

Chapter 7: The Labour Process and the Valorization Process

Overview: In the production process, a person sells their labor-power (use-value) to the capitalist in exchange for money to exchange for necessities of daily life. (C-M-C.) The capitalist purchases a person’s labor-power for a certain amount of time, that labor-power is consumed by the act of labor, and produces use-values for the capitalist. (M-C-M.). This process of production is contained in two sub-parts: the labor process (creation of use-values) and the valorization process (creation of surplus value). This chapter explores where surplus value is created in the process of production, creating M-C-M’.


Part 1: The Labor Process (the Production of Use-Values)

What is labor? Labor is a process that exists everywhere, regardless of social formation. It exists inside and outside of capitalism. It’s a process involving the relationship between people and nature, namely that people purposefully transform and use nature to fulfill their needs, and by transforming nature, we are transforming ourselves and our worlds. A person has an idea and uses raw materials to make it a reality, and therefore exists in the finished product.

★ “At the end of every labour process, a result emerges which had been conceived by the worker at the beginning, hence already existed ideally. Man not only effects a change in the form of the materials of nature; **he also realizes his own purpose in those materials.**” (284).

What does labor look like? The labor process has three elements: 1) purposeful activity (the work itself); 2) the object on which that work is performed (raw materials); and 3) the instruments of that work (tools). The product of the labor process is a use-value. (284)

We should also consider any tools that are necessary for carrying on the labor process an instrument of labor. This would include instruments that are the result of previous labor (like the stone scraper in the example below), but also tools like “workshops, canals, roads, and so forth.” (287)

Purposeful Activity	Objects of Labor	Instruments	Product
Creating a weapon by knapping a hard stone against a core stone	Core stone	Hard stone	Stone scraper 
Productive Labor	Means of Production		Use-value

The process doesn't end there. The use-values created in the labor process are necessary for carrying on the labor process. The products of past labor (in the form of use-values) can become the means of production and turned into new use-values.

- ★ *“The same use-value is both the product of a previous process, and a means of production in a later process. Products are therefore not only results of labour, but also its essential conditions.” (287)*

Purposeful Activity	Objects of Labor	Instruments	Product
Hide an animal	Animal	Stone scraper	Pelt

Labor is what gives past use-values their usefulness, to be used in new processes of production. The process of production is a process of consumption, in that it consumes past use-values to create new use-values. (This is different from individual consumption, which consumes use-values but does not create new ones.)

As technology advances, it shapes our societal relations, and as our societal relations change, so does our technology.

- ★ *“It is not the articles made, but how they are made, and by what instruments, that enables us to distinguish different economic epochs. Instruments of labour not only supply a standard of the degree of development to which human labour has attained, but they are also indicators of the social conditions under which that labour is carried on.” (286)*

The Capitalist and The Labor Process

In this system, the worker has sold their labor-power (use-value) to the capitalist for a certain amount of time, and the capitalist (after purchasing the means of production) now owns all aspect of the labor process. The process is now one where the capitalist consumes the labor-power commodity, and includes these two new elements:

1. The worker is not laboring for themselves and is under control of the capitalist.
2. At the end of the labor process, the product belongs to the capitalist and not the worker who supplied the concrete labor.

Part 2: The Valorization Process (Production as the Creation of Value)

At the end of the labor process, the capitalist now possesses use-values. But capitalists don't want use-values for their own use, they want them for their exchange-value. Moreso, they want a commodity greater in value than the sum of the values of the commodities used to produce it (e.g. the means of production and labor-power). **This is surplus value.**

Quick recap on how value is created: the value of a commodity is the labor-time necessary to create the commodity + the value of the means of production (which is based off the labor-time necessary to create the tools and raw materials).



The Capitalist & The Yarn

The capitalist decides that yarn is the next big thing in the market. They purchase the means of production and the labor-power necessary to create the yarn:

Purposeful Activity	Raw Materials	Instruments	Product
Worker spinning	10 lbs. Cotton	Spindle	10 lbs. Yarn

The cotton's value is deemed to be 10 shillings and the spindle's wear and tear is valued at 2 shillings. If 24 hours of labor are required to produce a quantity of gold represented in 12 shillings (our money commodity), then it means two days' worth of labor (yowza!) are already represented in the yarn, which is the outcome of the labor process.

In making the yarn, the cotton and spindle are consumed by the process, "but their value is no more affected by this fact than it would be if they had been simply exchanged for their equivalent in yarn." The labor time necessary for the production of the cotton is also contained in the yarn, as is the labor embodied in the spindle. (294)

★ "The values of the means of production, i.e., the cotton and the spindle, which values are expressed in the price of twelve shillings, are therefore constituent parts of the value of the yarn, or, in other words, of the value of the product." (295)

Two conditions need to be fulfilled for this, though: 1) the cotton and spindle must actually have played a necessary part in the production of the yarn and 2) the labor-time expended in the labour of production must not exceed the time really necessary under the given social conditions of the case.

So, as of right now, we have the value of the means of production which are consumed and now reflected in the product:

Purposeful Activity	Raw Materials	Instruments	Product
6 hours spinning	10 lbs. Cotton (10s)	Spindle (2s)	10 lbs. Yarn (12s)

Next, we need to consider the labor needed to spin the cotton into yarn is different than the labor in Part 1. Here, we are looking at the **value** that the labor is creating. During the labor process, the worker’s labor transforms from “unrest, into being, into motion, then into that of objectivity.” (296) Measurable quantities of labor are being objectified in cotton, but, only the socially necessary labor-time counts toward the creation of value. (294)

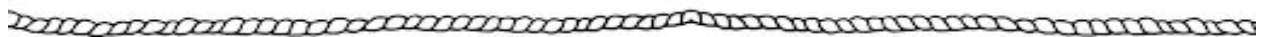
In this example, it was determined that it took the worker 6 hours of labor to spin 10 lbs. of cotton into 10 lbs. of yarn. The cotton consumes 6 hours of labor. This quantity of labor is also valued in 3 shillings. (This is from earlier, when it was determined that 12 shillings of yarn was equal to 24 hours of labor-power.) (297)

The value of 3 shillings is added to the cotton by the labor of spinning, increasing the value of the yarn at the end of the process:

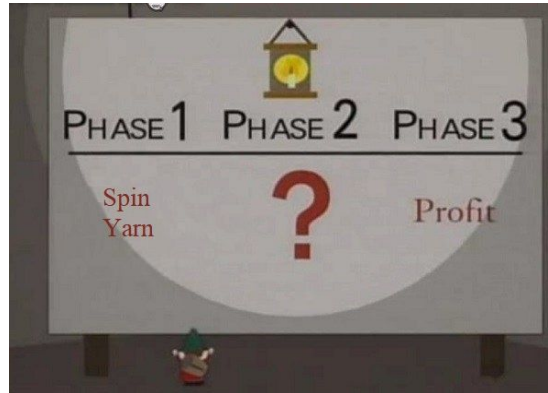
Purposeful Activity	Raw Materials	Instruments	Product
6 hours spinning (3s)	10 lbs. Cotton (10s)	Spindle (2s)	10 lbs. Yarn (15s)

So, in this instance, **the total value of the yarn** contains 2.5 workdays’ worth of labor (15 shillings), 12 shillings of which are contained in the cotton and spindle, and .5 workday absorbed by the process of spinning.

★ “The value of the product is exactly equal to the value of the capital advanced. The value so advanced has not expanded, no surplus-value has been created, and consequently money has not been converted into capital.” (297)



The Capitalist Doesn't Want Yarn, They Want Money



The capitalist has a laundry list of reasons why they deserve a profit, none of which are very compelling: they took a risk advancing their money, they were overseeing the production process, they provided the means of production, and they are providing employment.

- ★ “He [the capitalist] does not care twopence for it. He leaves this and all similar subterfuges and conjuring tricks to the professors of political economy, who are paid for it. He himself is a practical man, and although he does not always consider what he says outside his business, within his business he knows what he is doing.” (300)

The capitalist, of course, knew that when they purchased the labor-power commodity, they were purchasing a special commodity: one that holds both a use-value and produces its own value.

In the yarn example above, half a day’s labor (6 hours, 3 shillings) is how much the worker needs in order to purchase commodities necessary to live. This is what determines the worker’s exchange value for their labor-power.

But the capitalist realizes that the worker produces more **value** than their exchange value, in that “the value of labour-power, and the value which that labour-power creates in the labour-process, are two entirely different magnitude.” (300)

- ★ “[T]he past labour embodied in the labour-power and the living labour it can perform, and **the daily cost of maintaining labour-power and its daily expenditure in work**, are two totally different things. The former determine the exchange-value of the labour-power, the latter **is its use-value**. The fact that half a day’s labour is necessary to keep the worker alive during 24 hours does not in any way prevent him from working a whole day.” (300)

The Creation of Surplus Value

The next day, the worker goes to the workshop and finds the capitalist has purchased the means of production necessary to create 20 lbs. of yarn:

Purposeful Activity	Raw Materials	Instruments	Product
Labor-power at its exchange-value	20 lbs. Cotton	Spindle	20 lbs. Yarn

The worker had sold their labor-power to the capitalist for 3 shillings. The capitalist, therefore, paid the following prices for this process of production:

Purposeful Activity	Raw Materials	Instruments	Product
Labor-power at its exchange value (3s)	20 lbs. Cotton (20s)	Spindle (4s)	20 lbs. Yarn (27s)

The worker, however, had sold their labor for the entire day to the capitalist, and despite having worked the requisite time needed to support themselves after half a day, the worker continued to work for 12 hours:

Purposeful Activity	Raw Materials	Instruments	Product
12 hours spinning (6s)	20 lbs. Cotton (20s)	Spindle (4s)	20 lbs. Yarn (30s)

“But the sum of the values of the commodities that entered into the process amounts to 27 shillings. The value of the yarn is 30 shillings. Therefore the value of the product is 1/9 greater than the value advanced for its production; 27 shillings have been transformed into 30 shillings; a surplus-value of 3 shillings has been created. The trick had at last worked; **money has been converted into capital.**” (301)