Automation, the working class and the extraction of surplus value

27 May 1999

The following message responds to an earlier exchange between a reader and Nick Beams, the national secretary of the Socialist Equality Party in Australia and a member of the WSWS *Editorial Board.*

First, to Nick Beams:

Well done! A wonderful interpretation and reply on surplus value. During the past century and a half, the capitalist economists have never forgiven Marx for exposing their secret of exploitation. They want to remove the scientific foundation of Marxism's analysis of surplus value and replace it by simplistic daily common sense. But all of them have failed, including the Frankfurt School which denies that labour is the source of value because of automation.

They simply trap the working class in the surface factors of economic life, along with the official organs of the media and capitalist education. In order to overcome the low level of understanding in a society based on so-called free individuality and educate the working class as an independent class-conscious political force, please keep the good work going.

Second, to SR:

You raise the oldest problem, which the capitalist economists have never stopped attacking. As you can see, it is a very crucial theoretical problem, reflecting the opposed interests of capitalism and the working class. Nick Beams has explained it very well, I just want to add some details to his analysis.

Firstly, even a full-scale automated plant, no matter how advanced its technique, is still materialized or dead labour, that is, machinery. The value of these techniques is embodied through the productive processes carried out by living labour. As a component of constant capital this plant only transfers its own fixed value, but does not create new or extra value. It never adds more value than it loses, by wear and tear. On the contrary, new value is added by living labour.

Secondly, no matter how large scale the automatic technique replacing the living labour, it always requires the labourer to design, manufacture, manage, repair, upgrade and reproduce it. Their values are created and their transfer of value to the new product is also realized finally by living labour. They can only become productive forces as part of the total social capital, never as an individual enterprise or productive branch.

Thirdly, following the development of technology, the professional and skilled workers employ larger proportions of total labour. This complicated and skilled labour, based on advanced technique, is able to create more value than simple labour.

Fourthly, when a minority of enterprises use relatively advanced automatic systems in a certain industrial branch, the capitalists are able to appropriate additional surplus value by selling below the average social value in the market. They lower the necessary labour time of the workers (in which they reproduce their wages) while increasing the relative surplus labour time for the capitalist (in which surplus value is produced). This is the real reason that the profit system introduces technology—not for human need, but for the endless struggle to seek surplus value.

The extreme case you cite, where a machine does 100 percent of the work, is not new but an extreme example of the analysis of the organic composition of capital made by Marx in Volume III of Capital. Its profit can only be realized through a general social process, as well as any other section of capital. As Nick Beams pointed out it 'shares in the overall mass of surplus value created in society as a whole according to its share of the total capital'. However, on the other hand, how the individual capitalists will share the surplus value is through competition, by 'clever advertising campaigns', 'a good review', 'luck', etc. This contradictory unity of capital even determines the

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political logic of the bourgeoisie. As we have seen in the Balkans crisis, the unity of the allies of 'ethical imperialism' has not done away with the conflicts between them for new colonial interests, let alone the trade war.

Marx pointed out that surplus value does not come from machinery, which replaced labour power, but on the contrary it is through labour power that the capitalist uses machinery. In past class societies the surplus labour could be clearly observed. It was exploited by political forces. Capitalist exploitation of labour is hidden by economic processes. Marxism still applies and is still correct in the epoch of automation and globalization because the social relations are still capitalistic.

Yours truly,
JL

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