Chapter Seventeen: Changes in Magnitude in the Price of Labour-Power and in Surplus-Value

What determines the value of labour-power? The value of the means of subsistence habitually required by the average worker. Let us ignore for the moment changes in the quantity of the goods necessary for subsistence, something which will vary according to historical epoch. Let us also ignore variations in the cost of developing labour-power, which will vary according to mode of production, and differences arising from the diversity of labour, from the different sorts of labour-power used (in turn conditioned by mode of production). And let us assume that (1) commodities are sold at their values, and (2) that the price of labour-power may occasionally rise above its value but never fall below it. We arrive at the following law: that the relative magnitudes of surplus-value and price of labour-power are determined by three factors: (1) the length of the working day; (2) the intensity of labour; (3) the productivity of labour. Of the many possible combinations of variations of these factors, we are now going to consider the most important.

1 The Length of the Working Day and the Intensity of Labour Constant; the Productivity of Labour Variable

In these conditions the value of labour-power and the magnitude of surplus-value are governed by these three laws.

1 The working day will produce a constant value. Changes in productivity result in more or less commodities over which this value is spread, but not in the total value itself.

2 The value of labour-power, and the surplus-value, move in opposite directions. If the productivity of labour increases, the value of labour-power falls, and the magnitude of surplus-value rises. The inverse is also true.

We should note, however, that while the while the value of labour-power and the magnitude of surplus-value move in opposite directions by the same quantity, they do not so proportionally.

If, for example, a working day of 12 hours produces a value of 6 shillings, 4 shillings of which represents necessary labour-time, and 2 shillings (or 4 hours) surplus labour-time, and if, owing to a rise in the productivity of labour, necessary labour-time falls to 3 shillings (or 6 hours), and surplus-labour rises to 3 shillings (or 6 hours), the value of labour-power will have fallen by 1 shilling, the same amount by which the surplus-value will have risen, but the value of labour-power will have fallen by 25 %, from 4 to 3 shillings, while the surplus-value will have risen 50 %, from 2 to 3 shillings.

3 Since it is only through an increase in the productivity of labour that the value of labour-power may fall, it follows that a rise or fall in surplus-value is always the consequence, and never the cause, of the corresponding fall or rise in the value of labour-power.

Since we have allowed that the price of labour-power may rise above its value, it may here be the case that other factors – the pressure of capital, the resistance of the workers – come into play, allowing for a discrepancy between the value and price of labour-power, and offsetting the rise in surplus-value.

Imagine a working day of 12 hours, 6 of which represent necessary labour and 6 surplus labour. Were the productivity of labour to double, without any change in the relative proportions of necessary and surplus labour, what would occur would be a fall in the value of labour-power without a concomitant fall in price. But if the price of labour-power were to fall, but not as far as its new value, it would be possible for the price of labour to fall and for the means of subsistence available to the worker to rise simultaneously, despite the widening relative gap between the worker and the capitalist.

The chief defect of Ricardo in this field is his failure to investigate surplus-value as such, independently of its form, i.e. profit, ground-rent, etc. He is thus unable to see that the laws governing the rate of surplus-value, and those governing the rate of profit, are quite different.
2 The Length of the Working Day and the Productivity of Labour Constant; the Intensity of Labour Variable

If the intensity of labour increases, the quantity of value produced in a given working day likewise increases. The two parts into which this value is divided – the price of labour-power and surplus value – may both increase simultaneously, either equally or unequally. In this case, a rise in the price of labour-power does not necessarily mean a rise above its value: the rise in price could in fact simultaneously represent a fall below its value (something which is inevitable if the rise in price does not compensate for its more rapid deterioration).

Outside of temporary and exceptional circumstances a rise in the productivity of labour will only affect the value of labour-power if the products affected are those habitually consumed by workers. But in this case, and intensification of labour, there is always a corresponding fall in the value of labour-power.

Once an intensification of labour becomes generalised, the new intensity becomes the new norm, and ceases to effect a function as a determining factor. But, Marx notes, differences in the intensity of labour in different countries ‘would modify the application of the law of value to the working days of different nations’.1

3 The Productivity and Intensity of Labour Constant; the Length of the Working Day Variable

1 A shortening of the working day brings about a fall in surplus labour, hence surplus-value: only by buying labour-power below its value could the capitalist compensate himself. Under normal conditions the shortening of the working day does not take place as here described, but either follows, or immediately precedes, a change in the productivity and/or intensity of labour.

2 Lengthening of the working day, all else being equal, brings about both a relative and an absolute rise in surplus-value. Since lengthening the working day increases the total value produced in it, it is possible for it to be accompanied by simultaneous increases in both surplus-value and the price of labour-power.

It should be noted here that the value of labour-power is determined by the value of goods necessary to sustain and reproduce labour-power. Increasing the working day obviously leads to a more rapid deterioration of labour-power. This may be compensated for up to an extent through higher wages, but beyond a certain point the deterioration of labour-power is of such a degree that the requirements for its normal operation and replenishment cease to be fulfillable, and the price of labour-power and the degree of its exploitation cease to be commensurable.

4 Simultaneous Variations in the Duration, Productivity and Intensity of Labour

Of the many possible combinations, here we consider but two.

(a) Diminishing productivity of labour with simultaneous lengthening of the working day

If, for example, there occurs a fall in productivity of labour in industries which determine the value of labour-power, for example brought about by a diminishment in the fertility of the soil, leading to a concomitant rise in prices, the value of labour-power will rise, and, if its price does not fall below its value, surplus-value will fall. The only remedy for the capitalist in such a case would be to lengthen the working day to compensate. But even a lengthening of the day sufficient to recuperate the lost surplus-value in absolute terms would still leave it reduced in relative terms. A further lengthening of the working day would be necessary to recuperate the earlier rate of surplus-value, or to better it.

1 Karl Marx, *Capital* vol. 1 (Harmondsworth, 1990) [hereafter C.], p. 662. And, we could add, within nations.
This last case is, for example, what happened in Britain between 1799 and 1815, when a sharp rise in means of subsistence stood insufficiently compensated for by a nominal rise in wages. Out of this state of affairs Ricardo (and others) incorrectly concluded that a fall in the rate of surplus-value had taken place. In fact, however, surplus-value increased both absolutely and relatively, thanks to an increase in the intensity of labour and to a generalised lengthening of the working day.

(b) Increasing intensity and productivity of labour with simultaneous shortening of the working day

Both increased intensity and productivity have the capacity to shrink the natural minimum limit of the working day, that part dedicated to necessary labour. Under capitalism, of course, the working day can never stick to this limit, for then there would be no surplus. But with the abolition of capitalism, necessary labour would expand: (1) because, with the improvement of workers’ conditions, aspirations would increase; and (2) because a part of what is now surplus labour would count as necessary labour, namely the labour necessary for the formation of a social fund for reserve and accumulation.

Increased productivity permits the shortening of the working day, and the shortening of the working day permits the intensification of labour. Productivity can increase when economies are made in the use of labour; while capitalism forces such economies, the anarchy of competition squanders labour-power at the same time as engendering otherwise superfluous functions.

The possibility for the free development of the intellectual and social activity of the individual grows in proportion to the degree to which work is divided evenly among the able-bodied members of society, i.e. to that in which one social stratum is no longer able to shift the burden of labour from its own shoulders onto those of others.

The absolute minimum limit to the shortening of the working day is [...] the universality of labour. In capitalist societies, free time is produced for one class by the conversion of the whole lifetime of the masses into labour-time.²

² C., p. 667.