



Intervention

Debating Lebowitz: Is Class Conflict the Moral and Historical Element in the Value of Labour-Power?

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Abstract

Prompted by the debate over Michael Lebowitz's contributions on the relative absence of class struggle in Marx's *Capital* (and, in particular, the determining if subjective role played by labour in resisting capital), this paper seeks to push analysis forward by closer examination of the notion of the value of labour-power. It does so by arguing that labour markets are structured, reproduced and transformed in complex and differentiated ways, whilst the moral and historical elements that make up the use-value interpretation of the value of labour-power also need to be addressed in a differentiated manner rather than as a fixed bundle.

Keywords

value, labour-power, Lebowitz, Marx, consumption

That debate should be provoked by Michael Lebowitz's contributions¹ is understandable. He goes to the heart of Marx's methodology and, directly or indirectly, raises issues concerning the relationships between value theory, inter- and intra-class conflict, the abstract and the concrete/complex, and more besides within Marxist political economy. There is also the claim that Marx himself is not only guilty of being one-sided in his treatment of capital-labour relations, unduly neglecting the active or subjective role of labour in opposing capital and promoting its own interests, but also that this bias has been characteristic of much of the tradition of Marxist political economy that he inspired. To some extent, the commentary on Lebowitz has provided some corrective to the extremes to which he has pushed his case but, I suspect, like

1. Lebowitz 2003 and 2006.

myself, many readers will remain dissatisfied with what appears to be an unresolved outcome of the debate and the failure to make constructive progress.²

There is good reason for this. In making his case for re-introducing labour, Lebowitz explicitly and centrally raises the issue of what happens in the case of productivity increase during capital accumulation. If rewards to labour remain the same in use-value terms, then there will be an increase in profitability. But, if the value of labour-power remains the same, then this will represent an increase in the use-values that can be commanded by labour, and profitability will remain unaltered.³ In Volume I of *Capital*, it is presumed that the use-value reward to labour remains the same, and this leads Lebowitz to reprimand Marx, and his followers, for neglecting alternative outcomes that are contingent upon active intervention by labour that raises the latter's rewards anywhere up to the level consistent with continuing profitability.

Indeed, Lebowitz deploys a specific concept, 'the degree of separation', to determine the outcome of this distributional division of the rewards of productivity increase. Significantly, this concept attracts no comment in the debate despite its novelty. Yet, as will be argued, it is fundamentally flawed. First, though, observe that, if the degree of separation simply serves as an *ex-post* measure of the outcomes, then it has no causal or analytical content. Second, otherwise, as is apparent in Lebowitz's account, the degree of separation is designed to reflect some degree of organisation of the working class at some aggregate level, primarily in reacting to or resisting and thereby accruing the gains from productivity increase.

But is such an abstract and aggregate concept legitimate for the analytical role that is assigned to it? It is simply presumed to be so. Does – one test of Marx's method – the degree of separation demonstrably correspond to the real processes of capitalist accumulation? Perhaps there is an implicit parallel with the rate of surplus-value, the terms on which aggregate capital and labour confront and exchange with one another over the buying and selling of labour-power. In practice, and at a more complex level, this exchange takes place through disaggregated acts of exchange of individual capitals and labour. But they are homogenised through the value relations that connect them both at

2. See special section in *Historical Materialism*, 14, 2, 2006: 49–134.

3. This is not completely accurate as profitability will depend upon how the increase in productivity is brought about. If, through an increase in organic composition of capital, then some part of productivity must accrue to capital in order for profitability to remain the same. This qualification need not detain us here but it is of crucial importance in the understanding of how productivity gains are distributed as opposed to the limits within which they are confined. See below.

any moment in time and through the reproduction of the capital-labour relation itself. The result is not, it should be emphasised, a division of value produced between capital and labour with one only gaining at the expense of the other. This is a Ricardian view in which distributional relations between capital and labour are determined *ex post*, a dividing-up of the cake. In contrast, for Marx, the buying and selling of labour-power is *ex ante* and distributional outcomes are *ex post*, contingent on the extent to which surplus-value has been extracted through the intervention of production. In short, the capitalist mode of production is fundamentally based on the exchange between the two classes as a whole, irrespective of the detailed division of labour within and across commodity-producing and other activities that are its complex consequence.

In this light, the parallel with the degree of separation does not carry through. First, capital and labour as a whole do not necessarily conflict over productivity increases, leaving aside the division of its spoils. Progress in the methods of production can lighten and enhance work even where there is specialisation and deskilling, and especially where there is not. Workers may even demand more advanced methods of production – a lawnmower rather than a scythe to cut the grass, or other means more generally to reduce the burden of work.

Second and more fundamentally, the structures and processes leading from productivity increase to division of output are too many and too complex to be reduced to a single analytical index. Do we have a balance of class struggle from which we can read off distributional and other outcomes? Both the elements and incidence of class struggle are too varied, numerous and complex (multi-layered and impure) to allow this. Lebowitz himself mentions, for example, globalisation (itself multi-dimensional) and contracting out, the pressure of unemployment and, inevitably, solidarity in and across workplaces. But this is only to touch the surface in terms of the forms and content taken by class struggle. And, as for the previous point, class struggle and its outcomes do not constitute a zero-sum game. How, otherwise, apart from shift from one mode of production to another could class struggle serve as the motive force of history within modes of production? Further, whilst value relations do necessarily yield a degree of separation *ex post*, since the various elements of class conflict do have to resolve themselves however partially and temporarily through the circulation of capital, there is no basis for this degree of separation to be acted upon by the simultaneously constituted value relations (as if there were a law of the tendency of the rate of degree of separation to be equalised as there is for profitability or surplus-value).

In short, if the degree of separation brings labour and class struggle back in, it only does so as an *ex-post* fix. And, as Marx himself observes, he was not the

discoverer of class conflict. Rather, one of his self-acclaimed achievements was to locate class struggle in the context of particular modes of production. For capitalism, the production of surplus-value sets the parameters within which class struggle can be located. But those parameters themselves have to be uncovered before class struggle is introduced. Marx even begins *Capital* with the commodity, not capital and labour, let alone class conflict, as a preliminary in order to be able to begin to address the forms taken by class struggle.

Thus, Lebowitz's appeal to the degree of separation presupposes the answer to the question he has set. Paradoxically, the frequent observation that Marx plans a theory of wages for a later volume is perceived as evidence for his neglect of class struggle in the earlier ones. But to use the degree of separation is to resolve (distributional) issues arising out of productivity increase before those intervening volumes are in place. To the contrary, the structures and processes of accumulation have to be specified before the mode, nature and impact of class struggle can be assessed. The degree of separation simply leapfrogs from the abstract to the concrete, appealing to a few elements and locating none in the analytical scheme as a whole. In a sense, the degree of separation is the volume on the theory of wages reduced to a single concept.

In this light, I want to approach the issues involved in a different and more constructive way, rather than unduly demonising the degree of separation idea (although criticism of it will recur). This is by closer examination of that most peculiar of commodities, labour-power, something not greatly engaged in the debate. As a commodity, it has both use-value and exchange-value. These need to be examined closely in turn. As a use-value, labour-power has the universal, if not exclusive, capacity of creating use-values. In a commodity-producing context, it has the unique capacity to create value. And, for capitalist commodity production, it alone creates surplus-value. But precisely because it produces value (use-value and exchange-value), labour-power as a whole is differentiated in its own use-value. Through the application of different concrete labours, it produces different use-values, albeit in the common form of exchange-value. Those differences in concrete labour prevail within and across production processes even if they are homogenised (rendered equivalent if not equalised) as values and in (surplus-) value production.

That different labour processes are differentiated from one another is sufficient by itself to negate the notion of the degree of separation. For the latter to prevail, there must be some process that overcomes these differences. But there is no such mechanism, as is apparent in the specific context of changes in production. The way in which workers organise within and across sectors (company or trade unions for example) is highly contingent as are the employers' organisations that they confront. Changes in production from one

place to another are not rendered equivalent to one another. For they depend upon the restructuring of labour processes, skills, and the division of labour within and between sectors and, in major part, are contingent upon the material nature of the production processes and products themselves. In other words, there are many different degrees of separation across the commodity labour-power, not one representing or homogenising them all.

I will return to this point later at a more complex level. Nonetheless, that the commodity labour-power can be put to different uses and in different ways does not distinguish it from other commodities for which the same is true. The (exchange-) value of labour-power is an entirely different matter for, unlike other commodities, it has no direct determinant in the labour-time of production. Labour-power is not (re)produced as a commodity by capitalist production but by economic and social relations and processes that lie, in major part, outside the accumulation and circulation of capital. But there are two ways in which capital does necessarily and directly contribute to the reproduction of labour-power. This is through the payment of variable capital in the form of money wages to purchase labour-power, and by the production of the commodities that enter into working-class consumption. Unfortunately, in Marxist political economy, there has been a tendency to acknowledge all of this only in the limited sense of substituting for the value of labour-power either the value of a bundle of use-values or a quantity of money wages that correspond to the 'moral and historical' subsistence of the working class.

But this procedure raises more questions than it answers. First and obviously, what determines this bundle? Second and related, how does it change and how are the changes to be accommodated analytically? Third, how do we account for the flexibility in consumption that is a necessary consequence of the value of labour-power being realised in money form (that is, take-home pay and not a bundle of goods)? And, fourth, even leaving all of this aside, what about the unavoidable differences across the working class (and other strata) in remuneration and, hence, necessary standards of living, moral and historical or otherwise? To begin to address these issues is to begin to unpick the complexity of the degree of separation.

Elsewhere, I have argued that the moral and historical subsistence constituting the value of labour-power has to be understood in a more refined manner in two respects.⁴ First, how 'subsistence' is determined varies from commodity to commodity – each of housing, food, clothing, transport, entertainment, etc., is attached to a different mode or system of provision, running through from

4. Fine 1998.

production to consumption, including corresponding norms and cultures (levels and meanings) of consumption. Second, such norms are not to be perceived as a single standard across everybody or as an average with some above or below to reflect these differences in consumption across and within commodities. Rather, the consumption of each commodity not only enters differentially into the value of labour-power as use-value, it is also differentially distributed across the working class in terms of levels, modes and meanings of consumption.⁵

A number of implications follow from this approach. First, class struggle is an important determinant of the moral and historical element, not least over levels of wages in response to productivity change. However, second, even if, as denied earlier, this could be accommodated by the notion of the degree of separation, class struggle determining standards of living is neither confined to nor reducible to the economic sphere. Struggles over housing, education, welfare, transport, and so on are often not directly engaged with nor incorporated within the production and circulation of value. Indeed, such struggles often involve the deliberate attempt to decommodify provision or to (re)commodify it, as in nationalisation and privatisation, respectively, of 'public' services. It stretches credibility to attach the balance of such factors, determining varieties of consumption norms, to a single concept such as the degree of separation. And, third, the determination of such norms involves the economic and social intervention of classes and movements that are not reducible to those between, and within, the two major classes of capital and labour.

In sum, in looking at both use-value and exchange-value of the commodity labour-power in just slightly more detail than is common in most abstract analyses, it follows that the incorporation of class struggle as a determinant presumes a structure and complexity of analysis that goes far beyond that contained in Volume I of *Capital*. No wonder, then, that the theory of wages is put off until a later volume or so of *Capital*. Indeed, the notion of the degree of separation as a means of bringing class struggle forward essentially has the effect of collapsing Marx's analytical structure by addressing the determinants of the value of wages before they have themselves been orderly identified and incorporated. In this respect, there is a striking parallel with the equally abrupt definition of the value of labour-power as a money wage by the approach of the 'new solution' to the transformation problem. This fixes the value of labour-power in money terms without considering the complex determinants involved and as just outlined.⁶ Lebowitz substitutes the material degree of

5. For this as theory of consumption, see especially Fine 2002.

6. For more on this, see Fine et al. 2004.

separation in place of money wages to fix these problems. Both only address the problems by setting them aside.

In light of all of this, consider now the position of the value of labour-power across the three volumes of *Capital*.⁷ In the first two volumes, it is presumed to be determined by the value of given use-values (variously distributed across the working class as a whole). In Volume I, this is in order that the means and consequences of producing (absolute and relative) surplus-value can be identified. The idea that class struggle is thereby absent or absented is nonsensical since it necessarily follows in various ways from the (re)division and extension of the working day. In Volume II, the value of labour-power also remains constant, as do the conditions of production themselves, in order to uncover the means and consequences of the circulation of (surplus-) value.

Yet, from Volume I itself, it is already apparent that the abstraction of given use-values in the value of labour-power is placed under tension. For the consequences of increasing productivity in just one sector is to reduce values so that money wages would have to be reduced overall for capital to accrue the full benefits of productivity increase. In other words, the production of relative surplus-value poses conflict over money wages. But it does so in a way entirely different in the case of conflict over the length of the working day or, for example, the shift between time- and piece-forms of paying wages. It is impossible to address these issues satisfactorily until the economic and social structures and processes in which they are located have been identified. Accordingly, Volumes I and II both proceed with given use-value of labour-power whatever it might be and however it might be determined.

Volume III is an entirely different matter for it brings together as a unity the separate analyses of Volumes I and II and integrates them with the tensions of accumulation identified in Volume I. For this reason, the law of the tendency of the rate of profit to fall (LTRPF) swings, in the first instance, to the opposite extreme as far as the value of labour-power is concerned, fixing it and the rate of surplus-value, despite the productivity increase (and production of relative surplus-value) that accompanies accumulation (and implying all productivity benefits accrue to labour).

It is as if the degree of separation has gone from zero to one in moving between Volumes. But this is to take no account of the counteracting tendencies to the law. For, whilst the LTRPF as such focuses exclusively upon the devaluation of commodities through productivity increase (to the benefit of workers' consumption and at the expense of capitalists' commodity capital

7. For some detail in support of the approach to *Capital* adopted here, see Fine and Saad-Filho 2003.

revenues), the counteracting tendencies point in the opposite direction with a rising rate of surplus-value (reduction in the value of the given use-value of labour-power), and devaluation of constant (and variable) capital (cheapening of inputs to capitalist production). How the law as such and the counteracting tendencies interact to give rise to more complex and concrete outcomes cannot be derived simply from identifying their presence. Further theoretical and historical analysis is required, of which the determination of the value of wages is but one part (alongside other distributional relations, the role of the state, finance and commerce, etc.). These are all attached to class struggle, occasionally in ways that are overt, over wages, unemployment and so on. But, overt or not, the significance of such class struggle still needs to be located analytically in terms of the accumulation and circulation of capital.

Marx considered that making the distinction between labour and labour-power to be one of his most important discoveries. To understand this, I like to deploy the analogy with hiring a TV set. How much you pay for the rental bears no relation to the amount of time that the TV is on. It could be on all the time or not at all. This depends upon a multitude of factors from quality of programmes, their own timing, other things going on in your life, availability of electricity and reception, and so on. No doubt, there is some indirect connection between the value of TVs and the cost of hiring them, and each of these may have some general common determinants in socio-economic factors. But it gets us nowhere at all to posit a degree of separation between ourselves and our TVs in order to address the issue of the quantity and quality of TV watching.

The same applies to the degree of separation for labour-power. It identifies but does not address a problem in Marxist political economy, and unduly reduces it to the omission of class conflict and labour subjectivity in Marx's *Capital* and Marxist political economy more generally. I have argued that the problem can be redefined and addressed by a more refined approach to the (use-value and exchange-value) value of labour-power. For the exchange-value, it is a matter of examining the moral and historical subsistence of separate items in the systems of provision (and differentiated norms of consumption) of the working class. For the use-value of labour-power, I would equally point to the differentiation of the working class, especially by occupation and sector, although these give rise to segmented labour markets in different ways, within and across commodity groups and strata of the population. The factors and processes involved in this across the restructuring of capital, technology, labour processes, formal and informal (de)skilling, formal and informal work and non-work organisation, etc, are as complex as those that determine the norms of working-class consumption. Accordingly, there are numbers of differentiated

labour markets, not only in what workers do and how they are rewarded but also in how they are structured, reproduced and transformed.⁸

This leads me to two final comments. The first concerns a sense of overstatement of the underachievement in Marxist political economy by Lebowitz that seems, at least in part, to be accepted by his critics. By contrast, the determinants of the use-value and exchange-value of labour-power have received considerable attention from Marxist political economy (and others) in the terms that I have outlined, from the labour-process literature across studies of industrial relations and from studies of the welfare state through the material culture of working-class consumption. Consciously, whether Marxist or otherwise, these studies address the subjectivity of labour and its struggles with capital on the terms in which they are realised in practice.

But, second, where does this leave Marx's projected, if undelivered, volume on the theory of wages? Here, it is necessary to distinguish between the value of labour-power and the value of wages, just as it is necessary to distinguish the value of a commodity from its price that is subject to the (structured) vagaries of the market. We know, for example, over the business cycle that the value of wages tends to rise and fall relative to the value of labour-power in conformity to overall conditions in the labour market. Yet, it has also been argued that the value of labour-power itself is subject to contradictory forces as productivity increase is or is not appropriated beneficially into the moral and historical determinants of subsistence.

This raises the issue of when a change which benefits labour is to be considered a deviation around, as opposed to a shift in, the (use-) value of labour-power. When are improved wages to be considered permanent and not temporary, to be consolidated into the moral and historical? I would tentatively answer as follows. As already argued, the determinants of the value of labour-power can be identified in abstract terms by reference to the conditions governing the (re)structuring of labour markets and the (re)forming of norms of consumption. Such analysis can only be taken forward on this basis through more complex and concrete study. This will, in turn, provide the basis by which to distinguish between the value of labour-power and the value of wages. In other words, the relationship between values of labour-power and wages is not fixed analytically as is the distinction between constant and variable capital, for example, but is contingent upon complex and shifting determinants between them. Incomes or other policies, for example, shift the nature of the way in which the value of labour-power conditions the value of wages. Such conditions are not open to abstract analysis in the style of

8. See Fine 1998 and 2007 in response to Fleetwood 2006.

Capital. They need to be broached, at least in part, historically in relation to specific social formations.

In other words, the projected theory of wages would have to be not only a more complex rendering of the categories of political economy but also one that is historically specific. The same is almost certainly true of Marx's other projected volumes, on the state and the world economy. These volumes would have to go beyond the sort of increasing complexity marking the journey across the three volumes of *Capital* to incorporate in addition the specifics of labour markets, world economy and the state. This might explain in part the difficulty (if not the failure) in writing them. It certainly does not reflect a one-sided approach to labour and class conflict.

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