



Trapped inside the Box? Five Questions for Ben Fine

Michael A. Lebowitz

Simon Fraser University
mlebowit@sfu.ca

Abstract

Responding to comments by Ben Fine in relation to the concept of the degree of separation among workers, this article argues that Fine (a) confuses Marx's levels of analysis and thus cannot distinguish between necessity and contingency; (b) fails to grasp the problematic character of Marx's discussion of relative surplus-value once we remove the assumption of a given standard of necessity; and (c) accordingly remains trapped (like so many others) in a 'Ricardian Box' that Marx himself was able to escape.

Keywords

separation of workers, levels of analysis, Ricardian box, standard of necessity, so-called transformation-problem

Over the years, Ben Fine has contributed much to the body of Marxist economics, ranging over such areas as Marxist value-theory; histories of Marxist and socialist economic thought; a popular introduction to Marx's *Capital*; empirical work on the British and South-African economies; and, more recently, forays into labour-market theory and the political economy of consumption-standards in modern capitalism. So, it is a delight that in his 'Debating Lebowitz: Is Class Conflict the Moral and Historical Element in the Value of Labour-Power?', Fine has turned his attention to a stream of my work flowing from *Beyond 'Capital'* and, indeed, indicates that his own work brings him into agreement with me on some key themes.¹

For one, an implication flowing from Fine's work on consumption-standards is that 'class struggle is an important determinant of the moral and historical element, not least over levels of wages in response to productivity change'. We clearly agree, and we both stress that 'class struggle determining standards of living is neither confined to nor reducible to the economic'.² Fine is also

1. Fine 2008.

2. Fine 2008, p. 110.

concerned about the fundamental problem I emphasise in assuming a given standard of necessity, where the latter is defined as a fixed set of use-values (with the implication that it is unaffected by increases in productivity). There is an unfortunate tendency, Fine points out, to substitute for the value of labour-power the value of a bundle of use-values. ‘What’, he asks, ‘determines this bundle? Second and related, how does it change and how are the changes to be accommodated analytically?’³

The problem, Fine recognises, is that, in Volume I of *Capital*, ‘the abstraction of given use-values in the value of labour-power is placed under tension’. What happens to money-wages in order to permit the generation of relative surplus-value as the result of increased productivity? ‘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.’⁴ This is *precisely* the problem that I have stressed: once we remove the assumption of that fixed set of use-values, we have an inadequate explanation for the existence of relative surplus-value.⁵

Given this essential agreement, I was naturally dismayed to see Fine’s insistence that, in stressing the one-sidedness of Marxian treatments of capital and wage-labour, I have pushed my argument ‘to the extremes’. In particular, he criticises the variable I introduce to reflect the balance of forces in class-struggle – the degree of separation among workers. Is this ‘abstract and aggregate concept legitimate for the analytical role that is assigned to it? It is simply presumed to be so’.⁶ Indeed, Fine argues, the concept is ‘fundamentally flawed’;⁷ if it is simply an *ex post* measure of the distribution of rewards from productivity-increases, ‘then it has no causal or analytical content’. Frankly, he comments, after referring to his own work on labour-market theory and consumption, ‘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.’⁸

Tough stuff. And, what underlies this critique? In particular: complexity. ‘Fundamentally’, Fine stresses, ‘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’. There is no balance of class-forces from

3. Fine 2008, p. 109.

4. Fine 2008, p. 111.

5. Lebowitz 2003, and 2006. I have revised the latter slightly in Chapter 19 of Lebowitz 2009.

6. Fine 2008, p. 106.

7. *Ibid.*

8. Fine 2008, p. 110.

which we can read off distributional outcomes: ‘both the elements and incidence of class struggle are too varied, numerous and complex (multi-layered and impure) to allow this’.⁹ And, again: ‘that different labour-processes are differentiated from one another is sufficient by itself to negate the notion of the degree of separation’.¹⁰ And, once again: ‘there are many different degrees of separation across the commodity labour-power, not one representing or homogenising them all’.¹¹

So, how does all this complexity relate to Fine’s critique of my argument? Simply that because of the complexity of these questions, *it was (and is) appropriate to put off the question of class-struggle*: ‘the incorporation of class struggle as a determinant presumes a structure and complexity of analysis that goes far beyond that contained in Volume 1 of *Capital*. No wonder, then, that the theory of wages is put off until a later volume or so of *Capital*’.¹² For Fine, we must first understand the production of surplus-value, because that ‘sets the parameters within which class struggle can be located’. Indeed, ‘the structures and processes of accumulation have to be specified before the mode, nature and impact of class struggle can be assessed’.¹³

True, he acknowledges, ‘the production of relative surplus-value poses conflict over money-wages’. However, ‘it is impossible to address these issues satisfactorily until the economic and social structures and processes in which they are located have been identified’.¹⁴ In short, given the complexity of analysis required, he concludes that I have been *premature* in insisting that class-struggle be considered sooner: ‘the degree of separation simply leapfrogs from the abstract to the concrete’.¹⁵

For these reasons, Fine chooses a different route: ‘I want to approach the issues involved in a different and more constructive way’.¹⁶ He summarises his alternative well in his abstract: ‘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.’¹⁷

9. Fine 2008, p. 107.

10. Fine 2008, p. 108.

11. Fine 2008, p. 109.

12. Fine 2008, p. 110.

13. Fine 2008, p. 108.

14. Fine 2008, p. 111.

15. Fine 2008, p. 108.

16. *Ibid.*

17. Fine 2008, p. 105.

Accordingly, Fine proceeds here to talk about the need to consider differences in concrete labour and labour-processes; to examine the moral and historical subsistence of separate items and differentiated norms of consumption of the working class; to consider the differentiation of the working class especially by occupation and sector; and to explore issues of ‘the restructuring of capital, technology, labour processes, formal and informal (de)skilling, formal and informal work and non-work organisation’ – all of which are as ‘complex as those that determine the norms of working-class consumption’.¹⁸ In short, Fine takes seriously the need to examine concretely the varied, numerous and complex forms of existence of these categories.

Without question, I consider this work important. There is a real lack of Marxist economists who develop and follow a coherent agenda to put flesh on Marxian concepts. However, I think Fine’s argument is ‘fundamentally flawed’. Firstly, I think that his criticism reveals confusion over levels of analysis. Secondly, he misses (and thus distorts) the thrust of my argument and its implications. In this latter case, though, I must be self-critical: if Fine missed my point, then I am sure that others will have as well – which means that I have not been sufficiently clear.

Levels of analysis

Ben Fine’s own work focuses upon the level of existence – the world of many capitals, the world of many workers; that is, that real world of the interaction of many actors which is marked by complexity. As we have seen, he rejects my introduction of the ‘abstract and aggregate concept’ of the degree of separation among workers (X) because of the complexity of factors relevant to labour-markets and consumption. Yet, of course, the very *same* criticism can be made about the concepts of the standard of necessity, the length and intensity of the workday, and the level of productivity – concepts essential for developing the concept of surplus-value. In each case, as Fine himself testifies, there is an enormous variety, differentiation and complexity in consumption-patterns and labour-processes.¹⁹ *So, are not these abstract and aggregate concepts that Marx introduced in Volume I similarly problematic?*

Before evaluating Fine’s argument, we need to consider the relation between these abstract concepts and their complex forms of existence. Why do we *need* those abstract concepts? In *Following Marx* (2009), I distinguish between two separate moments in Marx’s methodological project. Moment II (preceded by

18. Fine 2008, p. 112.

19. Fine 2008, pp. 109–10.

the observation of the concrete capitalist society and the appropriation of this material in detail) has the task of moving from simple abstract concepts to complex, richer concepts in order to establish thereby the totality of thoughts. Here, we have the logical construction of essence, the interconnected whole in which ‘every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition, this is the case with every organic system’.²⁰

Understanding capitalism as a system, as an organic whole, is precisely the concern here. What are the conditions for the reproduction of the system? For the generation of surplus-value? For the realisation of surplus-value generated? The basic premise of Moment II is that we do not understand capitalism unless we grasp its inner connections, understanding it as a ‘structure of society, in which all relations coexist simultaneously and support one another’.²¹

In contrast, the purpose of Moment III is to demonstrate the manner in which this totality must appear. Here, we must explain appearance; that is, we must explain the multiplicity of outward forms in which essence is manifested. Here, we enter into a familiar world – a world of market-prices, cost of production, long-run equilibrium-prices, profits, profit-rates, capital-flows, interest-rates, rent, and so on – a world not of capital as a whole but of *many* capitals all acting upon each other. And the task now is to demonstrate not only why capital appears as it does but also how the interaction of these parts expresses the same tendencies revealed through the inner analysis, the analysis at the level of the whole.

So, what is the relation between the aggregate abstract concepts characteristic of Moment II and the forms of appearance which are the objects of Moment III? Firstly, for Marx, the relationship was one between an inner core and an outer form – that is, elements of two different logical worlds. And, however connected those worlds may be, those elements pertain to different logical planes. Thus, surplus-value, for example, is a category of the inner structure; it does not exist at the level of the surface. In contrast, profit belongs in the category of outer forms; on the surface of society, surplus-value takes the form of profit: ‘surplus-value and the rate of surplus-value are... the invisible essence to be investigated, whereas the rate of profit and hence the form of surplus-value as profit are visible surface phenomena’.²²

20. Marx 1973, p. 278. In Lebowitz 2009, see especially Chapter 10, ‘Marx’s Methodological Project as a Whole’ and Chapter 11, ‘What Is Competition?’.

21. Marx 1976, p. 167.

22. Marx 1981, p. 134. The implications of this distinction between logical planes for the so-called transformation-problem should be apparent. Compare Lebowitz 2009.

Surplus-value, in short, is *invisible* to the naked eye; it is a category discovered with the scientist's instrument, the power of abstraction. We move from the surface-phenomenon (profit) by analysis; and, through the process of reasoning, we develop the concept invisible on the surface (surplus-value) which allows us to understand the surface-phenomenon.

That same distinction between inner and outer levels applies, too, to value and price. Value is a category of the inner, obscure structure, whereas price is the form in which value appears. Thus, while we observe prices on the surface, their nature is entirely mystified. Through the concept of value, an inner category, we can grasp the link to labour and can proceed from the concept of abstract labour to understand the nature of money. Indeed, without the concept of value, how could we possibly understand the nature of money and thus capital?²³

All the inner connections revealed through the concept of value, however, are obliterated when considering market-prices and prices of production (the 'law' or average around which market-prices gravitate). These, too, are mere *forms* of value: 'the price of production is already a completely externalized and *prima facie* irrational form of commodity value, a form that appears in competition...'.²⁴

Just as the inner concept of value is necessary to understand money and capital, so also only at the inner level can exploitation be demonstrated to be the basis for surplus-value: 'in surplus-value, the relationship between capital and labour is laid bare'.²⁵ Profit, in contrast, is 'a transformed form of surplus-value, a form in which its origin and the secret of its existence are veiled and obliterated'.²⁶ When we see surplus-value only in its surface-form, we lose all understanding of its source: 'In the relation between capital and profit, i.e. between capital and surplus-value as it appears', capital appears to create a new value somehow through production and circulation. 'But how this happens is now mystified, and appears to derive from hidden qualities that are inherent in capital itself'.²⁷

In short, the development of abstract aggregate concepts is essential for discovering the inner connections. As important, though, is what the inner analysis reveals about the *tendencies* of capitalism. The concept of capital in general (which Marx developed in the *Grundrisse* and supplemented in *Capital*) reveals why capital constantly attempts to lengthen and intensify the

23. Marx 1981, p. 295.

24. Marx 1981, p. 300.

25. Marx 1981, p. 139.

26. *Ibid.*

27. *Ibid.*

workday, drive down the real wage, and increase productivity to the best of its ability; and why, further, it must expand markets and stimulate new needs in order to sell the commodities containing surplus-value as quickly as possible.²⁸

Here, we see the incredible power of Marx's development of the concept of capital in general – how, for example, 'the tendency to create the *world market* is directly given in the concept of capital itself'.²⁹ As Marx stressed, 'the simple concept of capital has to contain its civilizing tendencies etc. *in themselves*; they must not, as in the economics books until now, appear merely as external circumstances'.³⁰ In short, latent within the very concept of capital, that abstract aggregate, are the inherent tendencies, the *necessary* tendencies, of capital.³¹

Precisely because he knew that understanding necessity was at the core of the inner argument, Marx refused to use the reduction of relative production-costs in competition as his explanation as to why capital introduced machinery. Rather, he stressed, in his discussion of relative surplus-value in the *Grundrisse*, that 'we are concerned here with developing it [the introduction of machinery] out of the relation of capital to living labour, without reference to other capitals'.³²

Why *without reference to other capitals*? Very simply because, as he noted in his discussion of relative surplus-value in Volume I, Chapter 12 of *Capital*, 'the general and necessary tendencies of capital must be distinguished from their forms of appearance'.³³ Precisely because necessity can be grasped only through the inner argument, Marx added that 'it is not our intention here to consider the way in which the immanent laws of capitalist production manifest themselves'.³⁴

Those inner laws *do* manifest themselves through the actions of individual capitals in competition – but they do so in a way in which the inner connections are mystified. The inner drive of capital, discovered through abstract thought *without reference to separate capitals*, necessarily appears in the real world as propelled by competition. Rather than the inner impulse in which the struggle to increase exploitation is what drives capital forward, 'the immanent laws of

28. Marx 1973, 1977.

29. Marx 1973, p. 408.

30. Marx 1973, p. 414.

31. Marx 1973, pp. 408, 310.

32. Marx 1973, pp. 776–7.

33. Marx 1977, p. 433.

34. *Ibid.*

capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition'.³⁵

Insofar as an individual capitalist's actions in driving down real wages and increasing productivity help to lower necessary labour, he contributes to the execution of the 'general and necessary tendencies of capital' – in this case, the inner tendency to drive up the rate of surplus-value.³⁶ However, competition also executes the inner laws of capital where individual capitalists succeed in finding ways to reduce their costs of circulation and the diversion of their capital from the sphere of production, where competition compels individual capitalists to increase accumulation at the expense of their consumption in order not to fall behind their competitors, and where individual capitals are driven to innovate in the creation of new use-values and the discovery of new markets for old use-values.

Yet, not everything that occurs as the result of the reciprocal interaction of many capitals with one another realises the inner tendencies of capital. All that appears is not necessary. Rather, it may be merely *contingent* – a possibility, as Hegel indicated, 'whose Other or opposite equally is' possible.³⁷ For example, the particular quantitative determinations of the subdivision of surplus-value may develop a 'law-like' regularity as the result of the balance of forces (leading vulgar economists to propose separate laws to explain the level of each). But is that particular subdivision contingent or a general and necessary tendency? Even persisting appearances are not sufficient to reveal necessity. In some cases, Marx noted, the apparent regularities may help 'those caught up in the practice of competition' to 'arrive at some idea, even if still a superficial one, of the inner connection of economic relations that presents itself within competition'.³⁸

However, that understanding can never be more than superficial. For example, discussing the question of a natural rate of interest, Marx declared that 'where, as here, it is competition as such that decides, the determination is inherently accidental, purely empirical, and only pedantry or fantasy can seek to present this accident as something necessary'.³⁹

We distinguish between cases that have no inner basis (i.e., cases of contingency where the pattern is 'inherently accidental') and those where the outer is the manifestation of general and necessary tendencies only by searching

35. Marx 1977, p. 433.

36. *Ibid.*

37. Hegel 1929, II, p. 177. On 'law' and necessity, see Lebowitz 2009, Chapter 5, 'Following Hegel: The Science of Marx'.

38. Marx 1981, p. 485.

39. *Ibid.*

for the inner basis of outer phenomena. 'A scientific analysis of competition is possible,' Marx stressed, 'only if we can grasp the inner nature of capital.'⁴⁰ Indeed, Marx commented, in relation to Adam Smith's discussion of the rate of profit, that competition 'does not invent' the inner laws of capital. 'It realizes them. To try to explain them simply as the results of competition therefore means to concede that one does not understand them.'⁴¹

Thus, the distinction between levels of analysis in Marx's method leads to several conclusions: (1) analytical aggregates and the multiplicity of forms occupy different planes of analysis; (2) the inner analysis is essential for understanding the whole with its general and necessary tendencies; (3) those inner laws are made real through the actions and interactions of many individual actors; but (4) what occurs at the latter level can be contingent and accidental since it is only at the level of the inner (obscure) structure that necessity can be established.

In this context, let us consider Ben Fine's argument in relation to both the degree of separation among workers as an abstract aggregate concept and also the appropriate point for the theoretical incorporation of class-struggle. With respect to the first of these, Fine's problem is not that he is unaware of the difference between abstract aggregates and the realm of real actors. For example, he describes the rate of surplus-value as 'the terms on which aggregate capital and labour confront and exchange with one another over the buying and selling of labour-power'. He indicates explicitly, however, that there is no such *real* confrontation between these aggregates: 'in practice, and at a more complex level, this exchange takes place through disaggregated acts of exchange of individual capitals and labour'.⁴² In short, the abstract concept is made real only through the interaction of individuals. However, why cannot we think about the degree of separation as yet *another* abstract, inner concept which is executed, realised, manifested through the actions of many capitalists and many workers?

Fine's answer to this question confuses me. He proposes that, in the case of the rate of surplus-value, those disaggregated acts are 'homogenised through the value relations that connect them both at any moment in time and through the reproduction of the capital-labour relation itself'.⁴³ *In contrast*, he asserts that there is no comparable way in which disaggregated acts are homogenised when it comes to the degree of separation among workers: 'there is no basis for this degree of separation to be acted upon by the simultaneously

40. Marx 1977, p. 433.

41. Marx 1973, p. 752.

42. Fine 2008, p. 106.

43. Fine 2008, pp. 106–7.

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).⁴⁴ Accordingly, the degree of separation fails a ‘test of Marx’s method’: ‘does . . . the degree of separation demonstrably correspond to the real processes of capitalist accumulation?’⁴⁵

In the absence of concrete examples, though, I confess to feeling that Fine’s proof that the concept of the degree of separation is not ‘legitimate for the analytical role that is assigned to it’ is rather unsatisfying (and, indeed, suggestive of incantations and the burning of incense). I have no difficulty thinking about individual capitalists trying to divide and thereby weaken the workers they employ by, for example, using racism and sexism or by moving to greenfields or regions where trade-unionism is constrained if not illegal. Nor are we lacking examples of particular workers who struggle to reduce the degree of separation among themselves in complex and differentiated ways. Accordingly, there would seem to be a *prima facie* case for accepting that the degree of separation among workers (this inner abstraction meant to capture the balance of class-forces) is realised through the daily struggles of capitalists and workers.

As we have seen, though, Fine rejects this particular abstraction because of the complexity of the real processes. He points out, for example, that ‘the way in which workers organise within and across sectors (company or trade unions for example) is highly contingent, as are the employers’ organisations they confront’.⁴⁶ *Of course!* That is the difference between the level of inner abstract aggregates (which may, indeed, be invisible on the surface) and the level of real forms of existence – the latter is the sphere of contingency whereas the former is that of immanent, inherent, necessary tendencies. *By consistently using complexity as an argument against the concept of the degree of separation, Fine has confused two separate planes of analysis in this particular case.*

As I indicated earlier, there is more involved here than a challenge to the particular concept that I proposed. Fine has reasoned from the fact of

44. Fine 2008, p. 107. It is not obvious on its face why the absence of a process of equalisation on the surface would lead us to reject the concept of the degree of separation among workers. In any event, though, it rather begs the question to assume that there is a law of the tendency of the rate of surplus-value to be equalised which is independent of particular degrees of separation. The premise of equalisation of the rate of surplus-value is presumably the result of the search and movement of individual wage-labourers for a ‘fair day’s wages for a fair day’s work’. What the competition of wage-labourers tends to produce, though, is equal returns of wages per effort – that is, equalisation as commodity-sellers. This is not the same as equalisation of rates of exploitation. See Lebowitz 2009, Chapter 19.

45. Fine 2008, p. 106.

46. Fine 2008, p. 108.

complexity to the conclusion that class-struggle must be considered *later*: ‘the structures and processes of accumulation have to be specified before the mode, nature and impact of class struggle can be assessed’.⁴⁷ These admittedly important questions cannot be addressed satisfactorily at the point that I propose; I have leapfrogged from the abstract to the concrete.

But, this is to say that the question of class-struggle is a question of contingency; that there is no inherent, necessary tendency of capital to divide workers or for workers to resist this. And, this perspective is precisely what I reject. On the contrary, I stress that the concept of capital necessarily contains within it capital’s need to separate workers. This is not a matter of contingency.

The necessity of class-struggle

The basic explanation for the failure to understand capital’s necessary tendency to divide and separate workers, I suggest, flows from the power of Marx’s discussion of relative surplus-value in Chapter 12 of Volume I of *Capital*. Precisely because his discussion is so compelling, it is difficult to bring oneself to think outside the box. I am a good example: after stumbling upon the key problem and then focusing upon it in the first edition of *Beyond ‘Capital’*, it took the second edition of the book (over a decade later), and then the subsequent Deutscher Memorial-Prize Lecture, for me to understand the implications of the questions I had been raising. Small wonder, then, that the argument takes a bit of getting used to; small wonder that it is easy to remain trapped within the box – a Ricardian box.

Let us consider the simple elements in the argument for relative surplus-value that Marx presented in Chapter 12:

- A. There is a fixed set of use-values that enters into the worker’s consumption in a given period. This we may call the Foundation-Statement.
- B. Given the level of productivity involved into the production of those use-values, we can determine necessary labour for the reproduction of the worker.
- C. Therefore, we conclude, first, that an increase in productivity leads to the reduction of necessary labour; and, second, that given the length of the workday, there will be an increase in surplus-labour, in the rate of exploitation (and in their value-form, the level of surplus-value and the rate of surplus-value).

47. Fine 2008, p. 108.

What we have here is the very simple and compelling case for relative surplus-value: increases in productivity generate relative surplus-value. In fact, this pattern is what I call the ‘Ricardian default’ – although Ricardo himself was best known for running the sequence *backward* with the reduction of productivity (as the result of diminishing returns in agriculture) generating a higher quantity of necessary labour and thus (implicitly) reduced surplus-labour and the falling rate of profit (which Marx pointed out was really a falling rate of surplus-value). *What happens, though, when you remove the foundations of the Ricardian default?*

First, let us understand clearly the critical role played by the Foundation-Statement. A certain quantity of (abstract social) labour enters into the production of the given set of use-values, and a certain quantity of (abstract social) labour enters into the production of the worker. (Alternatively stated, there is the value of the given consumption-bundle and the value of labour-power.) How much in each case? The Foundation-Statement ensures that if we have the answer to the first of these, we have the answer to the second. In other words, the production of the worker is a footnote to the production of the consumption-bundle – the worker is represented by use-values and disappears. Indeed, we are talking about the production of commodities by commodities, as it was called by a follower of the Ricardian default – the representation of the worker by things.

The implications of this simple picture are vast. Not only does it follow from the Ricardian default that capital is the sole beneficiary of productivity-change, but it also implies that the general and necessary tendency of capital will be to increase productivity, to develop new productive forces. Capital, Marx stated clearly, has an ‘immanent drive’, a constant tendency ‘towards increasing the productivity of labour, *in order to cheapen commodities and, by cheapening commodities, to cheapen the worker himself*’.⁴⁸ So, what is the effect of removing the Foundation-Statement (which, we know, Marx intended)?⁴⁹ In other words, what happens if we step outside the Ricardian box?

Within the Ricardian box, the relationship between development of productive forces and the growth of surplus-value is understood within the confines of Chapter 12. All increases in productive forces are the same, whether they drop from the sky, empower workers or destroy their capabilities. Indeed, the focus upon productive forces and productivity follows only from the perspective of reducing the quantity of labour in the given set of use-values – the perspective that flows from the Foundation-Statement.

48. Marx 1977, pp. 436–7; emphasis added.

49. Lebowitz 2003, pp. 44–50.

With the *removal* of the Foundation-Statement, however, we sever the link between the value of the given consumption-bundle and the value of labour-power. We can no longer let one finger stand for two. Accordingly, if productivity rises, the *only* thing we can say is that the value of that given consumption-bundle has fallen. And, what happens if the value of those particular use-values falls and the value of labour-power is constant? As pointed out in Lebowitz (2003) and (2006), Marx answered that question in his 1861–3 manuscripts: ‘In this case, because the productivity of labour has risen’, Marx explained, ‘the quantity of use values he receives, his real wage, had risen.’⁵⁰ In short, *workers* in this situation are the beneficiaries of productivity-increases. The value of the worker’s money-wage would be unchanged but, with a doubling of productivity, it would ‘represent twice as many use-values as before, and . . . each use-value would be twice as cheap as it was before’.⁵¹

Thus, once we no longer impose the requirement of ‘a definite quantity of commodities’ consumed by workers, all other things equal the result of a productivity-increase is that there is *no* change in necessary labour, *no* change in surplus-labour – *no relative surplus-value*. This brings us to the first question for Fine (and others): *Once you remove the Foundation-Statement, what is the basis for relative surplus-value?* Here is the problem. *Hic Rhodus, hic salta!*

For relative surplus-value to exist, there must be some way of reducing necessary labour, some way of reducing money-wages for capital to get the benefits of productivity-increase. To assume real wages are constant when productivity rises is to assume that something has happened to drive-down money-wages sufficiently to allow (in Fine’s words) ‘capital to accrue the full benefits of productivity-increase’.⁵² In other words, I have not introduced class-struggle into this discussion prematurely. Not only is class-struggle explicit in Chapter 10’s discussion of the workday (let us not forget that!); it is implicit in Chapter 12’s assumption that capital has contrived to capture all of the benefits of productivity-change.

This was the problem that the concept of ‘the degree of separation’ among workers is meant to address. It is meant to offer an explicit explanation for the existence of relative surplus-value once the Foundation-Statement is dropped. When productivity increases within capitalism do not fall from the sky but are the result of capital-specific actions (which, for example, displace workers), we propose that an increase in the degree of separation (X) will permit the

50. Marx 1994, pp. 65–6; Marx 1977, p. 659; Lebowitz 2003, pp. 114–15.

51. Marx 1977, p. 659.

52. Fine 2008, p. 111.

generation of relative surplus-value.⁵³ In this respect, Fine has it *backwards* when he interprets the degree of separation as reflecting what the working class ‘at some aggregate level’ does ‘primarily in reacting to or resisting and thereby accruing the gains from productivity-increase’.⁵⁴ Reacting to or resisting *what?* That is the real question – what has *capital* done to secure relative surplus-value?

Given the Foundation-Statement and the Ricardian default, it is unnecessary to think about such questions. Remaining within the Ricardian box means that one does not make central the recognition that *the very existence of relative surplus-value has as a necessary condition capital’s ability to weaken workers*. This question is, indeed, central: if the issue is what capital does *and, indeed, must do* in order to generate relative surplus-value, then it is clear that a ‘general and necessary’ tendency of capital is to divide and separate workers.

In other words, introduction of the degree of separation as an abstract aggregate concept, as an inner concept, explicitly declares separation of workers to be an ‘immanent drive’ of capital – that is, insists that this tendency is *not contingent* (although the forms it takes are). This is the point I raised above in relation to Fine’s postponement proposal. It leads to the second question: *Is capital’s tendency to separate workers necessary or contingent? At what level of analysis does this belong?*⁵⁵

But, why introduce this *particular* variable? The ‘workers’ power of resistance’, Marx pointed out, ‘declines with their dispersal’.⁵⁶ So, given that capital constantly attempts to reduce wages to their physical minimum and to extend the working day to its physical maximum, then capital succeeds in accordance with the separation of workers.⁵⁷ Thus, the degree of separation is relevant not only to the class-struggle over wages precluded by the Foundation-Statement but also to the class-struggle that Marx explicitly introduced over the workday. All other things being equal, the greater the degree of separation, the greater the length and intensity of the workday and the lower the real wage. This abstract aggregate concept pertains, accordingly, to the existence of both absolute and relative surplus-value.

But, this centrality does not derive from some special occult characteristics of the degree of separation; rather, it is because the purpose of that concept is

53. Lebowitz 2003, p. 216.

54. Fine 2008, p. 106.

55. Note, in this context, Marx’s point that the antagonism between English and Irish workers was the ‘secret by which the capitalist class maintains its power’. Compare Lebowitz 2003, pp. 159–60.

56. Marx 1977, p. 591; Lebowitz 2003, pp. 86–7.

57. Marx 1985, p. 146; Lebowitz 2003, pp. 73–4.

to represent the balance of forces in class-struggle. And, that is what is key. It is the absence of a variable reflecting class-struggle that concerns me – not my particular branding of it. So, now that we are outside the box given by the assumption which produces the Ricardian default, a *third question* is: *If you do not like this variable, what would you substitute in order to provide the theoretical basis for relative surplus-value?*

Of course, you might say, ‘Hey, I’m happy in that box! If it was good enough for Marx, it’s good enough for me!’ In fact, though, it was not good enough for Marx. When it came time to draw upon concrete historical experiences, Marx stepped *outside* that Ricardian box.

The test of history

In Moment IV of Marx’s methodological project, the task is to relate the *concept* of the real, ‘the concrete in the mind’, to the real concrete, the real world. Thus, in the process of cognition that Lenin described as proceeding ‘from living perception to abstract thought, *and from this to practice*’, Moment IV involves *testing*...the stage of validation of the concepts’.⁵⁸ As Lenin stressed, testing the correctness of the products of abstract thought is necessary and occurs within *Capital*: ‘Testing by facts or by practice respectively, is to be found here in *each* step of the analysis.’⁵⁹

Testing abstract concepts by real facts was Marx’s understanding, too, of what he was doing in his historical discussion in *Capital*; thus, he commented that ‘even if there were no chapter on “value” in my book, the analysis of the real relations which I give would contain the proof and demonstration of the real value relation’.⁶⁰ Certainly, Marx thought of his discussion of manufacturing and the factory-system as such a test. As he wrote to Engels in 1867:

As regards CHAPTER IV, it was a hard job finding *things themselves*, i.e., their *interconnection*. But with that once behind me, along came one BLUE BOOK after another just as I was composing the final *version*, and I was delighted to find my theoretical conclusions fully confirmed by the FACTS.⁶¹

So, were the theoretical conclusions that flow from Chapter 12’s Ricardian default ‘fully confirmed by the FACTS’? *In fact, there is a problem*. As I proposed in Lebowitz (2006),

58. Lenin 1963, p. 171; Lebowitz 2009, p. 201.

59. Lenin 1963, pp. 191, 195, 320. See also the discussion in Lebowitz 2009, Chapter 10.

60. Marx and Engels 1965, pp. 209–10.

61. Marx and Engels 1987, pp. 407–8.

the history presented is not simply a confirmation of the theory of relative surplus-value by ‘the FACTS’, by the real movement. When it comes to testing the theory that Marx presented in Chapter 12, there are clearly ‘unexplained variations’ in the historical account of manufacturing and modern industry.⁶²

Look again at Chapter 12. Over and over again, the point is made: the sole point of the development of productive forces is to reduce the quantity of labour in that given set of use-values entering into the workers’ consumption. In Chapter 12, production is ‘production in general’ – rather than production which occurs within and through a specific society (that is, within specific social relations). All those insights of Chapter 10 with respect to the struggle over the workday, that ‘struggle between collective capital, i.e. the class of capitalists, and collective labour, i.e. the working class’ in that ‘more or less concealed civil war’,⁶³ are placed to the side! The voice of the worker in opposition to capital’s ‘werewolf-like hunger for surplus labour’ is nowhere to be heard.⁶⁴

Indeed, the voice of the worker is stifled in Chapter 12, just as it was in the discussion of the labour-process in general before consideration of the workday. There is no class-struggle, there are no particular productive forces introduced by capital in the context of that civil war, because there is no *need* for these, given the Foundation-Statement. *Any* increase in productive forces will do if it achieves the mechanical result of ‘the shortening of the labour-time necessary for the production of a definite quantity of commodities’.⁶⁵

How could we consider as neutral, though, productive forces which allow the competition of women and children in the factories to break the resistance of male workers, which force workers to compete against machines, and which are used as weapons for ‘suppressing strikes’, used as ‘weapons against working class revolt’?⁶⁶ The historical account in *Capital* is more than a description of productivity-gains for the purpose of producing a definite quantity of commodities more cheaply.

Indeed, Marx very clearly described the relation between means of production and workers in capitalism as ‘this inversion, indeed this distortion, which is peculiar to and characteristic of capitalist production’.⁶⁷ So, what is characteristic of the productive forces that capital introduces in the context of

62. Lebowitz 2006, and 2009.

63. Marx 1977, pp. 344, 412.

64. Marx 1977, pp. 342, 353.

65. Marx 1977, p. 438.

66. Marx 1977, pp. 526, 557, 562–3.

67. Marx 1977, p. 425.

the concealed civil war, that struggle between collective capital and collective labour? Not at all the neutrality that the Ricardian box would suggest.

‘Peculiar to and characteristic’ of the productive forces that capital develops is that ‘they distort the worker into a fragment of a man, they degrade him to the level of an appendage of a machine, they destroy the actual content of his labour by turning it into a torment; they alienate from him the intellectual potentialities of the labour process...; they deform the conditions under which he works...’.⁶⁸ Indeed, ‘within the capitalist system,’ Marx commented, ‘all methods for raising the social productivity of labour are put into effect at the cost of the individual worker...’.⁶⁹

Does the development of the productive forces in *all* societies necessarily have this effect upon workers? For a Marxist, this is obviously a rhetorical question. *The real question, the fourth question, is: How could Marx talk in this way about the peculiar productive forces that capital introduces and the methods by which capital raises productivity without stepping outside the Ricardian box?*

The Ricardian box?

There is no mystery why Marx introduced the concept of a fixed standard of necessity, what we have called the Foundation-Statement. As discussed in Lebowitz (2003) and (2006), it was the way to challenge the conventional wisdom of vulgar economics and to demonstrate that capital comes from the exploitation of workers in the sphere of production.⁷⁰ The mystery is why, after having introduced class-struggle in his discussion of the workday, Marx then did not proceed to explain the determination of the historical and moral elements in the standard of necessity by a *comparable* exploration of the struggle over the real wage. Chapter 12, in this case, would have been framed by the struggle between collective capital and collective labour pressing in opposite directions; and, the importance of ‘the relative weight thrown into the scale by the pressure of capital on the one side, and the resistance of the worker on the other’ in determining the existence and extent of relative surplus-value could have been considered explicitly.⁷¹

Had Chapter 12 presented relative surplus-value as dependent upon the separation of workers, it would have permitted the conceptual chapter on cooperation which follows to foreground not only capital’s role in bringing

68. Marx 1977, p. 799.

69. *Ibid.*

70. See, for example, Lebowitz 2003, pp. 44–50.

71. Marx 1977, p. 659. This is the sequence that I followed in Lebowitz 2008.

about co-operation in production (with resulting increases in social productivity), but also capital's need to divide workers in order to ensure that collective capital (and not collective labour) captures the 'gift' of social labour. In short, the *necessity* of a particular form of co-operation 'peculiar to and characteristic of capitalist production' would have been explicit, and the subsequent historical account would have fully confirmed those theoretical conclusions.

Is it appropriate to speak of a Ricardian box, or is this hyperbole? There is no question that Chapter 12 was Ricardian in essence. Moreover, its assumptions are the basis for Marx's discussion in Chapter 17, where he identified 'three laws'. 'Ricardo', he pointed out, 'was the first to give an accurate formulation of the three laws we have just stated'.⁷² Without the Foundation-Statement, though, those laws (like so many other inferences from it) hover in mid-air. I suggest that anyone who does not recognise the inadequacies of Chapter 12's discussion and what flows from it is, indeed, trapped within the Ricardian box.

Look at Ben Fine's arguments cited above: 'the incorporation of class struggle as a determinant presumes a structure and complexity of analysis that goes far beyond that contained in Volume 1 of *Capital*'; 'the structures and processes of accumulation have to be specified before the mode, nature and impact of class struggle can be assessed'; it is impossible to deal with the problems associated with the matter of wages 'until the economic and social structures and processes in which they are located have been identified'. Fine's perspective shifts class-struggle and the particular characteristics of the productive forces introduced by capital to the surface, leaving them as contingent rather than necessary aspects. His argument that we need to postpone incorporation of class-struggle is based upon the premise that we have an adequate explanation of relative surplus-value. Can there be any doubt that he is trapped within the Ricardian box?

However, maybe all this is not essential to his own theoretical perspective. In fact, I strongly suspect that Fine does not have any difficulty with these questions at the level of many capitals and many workers – that is, the level of the necessary forms of existence of aggregate-capital and aggregate-labour. It is at the level of the abstract, inner concepts that he appears to be caught within the Ricardian box. But, one might ask, are not the arguments – mine at the inner level and his at the outer level – entirely compatible? *That is the fifth question.*

72. Marx 1977, p. 660.

References

- Fine, Ben 2008, 'Debating Lebowitz: Is Class Conflict the Moral and Historical Element in the Value of Labour-Power?', *Historical Materialism*, 16, 3: 105–14.
- Hegel, Georg W.F. 1929, *Hegel's Science of Logic*, translated by W.F. Johnston and L.G. Struthers, London: Unwin.
- Lebowitz, Michael A. 2003, *Beyond 'Capital': Marx's Political Economy of the Working Class*, Revised Edition, London: Palgrave Macmillan.
- 2006, 'The Politics of Assumption, the Assumption of Politics,' *Historical Materialism*, 14, 2: 29–47.
- 2008, *El Camino al Desarrollo Humano: Capitalismo o Socialismo?*, Caracas: Centro Internacional Miranda.
- 2009, *Following Marx: Method, Critique and Crisis*, *Historical Materialism Book Series*, Leiden: Brill.
- Lenin, Vladimir I. 1963, *Philosophical Notebooks*, in *Collected Works* Volume 38, Moscow: Foreign Languages.
- Marx, Karl 1973, *Grundrisse*, New York: Vintage Books.
- 1976, *The Poverty of Philosophy*, in Marx and Engels, *Collected Works*, Volume 6, New York: International Publishers.
- 1977, *Capital*, Volume I, New York: Vintage Books.
- 1981, *Capital*, Volume III, New York: Vintage Books.
- 1985, *Value, Price and Profit*, in Marx and Engels, *Collected Works*, Volume 20, New York: International Publishers.
- 1994, *Economic Manuscript of 1861–63*, in Marx and Engels, *Collected Works*, Volume 34, New York: International Publishers.
- Marx, Karl and Frederick Engels 1965, *Selected Correspondence*, Moscow: Progress Publishers.
- 1987, *Collected Works* Volume 42, New York: International Publishers.

Copyright of Historical Materialism is the property of Brill Academic Publishers and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.