

17.03. Introduction to Political Thought
Lecture Outline: Marx, *Capital* (pp. 302-8, 319-43, 361-84, 407-19)
(in *Marx-Engels Reader*, ed. Robert C. Tucker)

I. *Das Kapital* (Capital)

- A. Provides political economy behind the moral arguments of *1844 Manuscripts*
- B. What Marx takes from classical political economy

II. Value, surplus value, and the analytics of exploitation

- A. What is a commodity?
- B. “Use-value” (utility) v. “exchange-value”/“Value” (price)
- C. Labor theory of value as theory of natural prices (theory of long-run equilibrium prices): exchange-value or price of a commodity is determined by the amount of labor-time socially necessary for its production
- D. Labor theory of surplus value: labor power is the source of profits in a market economy
 - 1. C-M-C (aim is to exchange one use-value for another) vs. M-C-M (aim is to accumulate exchange value)
 - 2. Who is working class?
 - 3. Variable capital v. constant capital
 - 4. Necessary labor time v. surplus labor time
 - a. Assumes labor is in permanent over-supply
 - b. Wages would always tend toward subsistence
 - c. Marx imprecise on subsistence
- E. Calculating exploitation (see handout)
Rate of exploitation = rate of surplus value = surplus value/variable capital = surplus labor time/necessary labor time

III. Marx’s predictions: worsening crises and inevitable demise of capitalism

- A. Long-term tendency for the rate of profit to decline
- B. Dependence on money will create liquidity crises as the result of “hoarding” capital
- C. Democratic governments under capitalism can do little to advance workers’ interests
- D. Capitalist competition will lead to increasing emiseration of the proletariat

IV. Marx’s theory of exploitation as normative argument

- A. People have a claim on what they make, and they are exploited to the extent that they are denied it (echoes Locke’s argument that people are entitled to the products of their labor)
- B. Capitalism is exploitative in that under it workers are denied what is theirs
- C. Limits of labor theory of value as a measure of exploitation
 - 1. What about exploitation of prior employees by prior employers embodied in the machinery used by current workers?
 - 2. What about domestic labor?

V. Marxist insights with enduring appeal

- A. Argument about freedom: not freedom to exchange labor power for wages, but consider the structure of freedom (not just people’s choices but conditions under which people make choices)
- B. Evaluating the legitimacy of governments requires attending to the structure of freedom