

Robots and Constant Capital

Don Wilson. August 2012

[*http://www.abc.net.au/tv/bigideas/stories/2012/06/25/3530523.htm*](http://www.abc.net.au/tv/bigideas/stories/2012/06/25/3530523.htm)

Cobbers

The above article from ABC TV is well worth the watch. It looks at the use of robots and their role in the Australian workplace. The Port of Brisbane is now mostly run from an office in Sydney. Trains hauling minerals to the coast and huge mining trucks are now run by Robots.

It is good to look at Karl Marx and Fredrick Engels and what they had to say about the use of constant capital (robots) and how the continual development and use of machines led to a gradual fall in profit. Marx made a distinction between constant capital and variable capital i.e. machinery and living labor. Marx notes, that it is labor which is the basis of exchange value. This is critical, because the displacement of variable capital by constant capital is what leads to the falling rate of profit.

That is because, as Marx notes, the cheaper commodities are, the less profit there is for the capitalists to attain.

/*"Since the mass of the employed living labour is continually on the decline as compared to the mass of materialised labour set in motion by it, /i.e./, to the productively consumed means of production, it follows that the portion of living labour, unpaid and congealed in surplus-value, must also be continually on the decrease compared to the amount of value represented by the invested total capital. Since the ratio of the mass of surplus-value to the value of the invested total capital forms the rate of profit, this rate must constantly fall."

Marx.*

Certainly Capitalism can produce more and more goods which it cannot sell- leading to the situation we are now in. As American native chief Sitting Bull said when he went to visit the president and saw poor children in the streets. */You whites can produce lots of things but you can't distribute them!/*

*Don

This is the full quote.

The "gradual change in the composition of capital is not confined only to individual spheres of production, but that it occurs more or less in all, or at least in the key spheres of production, so that it involves changes in the average organic composition of the total capital of a certain society, then the gradual growth of constant capital in relation to variable capital must necessarily lead to /a gradual fall of the general rate of profit/, so long as the rate of surplus-value, or the intensity of exploitation of labour by capital, remain the same. Now we have seen that it is a law of capitalist production that its development is attended by a relative decrease of variable in relation to constant capital, and consequently to the total capital set in motion. This is just another way of saying that owing to the distinctive methods of production developing in the capitalist system the same number of labourers, /i.e./, the same quantity of labour-power set in motion by a variable capital of a given value, operate, work up and productively consume in the same time span an ever-increasing quantity of means of labour, machinery and fixed capital of all sorts, raw and auxiliary

materials --- and consequently a constant capital of an ever-increasing value. This continual relative decrease of the variable capital vis-a-vis the constant, and consequently the total capital, is identical with the progressively higher organic composition of the social capital in its average. It is likewise just another expression for the progressive development of the social productivity of labour, which is demonstrated precisely by the fact that the same number of labourers, in the same time, /i.e./, with less labour, convert an ever-increasing quantity of raw and auxiliary materials into products, thanks to the growing application of machinery and fixed capital in general. To this growing quantity of value of the constant capital --- although indicating the growth of the real mass of use-values of which the constant capital materially consists only approximately --- corresponds a progressive cheapening of products. Every individual product, considered by itself, contains a smaller quantity of labour than it did on a lower level of production, where the capital invested in wages occupies a far greater place compared to the capital invested in means of production. The hypothetical series drawn up at the beginning of this chapter expresses, therefore, the actual tendency of capitalist production. This mode of production produces a progressive relative decrease of the variable capital as compared to the constant capital, and consequently a continuously rising organic composition of the total capital. The immediate result of this is that the rate of surplus-value, at the same, or even a rising, degree of labour exploitation, is represented by a continually falling general rate of profit. (We shall see later [Present edition: Ch. XIV. --- /Ed/.] why this fall does not manifest itself in an absolute form, but rather as a tendency toward a progressive fall.) The progressive tendency of the general rate of profit to fall is, therefore, just /an expression peculiar to the capitalist mode of production/ of the progressive development of the social productivity of labour. This does not mean to say that the rate of profit may not fall temporarily for other reasons. But proceeding from the nature of the capitalist mode of production, it is thereby proved logical necessity that in its development the general average rate of surplus-value must express itself in a falling general rate of profit. Since the mass of the employed living labour is continually on the decline as compared to the mass of materialised labour set in motion by it, /i.e./, to the productively consumed means of production, it follows that the portion of living labour, unpaid and congealed in surplus-value, must also be continually on the decrease compared to the amount of value represented by the invested total capital. Since the ratio of the mass of surplus-value to the value of the invested total capital forms the rate of profit, this rate must constantly fall."

Capital Vol. III Part III. The Law of the Tendency of the Rate of Profit to Fall. Chapter 13.
The Law As Such.

<http://www.marxists.org/archive/marx/works/1894-c3/ch13.htm>