CHAPTER 3

The Structural Crisis of Capital and Abstract Labour

Introduction

This chapter argues that the crisis of capital is best understood as a crisis of abstract labour, which has ultimately been exposed in challenges related to the production of surplus value in the expanded conditions of reproduction required by capital accumulation. More than a mere financial, public sector deficit-related or housing crisis, we suggest that it is the basis of determining the value of commodities and labour power that has generated a series of structural obstacles to the production of value. This is encapsulated in the notion of the dismeasure of value which we use to suggest that the socially-necessary labour time of commodities is now insufficient to guarantee the mass of surplus value, and the shares of necessary surplus value, required by capital in order to maintain profitability under conditions of expansion.

Absolute and Relative Surplus Value

We saw that the use value of labour power (i.e., that which capital buys in the market) produces surplus value. We saw also that this value depends on socially-necessary labour time for its production and reproduction in a context where all individual labours are articulated in the collective worker, and where this labour time is the amount of wages that the worker will receive for her or his labour. As Marx writes, “The capitalist has bought the labour-power at its day-rate. To him its use-value belongs during one working-day.”¹ For this same reason, he clarifies that, “The living labour time [the capitalist] gets in exchange is not the exchange value, but the use value of labour capacity.”²

Thus, the frequent confusion between use value (which speaks to this capacity to create surplus value) and exchange value (which is expressed in the quantity of money that the worker receives in the form of a wage, which in turn is always less than the value of total capital) vanishes. Marx explains that in effect, “What the capitalist acquires through exchange is labour capacity:

² Marx, Grundrisse, 1993, 673.
this is the exchange value which he pays for.” The function of the use of labour power in production is also “the creation of abstract labour...and this use is carried out under capitalist direction.”

The category that ultimately defines capitalism is the wage; it is this that expresses the essential social relation at the level of the market, or the buying and selling of labour power conducted through capital. Thus “in the definition of the wage concept and its place in value theory, waged labour is characterised as the product of a social relation, and therefore something generic and standard, which is the foundation of capitalism.” Before moving on to address the issue of labour super-exploitation, we must first review the concepts of absolute and relative surplus value. This issue first arises in the fourth section of the first volume of *Capital*, where one reads:

The surplus-value produced by prolongation of the working-day, I call *absolute surplus-value*. On the other hand, the surplus-value arising from the curtailment of the necessary labour-time, and from the corresponding alteration in the respective lengths of the two components of the working-day, I call *relative surplus-value*. In order to effect a fall in the value of labour-power, the increase in the productiveness of labour must seize upon those branches of industry, whose products determine the value of labour-power, and consequently either belong to the class of customary means of subsistence, or are capable of supplying the place of those means.

There are two methods of relative surplus value: first, when technological development directly affects the productive branches of sector II, which manufacture the means of life consumed by workers (‘salary goods’); and secondly, when development operates indirectly in the productive branches of sector I, producing the means of production which in turn, through productive and labour chains, shape the productive branches of sector II (i.e., the means of consumption that determine the value of labour power, for example clothing, food, footwear and wood). In contrast to the concept of absolute surplus value (the extension of the working day), the particularity of relative surplus value lies in its relation to the means of production and technology, in so far as the latter tends to influence the branches of production that produce

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