



In popular discourse, the term “exploitation” is often used in a moral sense. We imagine workers in dangerous, unclean conditions with low wages working from morning to night. These instances happen in countries with a history of human rights violations where employment legislation has not guaranteed them the rights that we enjoy here in the more affluent western world. In the most horrific examples, we think of the sweatshops run by Nike and other multinationals in places like Indonesia. These places may even be unscrupulous enough to hire child labourers. Casting our minds back to the past, we may imagine Victorian workhouses or mills. The more socially aware may say that exploitation does indeed happen nearby and they will point to particular aberrations such as companies like Sports Direct paying less than the minimum wage, or migrants being victims of exploitative practices in the construction industry.

Karl Marx’s analysis of exploitation does not necessarily evoke these conditions. It is not a moral definition which focuses on the poor treatment of workers by their employers but rather it has scientific application which describes how employers extract profit from their workers. It is a term which can be applied to the entire working class, regardless of their pay scale or working hours. In order for a worker to survive, they must produce a commodity (e.g. toothpaste) which can be exchanged for other commodities (e.g. food). A commodity is not simply the product of labour but is defined by both its use value and its exchange value. An object can have a use value which meets a need (for example, a hammer is used for the purpose of hitting a nail). For this object to be a commodity, however, it must be sold in the marketplace. A commodity therefore has an exchange value

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defined as “the quantitative relation, the proportion, in which use values of one kind exchange for use values of another kind”.¹ The purpose of money is to establish a common value system through which these commodities may be exchanged. This allows us to understand the exchange value as the price of a commodity. A commodity is sold for money which is in turn used to purchase other commodities.

To understand how this process of commodity exchange leads to exploitation, we must first recognise the significance of the two main classes in capitalist society: those who own the means of production and those who possess only their ability to work. Workers cannot produce commodities solely by themselves as they do not own the means of production, i.e. the technology and materials which can be used to create commodities. The capitalist class which owns the means of production cannot produce commodities by itself as the means of production need to be operated by workers in order to produce anything. It is therefore necessary for the capitalist to hire workers so that production may occur.

The one commodity which the worker does possess is their labour-power, that is, their ability to work. This labour-power, like all commodities, is assigned a value (or price) by the capitalist. This is understood as the wage which a worker receives in exchange for their services. A wage is received after a given time but it is for the labour-power which is purchased by the capitalist, not the value of what the worker has produced. This is, in effect, ‘an interest-free loan of labor-power by the worker to the capitalist’.² Marx describes how “the worker advances the use-value of his labor-power to the capitalist” and so “the worker allows credit to the capitalist”.³ The value of a commodity is determined by the amount of socially necessary labour time invested in it. This means the amount of time it typically takes for a

commodity to be produced. The 'socially necessary' part of the equation is key here as a labourer could, in theory, spend twice as long making an object compared to other labourers. However, the value of the commodity remains the same as it is the typical amount of time which is important. A worker who spends, for example, ten hours making a chair when most other workers can make a similar one in five hours, would find the chair fetching the same price as the others in the marketplace. Consequently, they would be less productive and would receive less money for their efforts, despite the amount of time expended.

When understanding labour-power as a commodity we must consider how it is created. In order for a worker to effectively provide their labour-power they must be fed, sheltered, clothed, rested and healthy. As Marx puts it: 'the value of labour-power is the value of the means of subsistence necessary for the maintenance of its owner'.⁴ A wage must be enough to sustain a worker but it also must allow for workers to reproduce in order to provide the next generation of workers. Marx compares the maintenance of a worker in the eyes of a capitalist to that of a machine and, just as a machine needs to be replaced, the capitalist must consider 'the cost of propagation, by means of which the race of workers is enabled to multiply itself, and to replace worn-out workers with new ones'.⁵ The wage must therefore be enough not only for an individual worker to be sustained but also the other members of their household. Conversely, wages cannot be too high or the worker may gain property and will no longer be forced to provide their labour. As Heinrich warns: 'if workers would receive considerably more than the value of the means of subsistence that they have to buy on the market, then they would in the long term no longer be without property, and would be able to at least partially free themselves from the compulsion to sell their labor-power'.⁶

What this demonstrates, then, is that the wage a worker receives from the capitalist does not correspond to the value of what they produce. The worker does indeed need to work for a length of time in order to produce commodities which cover the value of their wage. However, the working day is not based around this length of time and instead invariably exceeds it. For example, if a worker's wage is 60 euros a day and they

produce 20 euros worth of commodities every hour, they will have produced the value of their wage within three hours. The work day does not stop after three hours, however, and they are compelled to continue until they finish their eight-hour day. This additional five hours of work produces another 100 euros worth of commodities but the worker sees none of it. Instead, the additional 100 euros goes directly into the pocket of the capitalist. The first three hours of work is paid labour but the subsequent five hours is effectively unpaid labour. The value produced by the worker during these unpaid hours is surplus value, better understood in common parlance as *profit*.

This practice of systematic profit extraction is what Marx refers to as exploitation. Exploitation is disguised by the wage system under the pretence of an equal exchange, somewhat ironically encapsulated in the labour movement's motto, 'a fair day's wage for a fair day's work'. One can imagine a scenario where workers are informed after three hours that they are working for free for the rest of the day. The workers would return from lunch and their boss would announce that the value of all commodities produced thereafter would go directly towards his own pay cheque and the other company shareholders. It would not be unexpected if the workers questioned why they were doing this work. They would demand additional payment or refuse to work at all. The wage system, however, apportions the surplus value extracted over each hour rather than allowing for such a crude and obvious dichotomy.

Technological innovations allow for a worker to increase their productivity, creating more commodities at a faster rate and thus more value. The nature of exploitation means that this does not benefit the worker and that all this extra value created may be solely surplus value. Technology works for the benefit of the capitalist and not for the worker. This means that technology, by increasing a worker's productivity, also increases the rate at which they are exploited. Higher profit means that the capitalist *can* pay higher wages but it does not mean that they must or that they will. The capitalist cannot be relied on to act against their own interests, i.e., to maximise profit, therefore, the value of labour-power (the wage a worker receives) is determined by class struggle as the exploited class is thrown into conflict with their exploiters. Workers' struggles

therefore seek to minimise (although cannot eliminate) the rate of exploitation. Significant struggles in history involving socialists and the trade union movement have seen the introduction of the eight-hour working day and the weekend. A reduction in the amount of time spent in the workplace per day necessarily means less unpaid labour can be exploited from a worker. Demands for wage increases also mean that the capitalist sees a decrease in their profits. The demands of the worker and the interests of the capitalist are therefore in direct opposition and cannot be reconciled. Marx states that the 'interests of capital and the interests of wage labour are diametrically opposed'.⁷

Whilst as 21st Century Marxists we understand the process of exploitation as being an intrinsic feature of the operations of the capitalist system, it is worth recognising that neither exploitation nor commodities are unique to capitalism. Pre-dating capitalism, commodities were produced under both slavery and feudalism. Exploitation took a more obvious form in these societies as they lacked the ingenious obfuscation of the wage system. When there were the classes of slaves and slave-owners, the slaves lost all the products of labour, often by force, and in return received just enough sustenance to keep them alive to continue working. Feudalism saw peasants working on land for several days a week for free or, alternatively, the food they produced would see a portion donated to the lord. There was a clear division between the time spent working for oneself and the time spent working for one's masters.

The development from feudalism to capitalism has ensured that exploitation is hidden and requires more effort if it is to be exposed. The end of exploitation can only come about with the abolition of the wage system and, ultimately, the end of class society. Workers will own and control the means of production for themselves and the products of their labour will aim to fit the needs of society rather than the relentless and wasteful pursuit of profit. Once the profit motive is gone, we will be able to imagine a scenario where a working day is only a few hours long as there will no longer be a requirement to continue working in order to line the pockets of shareholders.

Notes

1 Karl Marx, cited in Alex Callinicos, *The Revolutionary Ideas of Karl Marx*, London: Bookmarks, 2004, p65

2 Gary Lapon What do we mean by exploitation? *Socialist Worker* <https://socialistworker.org/2011/09/28/what-do-we-mean-exploitation>

3 Ibid

4 Quoted in Michael Heinrich, *An Introduction to the Three Volumes of Karl Marx's Capital*, trans. Alexander Locascio, *Monthly Review Press*, 2004, p95.

5 Karl Marx, By what are wages determined? *Wage Labour and Capital* <https://www.marxists.org/archive/marx/works/1847/wage-labour/ch04.htm>

6 Michael Heinrich, as above *Monthly Review Press*, 2004, p95.

7 Quoted in John Molyneux, *The Point is to Change It: An Introduction to Marxist Philosophy*, London: Bookmarks, 2012, p21.