and more from past labor which is reusable via machines.

The conclusions are the same either way: we need revolution and communism! But the intellectual conception explaining why this is so is more coherent and straightforward my way, I think. It is definitely not a question of abandoning the LTV; only of reinterpreting it in a more coherent manner.

Scott