Chapter Eighteen: Different Formulae for the Rate of Surplus-Value

We can represent the rate of surplus-value (the rate of exploitation) by means of the following formulae:

\[
\frac{\text{surplus value}}{\text{variable capital}} = \frac{\text{surplus value}}{\text{value of labour-power}} = \frac{\text{surplus labour}}{\text{necessary labour}}
\]

In classical political economy, these formulae appear like this:

\[
\frac{\text{surplus labour}}{\text{working day}} = \frac{\text{surplus-value}}{\text{value of the product}} = \frac{\text{surplus product}}{\text{total product}}
\]

The defect in the formulae of classical political economy is the underestimation of the rate of exploitation which occurs as a consequence of the way in which surplus-value and the value of labour-power are treated as fractions of the value-product. To the classical political economists, the ‘specific character of the capital relation, namely the fact that variable capital is exchanged for living labour-power, and that the worker is accordingly excluded from the product’, is concealed. In its place, ‘they show us the false semblance of a relation of association, in which worker and capitalist divide the product in proportion to the different elements which they respectively contribute towards its formation.’

But we need to remember: the capitalist buys not labour, but labour-power. The labour-power she buys at its value (or, if its price diverges from its value, at its price) as if it were another commodity. But in the period for which the labour-power is bought, for which the capitalist has it in his power and can put it to work, the worker both labours to the value of her labour-power, and then labours some more. Thus the formulae:

\[
\frac{\text{surplus-value}}{\text{value of labour-power}} = \frac{\text{surplus labour}}{\text{necessary labour}}
\]

could also be expressed:

\[
\frac{\text{unpaid labour}}{\text{paid labour}}
\]

In other words, ‘all surplus-value, whatever particular form (profit, interest or rent) into which it may subsequently crystallise, is in substance the materialisation of unpaid labour-time. The secret of the self-valorisation of capital resolves itself into the fact that it has at its disposable a definite quantity of the unpaid labour of other people.’

---

2 C., p. 672.