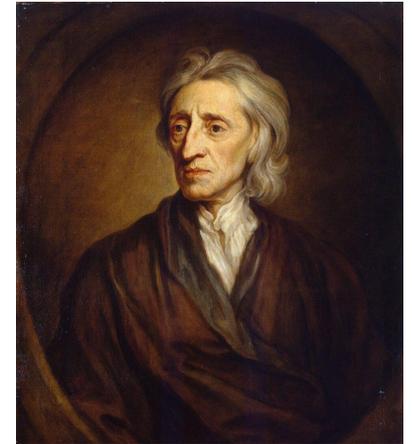


# Karl Marx & Private Property

Ryan Doody

## Review:

Locke  
Natural Rights  
Labor Theory of Property  
Lockean Proviso  
No Waste



## Labor Mixing Argument

- P1** You come to own something unowned *if* by mixing something you own with it *you make it more valuable*.
- P2** Everyone owns their labor power.
- P3** Working on something involves mixing one's labor power with that thing *so as to make it more valuable*.

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**C** Working on something unowned is a way to come own it.

**Labor:** Everyone already owns theirs & it is a major source of *value*.

## The Lockean Proviso

Locke thinks there are some qualifications.



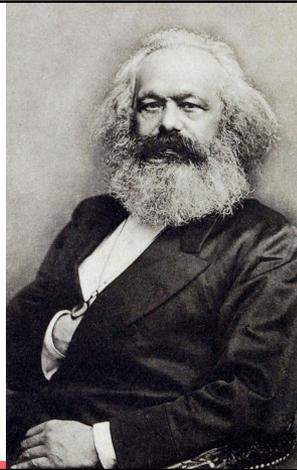
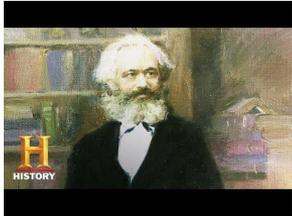
**Proviso:** One person's acquisition of the thing will leave "enough and as good" for others.

**No Waste:** The things acquired will not spoil or go to waste.  
(*Note:* the invention of money allows people to legitimately amass wealth because money will not spoil.)



**Karl Marx**  
(1818 - 1883)

**German Philosopher**



## Key Ideas for Today

Marx & Property

Labor Theory of Value  
Marx's Theory of Exploitation  
The Means of Production (& primitive accumulation)  
The Communist Manifesto

## The Labor Theory of Value

### The Labor Theory of Value

What determines the *price* of a commodity? What makes some things more valuable than other things?



## Use vs. Exchange Value

What determines the *price* of a commodity? What makes some things more valuable than other things?

### Distinction:

*Use Value vs. Exchange Value*



## Use vs. Exchange Value

The word *value*, it is to be observed, has two different meanings, and sometimes expresses the **utility of some particular object**, and sometimes the **power of purchasing other goods which the possession of that object conveys**. The one may be called "**value in use**"; the other, "**value in exchange**."

The things which have the greatest **value in use** have frequently little or no **value in exchange**; and, on the contrary, those which have the greatest **value in exchange** have frequently little or no **value in use**. Nothing is more useful than **water**: but it will purchase scarce anything; scarce anything can be had in exchange for it. A **diamond**, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it.

(Adam Smith, *Wealth of Nations* Book 1, ch IV)

## The Labor Theory of Value

What determines the *price* of a commodity? What makes some things more valuable than other things?

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John Locke, Adam Smith, David Ricardo



## The Labor Theory of Value

**The Labor Theory of Value:** The price of a good is determined by the amount of socially necessary labor to produce it.

(All of the labor required to make that thing, both directly and *indirectly*.)

more valuable than the product of an acre of equally good land that lies waste. The labour that goes into the bread we eat is not just

the ploughman's efforts, the work of the reaper and the thrasher, and the baker's sweat,

but also

the labour of those who domesticated the oxen, who dug and shaped the iron and stones, who felled and framed the timber used in the plough, the mill, the oven, or any of the vast number of other utensils that are needed to get this corn from sowing seed to edible bread.

All this should be attributed to *labour*; as for *nature* and the *land*—they provided only the materials, which were almost worthless in their raw condition. Imagine what it would be



## The Labor Theory of Value

**The Labor Theory of Value:** The price of a good is determined by the amount of socially necessary labor to produce it.

(All of the labor required to make that thing, both directly and *indirectly*.)

$$V(\text{bread}) = V(\text{plough}) + V(\text{mill}) + V(\text{oven}) + \dots$$

$$V(\text{mill}) = V(\text{plough}) + V(\text{iron}) + \dots$$

$$V(\text{iron}) = V(\text{plough}) + \dots$$



## The Labor Theory of Value

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$$V(\text{bread}) = V(\text{plough}) + V(\text{plough}) + V(\text{plough}) + \dots$$

The bread's value is determined by the labor that went into producing it.



## The Labor Theory of Value

**The Labor Theory of Value:** The price of a good is determined by the amount of socially necessary labor to produce it.

Is this right?

Is labor the source of all (economic) value?

Can you think of a counterexample?



## Marx's Theory of Exploitation

## Exploitation

**Under Capitalism, the Working Class is systematically exploited by the Capitalist Class.**

The Rough Idea:

- (1) The value of a commodity is determined by labor.
- (2) Under Capitalism, labor itself is a commodity.
- (3) There is a mismatch between the value of labor (as a commodity) and the value that labor produces.

Workers (as a class) receive less value than they create.

## Exploitation

**Marx's Question:** How are profits possible?

Surplus Value = Value of Commodity - Cost of Production (Profit)

**Labor Theory of Value**

Value of Commodity = the labor required to produce it.



## Exploitation

Surplus Value = Value of Commodity - Cost of Production  
(Profit)



## Exploitation

Surplus Value = Value of Commodity - Cost of Production  
(Profit) (The total # of labor hours) (wages+materials+...)



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How are profits possible?

0 < Surplus Value

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## Exploitation

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## Exploitation

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How are profits possible?

If  $0 < \text{Surplus Value}$ , then:

$$\text{Value of Commodity} > \text{Cost of Production}$$



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## Exploitation

$$\text{Surplus Value (Profit)} = \text{Value of Commodity (The total \# of labor hours)} - \text{Cost of Production (wages+materials+...)}$$

Value of Labor = ???

- How much value **does it create?**
- How much value **is it worth?**



## Exploitation

$$\text{Surplus Value (Profit)} = \text{Value of Commodity (The total \# of labor hours)} - \text{Cost of Production (wages+materials+...)}$$

Value of Labor = ???

- How much value **does it create?**
- How much **labor is required to produce it?**

**Labor creates** more value that is **required to (re)produce it.**  
That's how profit is possible.



## Exploitation

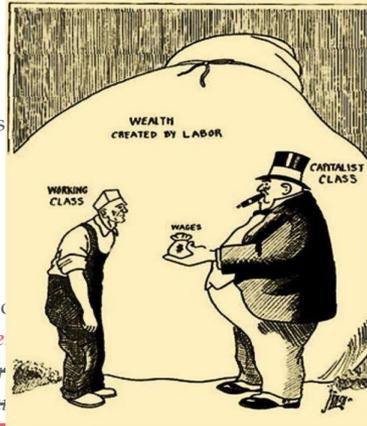
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Organize and Take the Big Bag!



## Exploitation

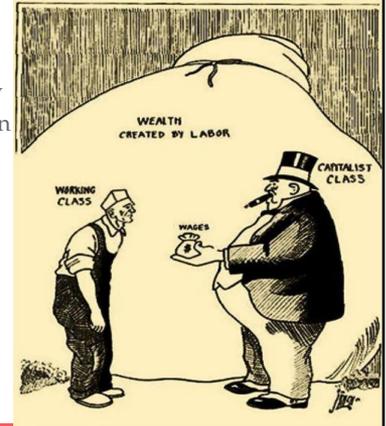
$$\text{Surplus Value} = \text{Value of Commodity} - \text{Cost of Production}$$

Surplus Value is **appropriated** by the Capitalists.

But it is **created** by the Workers.

**Exploitation:** X is *exploited* by Y if X creates more value than they receive and the remainder goes to Y.

Organize and Take the Big Bag!



# The Means of Production

## How does the capitalist come to own the means of production?

Question:  
What is Marx saying in the following excerpt?

### Primitive Accumulation

### Original Sin

This primitive accumulation plays in Political Economy about the same part as original sin in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote of the past. In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living. The legend of theological original sin tells us certainly how man came to be condemned to eat his bread in the sweat of his brow; but the history of economic original sin reveals to us that there are people to whom this is by no means essential. Never mind! Thus it came to pass that the former sort accumulated wealth, and the latter sort had at last nothing to sell except their own skins. And from this original sin dates the poverty of the great majority that, despite all its labour, has up to now nothing to sell but itself, and the wealth of the few that increases constantly although they have long ceased to work. Such insipid childishness is every day preached to us in the defence of property. M. Thiers, *e.g.*, had the assurance to repeat it

### Primitive Accumulation

### Original Sin

Adam Smith

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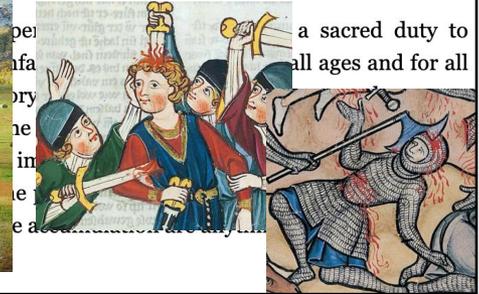
## Primitive Accumulation

How does Primitive Accumulation *actually* occur (according to Marx)?

But as soon as the question of property crops up, it becomes a sacred duty to proclaim the intellectual food of the infant as the one thing fit for all ages and for all stages of development. In actual history it is notorious that conquest, enslavement, robbery, murder, briefly force, play the great part. In the tender annals of Political Economy, the idyllic reigns from time immemorial. Right and "labour" were from all time the sole means of enrichment, the present year of course always excepted. As a matter of fact, the methods of primitive accumulation are anything but idyllic.

## Primitive Accumulation

How does Primitive Accumulation *actually* occur (according to Marx)?



## Primitive Accumulation

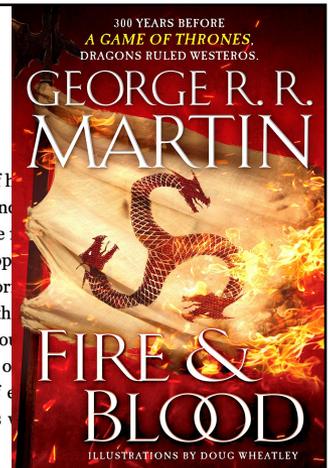
What is Marx saying in this paragraph?

The immediate producer, the labourer, could only dispose of his own person after he had ceased to be attached to the soil and ceased to be the slave, serf, or bondsman of another. To become a free seller of labour power, who carries his commodity wherever he finds a market, he must further have escaped from the regime of the guilds, their rules for apprentices and journeymen, and the impediments of their labour regulations. Hence, the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire.

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# The Means of Production

## Not All Property is Alike

Ownership of the *means of production* is different from ownership of other kinds of property.

Why?

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# The Communist Manifesto

## The Communist Manifesto

Karl Marx & Friederich Engels  
1848



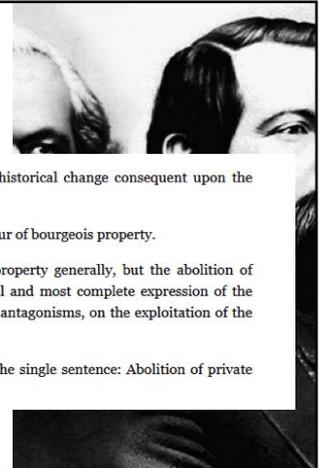
## The Communist Manifesto

All property relations in the past have continually been subject to historical change consequent upon the change in historical conditions.

The French Revolution, for example, abolished feudal property in favour of bourgeois property.

The distinguishing feature of Communism is not the abolition of property generally, but the abolition of bourgeois property. But modern bourgeois private property is the final and most complete expression of the system of producing and appropriating products, that is based on class antagonisms, on the exploitation of the many by the few.

In this sense, the theory of the Communists may be summed up in the single sentence: Abolition of private property.



## The Communist Manifesto

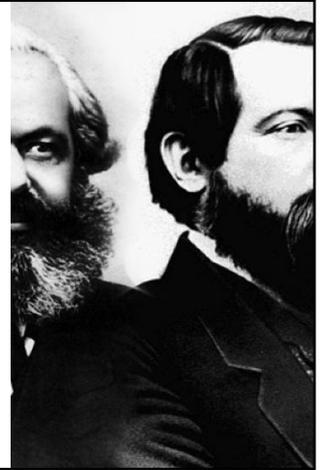
- The communist solution is the abolition of private property.
- Eliminating private property, eliminates the wage-labor relationship which is inherently exploitative and leads to alienation.
- The possibility of communism depends on abundance brought about by capitalism.
- Distribution follows the principle: **"From each according to his ability, to each according to his needs."**



## The Communist Manifesto

- The communist solution is the abolition of private property.

Common Ownership of the *Means of Production*



Questions?