

Workshop on *Wage-Labour and Capital*

October 25, 2006; 10 - 12:30

Purpose:

To understand the relationship between wage-labor and capital *and* why this relationship is a central aspect of Marx's overall framework.

Directions:

1. Make groups of 4-5 students by having at least one student from each seminar in your small group.
2. Each student should be a "recorder" of the discussion, i.e., keep written notes of your group's discussion and use those notes for the discussion and debrief at the end of the workshop.
3. Designate one member of your group to be a discussion facilitator and another to be a time-keeper.
4. Your group's responses should first be based on Marx's perspective; then, if time allows, develop your group's perspective.

Discussion Items:

1. Introduction (10:10 - 10:20)

Discuss your *general* understanding of the relationship between wage-labor and capital.

2. Labor and Labor Power (10:20-10:40)

- (a) What is the difference between labor and labor power?
- (b) Why is this distinction important?
- (c) What does Marx mean by commodity?
- (d) In what sense is labor power a commodity?
- (e) Why is the value of labor power less than the value of labor?
- (f) What is the difference between wage-labor and other forms of labor (e.g., slave, peasant)?

3. Capital (10:40-11:10)

- (a) What is capital?
- (b) What constitutes "social relations" for Marx?
- (c) Why does Marx consider capital a social relation?
- (d) In what ways might a computer be considered capital or not capital?
- (e) What makes someone a capitalist?
- (f) What is capital accumulation? *and* Why is it a central concept for Marx?

4. Wages (11:10-11:25)

- (a) What are wages? *and* How are wages determined?
- (b) What is the relationship between wages and profits?
- (c) In a period of rapid capital accumulation, what is the effect on wages, especially as related to profits?

11:25 - 11:35: Take a short break

5. Accumulation, Division of Labor, and Machinery (11:35-11:50)

- (a) What is the effect of capital accumulation and competition on the class structure?
- (b) What is the effect of capital accumulation and competition on the use of machinery?
- (c) What is the effect of capital accumulation and competition on the division of labor?

6. Wage-Labor & Capital (11:50-12:10)

- (a) What is the source of profits?
- (b) Consider the following example:

Part I: “Hair Beautiful” is a hair styling shop in Lucy, Washington. Hair cuts/styling cost the customer \$20 (assume no tips) and take half an hour. On the average \$8 of this cost goes to rent, utilities, supplies, and depreciation. There are 4 employees who each get \$6 per haircut and do 2 customers per hour.

- i. How much do the workers make per hour?
- ii. How much profit do the workers create per hour?
- iii. Are the workers exploited? Explain by using the concepts of labor and labor power.
- iv. What percent (%) of the value of their labor do they receive as wages?
- v. How much profit does the employer make in an 8-hour day?

Part II: “Hair Beautiful” recently became a producer-owned and run cooperative by the 4 hair stylists.

- i. What now is the hourly income of each of individual hair stylist?
- ii. Are the 4 hair stylists now workers, capitalists, or neither? Explain.

7. Discussion and Debrief (12:10-12:30)
