The mechanism of relative surplus value

I. Introduction

Lebowitz (2010) and Fine (2008) have recently engaged on a debate on whether or not the concept of *degree of separation* among workers could be considered the missing link in the theory of relative surplus value. On the one hand, Lebowitz argues that for relative surplus value to come about wages have to fall otherwise real wages rise and workers reap the benefit of technical progress. For this not to happen it is necessary to conceive technical progress as a means to increase the degree of separation among workers, to augment competition among them, thus leading to lower wages. On the other, Fine argues that the degree of separation introduces class struggle at a level of the analysis where the conditions upon which it acts are yet to be defined.

The objective of this article is twofold. The first objective is to show that Lebowitz (2010) presentation of Marx’s theory of relative surplus value is incomplete. The second, and most important one, is to show that, contrarily to his opinion, relative surplus value does not necessarily requires a reduction in money wages in order to come about.

Lebowitz (2010) has argued that Marx’s theory of relative surplus value is incoherent because it does not contain within it the mechanism leading to lower money wages. As it is known Marx initial approach to the concept of RSV assumes that workers need a fixed number of use values in order to reproduce their labor capacity from one day to the next. The sum total of the values of those products is defined as the value of labor power (VLP). As rising productivity lowers those values, it lowers, consequently, the VLP proportionally. Surplus value is then augmented within a working day of a given length, reason why Marx conceives it as surplus value relative to a fixed working day or, relative surplus value, RSV, for short. Thus, it is demonstrated that the secret of the increasing exploitation of labor is not the reduction of wages below VLP but the very reduction in VLP itself.

But this is not all. Marx also shows that individual capitalists can obtain RSV at the ongoing wage rate as long as they manage to produce their products at values below market values. In fact, it is the permanent interest of individual capitalists in producing cheaper than their competitors the very engine of RSV: as the more efficient methods of production are generalized, the value of commodities falls, leading to a reduction in the VLP.

There are therefore two separate moments: individual RSV and aggregate RSV. The first is independent of wage reductions (as it will be explained more fully below) whereas the second apparently requires a diminution in money wages. Lebowitz concentrates his critique entirely on the second moment, that is, on aggregate RSV. He argues that once the assumption of a fixed bundle of consumer goods is abandoned there is no explanation left for a reduction of wages for workers are able to buy a greater quantity of consumer goods and no RSV occurs.

He goes on to argue that for rising productivity to allow capitalists to generate RSV it is necessary that technical progress be conceived as a weapon against workers cohesion. As a weapon used to increase the division among workers and thereby weaken their resistance power, technical progress is conceived as part of the class struggle, and class struggle is, thereby, made part of the very concept of capital in general. The *degree of separation* is part of the concept of capital because capital realizes its immanent tendency to increase RSV only by means of increasing it.

It is true that there is ample textual evidence in Marx economic writings as to the effect of both changes in division of labor and in mechanization of the labor process on the level of wages. But it must be said that this textual evidence covers very diverse situations. Sometimes it refers to the simplification of tasks and the consequent diminution of the time required to prepare the labor force; sometimes it refers to the way in which the introduction of machines opened up factory gates to the employment of women and children making a man's value of labor power be spread among several members of the family (Marx 1975, p.395); sometimes it refers to the unemployment caused by the use of machinery and to the negative pressure that workers thrown out of their jobs place on the level of wages.[1]

In the manufacturing period, for instance, the division of labor caused a decrease in the cost of apprenticeship due to the simplification of labor brought about by division of labor. For some occupations that cost vanished altogether. For others it was reduced considerably. In both cases the value of labor power fell. Yet, this cannot be said to have been due to a deliberate attempt of capitalists to divide workers. Capitalists were trying to get the most out of workers by dividing labor, not workers. The increase in the industrial reserve army to which that simplification of labor gave rise to was an unintended consequence. In fact, some changes were due to accidental causes, for instance, "when an increased quantity of the article has perhaps to be delivered within a given time. The work is therefore re-distributed…This accidental repartition gets repeated, develops advantages of its own, and gradually ossifies itself into a systematic division of labor" (Marx 1975, p.337).

[1] Although Marx makes reference to the reaction of workers against the employment of machines the case of illustrates the strong effect of mechanization on the formation of an excess supply of labor: "No sooner had Everet in 1758 erected its first wool-shearing machine that was driven by water-power, than it was set on fire by 100.000 people who had been thrown out of work" (Marx 1975 p. 428).

Chapter 15 on *Machinery and Modern Industry* presents several examples of increased competition among workers caused by mechanization of the labor process and the ensuing depression of wages. Citing Quincey on a footnote Marx wants to call attention to the effects of substitution of female for male, and of children for adult labor: “Three girls of 13, at wages of from 6 shillings to 8 shillings a week, have replaced the one man of mature age, of wages varying from 18 shillings to 45 shillings” (idem, p.395, footnote 2). Later on the text, on a conclusion of his own writing he says: “By the excessive addition of women and children to the ranks of the workers, machinery at last breaks down the resistance which the male operatives in the manufacturing period continued to oppose to the despotism of capital” (idem, 402). “The quickness with which machine work is learnt by young people, does away with the necessity of bringing up for exclusive employment by machinery, a special class of operatives” (Marx 1975, p. 421). “So soon as the handling of the tool becomes the work of a machine, then, with the use-value, the exchange value too, of the workman’s labour-power vanishes…That portion of the working-class, thus by machines rendered superfluous, i.e. … swamps the labour-market, and sinks the price of labour-power below its value” (idem, p.431).

It is ample clear that Marx was aware not only about the negative effect of mechanization on wages but even about its possible reduction below the value of labor power.[2] Yet, there is no textual evidence whatsoever which could lead to the conclusion that Marx was even close to conceive class struggle as part of the concept of capital.

This article shows that relative surplus value can be obtained without any decrease in wages and therefore without any necessary increase in the degree of separation. It is divided into 5 sections besides this introduction. Section II presents

[2] Fine’s critique does not take into consideration those evidences provided by Marx. Instead, he concentrates his critique on the idea that their effect is difficult to assert due to their diversity.

Marx's theory of RSV as a combination of individual initiatives and aggregate results. Section III presents Lebowitz critique of Marx' theory as well as his own take on the problem. Section IV distinguishes between prices and standard prices. Section V presents the conditions under which RSV implies class struggle. Section VI presents the conditions under which RSV can be obtained without class struggle. Finally, section VII draws the appropriate conclusions.

II. Marx's position on the problem

Value and price of labor power

As is well known Marx defines the value of labor power (VLP) as the total labor time necessary for the maintenance of the worker as a living individual able to work day in and day out. The maintenance of the worker and his or her family requires a given quantity of consumer goods. The total labor time necessary to produce that quantity of consumer goods constitutes the VLP. This fact is asserted by the condition that "in a given country, at a given period" the average level of necessaries are known (Marx 1975, 171).

The reproduction of labor power includes the preparation of its substitutes with the same degree of qualification. Since this is done within the family sphere it implies that the total quantity of consumer goods must be sufficient for the rearing of the prole according to the skills and qualifications to be reproduced. If that total sum of labor time corresponds to 6 hours of social labor and in six hours of average social labor it is produced three shillings, then the price of 3 shillings corresponds to the VLP. The price of labor power is just the expression of the value of labor power in a given quantity of the commodity money, just as the price of any other commodity. For instance, if it were to take six hours to produce gold equivalent to 3 shillings, then the price of labor power, that is the expression of its value in terms of the commodity money is 3 shillings. Notice that this price of labor power is just equal to its value expressed in labor time so that there is no difference between value and price except that they are expressed in different units of measurement.

Price of labor power and wages

Wages are the market price of labor power and vary as any other commodity around its center of gravity, that is, around the price of labor power as defined above. Similarly to all other commodities, wages are regulated by the balance between supply and demand. However, unlikely ordinary commodities, wages depend also on the strength of the contending social classes. This strength, however, is ultimately regulated by the conditions of supply and demand so that an organized class may get its unity eroded by high levels of unemployment and competition among workers.

The concept of relative surplus value

The concept of relative surplus value is presented both at the aggregate level and at the level of an individual capitalist. The logic behind this double level of analysis is that the individual capitalist whom improves labor productivity obtains relative surplus value at the current price of labor power, whereas for the economy as a whole it is apparently necessary that the price of labor power falls in order for relative surplus value to arise.

Individual relative surplus value

An individual capitalist whom introduces a more efficient method of production endows her labor force with the power to produce more use values in the same working day. As a consequence the value of each item is reduced below its market value. This greater mass of use values is then sold at the socially necessary labor time, that is to say, at its market value. Since at the market value the total value obtained by the more efficient capitalist is of a greater magnitude than before, then, variable capital, which have remained constant, represents now a smaller proportion of that total. It is needless to say that all this reasoning is predicated on the idea that value created is regulated by socially necessary labor time.

Individual capitalists are drawn into more productive methods not because they want to reduce the value of labor power but because these methods strengthen the capitalist control of the labor process and at the same time reduce the individual value of their products below the market value which allows them to obtain extra surplus value.

Aggregate relative surplus value

Marx applies to the commodity labor power the same method used to analyze the value of ordinary commodities, that is, that their values are equal to the socially necessary labor time for their production which he calls market value.

The reproduction of labor power depends on the use values needed to reproduce the living individual and not on the values of commodities consumed (Marx 1979 p.245). The quality and quantity of use values necessary for the reproduction of labor power do not change after an increase in productivity for the reason that the latter affects only the values of those commodities and not their quality as use values. As productivity lowers the value of commodities then the value of labor power requires a smaller amount of necessary labor leaving room for a greater amount of surplus labor. This is the theory of relative surplus value as it is based on the assumption that commodities exchange at their values. Its only presupposition is that workers are being paid the full value of labor power. What happens to wages as they may deviate from this new value of labor power cannot be deducted from the same presupposition for the simple reason that wages are the market price of labor power. The determination of the market price of labor power requires the introduction of more concrete elements into the analysis, elements which cannot be dealt with at this level of abstraction.

What each individual capitalist obtains mechanically as a result of producing cheaper than its competitors, the aggregate capitalist class obtains as a result of history, that is, as a result of a complex number of changes in productivity which alter the balance of forces in the labor market.

History sets in: three possibilities

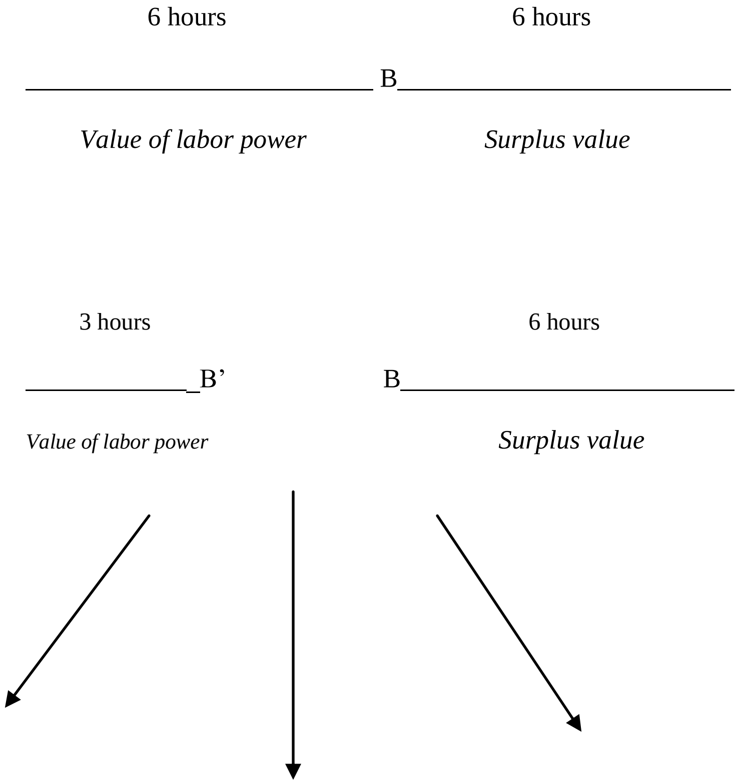
Once extra surplus value disappears the value created in a working day of a given magnitude and intensity is equalized for all capitalists. There seems then to be necessary that wages fall for RSV to be able to increase. But whether or not wages will be reduced depends on the cumulative character of a number of individual initiatives and their effect on the balance of forces between capitalists and workers.

Although the analysis remains at an abstract level Marx concedes that “even when circumstances allow the law to operate, subsidiary movements may occur” (Marx 1975, 522). It is in this context that he discusses the possible changes in the magnitude of wages resulting from rising productivity. The limits for a change in surplus value are given by the variation in the value of labor power. Three possibilities are presented.

The first possibility is that wages fall to the new value of labor power. In this case the necessary labor time curtailed by the increase in productivity is fully transformed in surplus labor time.

The second possibility is that wages fail to fall. In this case the price of labor power would stand above its value and workers would enjoy an increase in consumption standards. But not only workers would be able to buy more use values than before. Capitalists would also reap the benefits of rising productivity as the same amount of surplus value would allow them to acquire a greater quantity of products due to their diminished prices.

The third possibility is that wages fall to an intermediate range between the two previous extremes. The reduction of wages and the corresponding increase in surplus value would be accompanied by an increase in the mass of means of consumption that workers could acquire. Thus, both the standard of living of workers and the surplus labor they are extorted would rise (idem, 523).



First possibility: wages fall to B', the new VLP

Second Possibility: wages remain at the same level

Third possibility: wages fall to an intermediate level

Apparently RSV requires a decrease in wages for if wages remain at point B there seems to be no increase in RSV. It will be shown later that it is possible for RSV to arise even when wages stay constant.

III. Lebowits' critique of Marx theory

As it was said in the introduction, Lebowitz argues that once the assumption of a fixed bundle of wage goods is abandoned, the value of labor power remains constant and no relative surplus value can arise from productivity growth. For relative surplus value to exist it is necessary that technical progress has the property of weakening the collective bargaining power of the workers thus leading to a decrease of wages.[3]

According to him technical progress is conceived not only as a means to lower costs but also as a weapon to divide workers. As an instrument for eroding workers resistance technical progress is indeed, according to him, a weapon of class struggle.

[3] "Drop the assumption of a fixed set of necessities, and we see that capital requires an increase in the degree of separation among workers" (Lebowitz 2003, p.122).

Therefore class struggle is included at the level of the analysis of capital in general. In fact, Lebowitz says that “the concept of capital necessarily contains within it capital’s need to separate workers” (Lebowitz 2010, 141).

This argument is followed by a brief presentation of the simple elements of Marx’s arguments:

A. Workers need a fixed set of wage goods for the reproduction of their labor power

B. Productivity in wage goods production determines Necessary Labor Time (NLT)

C. Rising productivity decreases NLT and increases surplus value (idem, p. 141)

It must be noted that Lebowitz did not include *individual relative surplus value* as the engine of aggregate relative surplus value. At the level of individual relative surplus value capital absolutely does not need to divide workers for the simple reason that their gains are not dependent upon a reduction of wages. Wages do not need to fall in order for them to secure extra profits. And that is precisely why the intermediate step bypassed by Lebowitz is important.

It follows from this that it is only through the accumulation of such initiatives by means of which individual capitals increase control of the labor process and at the same time decrease costs that there emerge new conditions in the labor market, conditions which may be conducive to smaller wages.

It is true that increasing control of the labor process, in as much as it means simplification of labor, does lead to the weakening of workers resistance as it increases the pool of employable human resources. In fact, Marx description of the history of relative surplus value shows that simplification of labor works as a means to decrease wages for two reasons: first because it represents a straight forward decrease in the costs of apprenticeship; second because in it enlarges the pool in which workers struggle against each other for employment. But it must be emphasized that Marx’s description covers the whole history of capitalism. The actual degree of RSV depends on factors that may even maintain the rate of exploitation constant for relatively long periods of time as is documented by Shaikh and Tonak calculations (p.187)

Only as a result of numerous acts of innovative and imitative firms there can arise a situation conducive to relative surplus value. This is much closer to reality as it is precisely the gap between the value of labor power at the constant consumption bundle and the current wages which allows for new consumption habits and new necessities to develop which will be a contending issue in the next round of struggles over the level of wages.

This article argues that Lebowitz mixes up two different levels of analysis: the analysis of the determination of *maximum relative surplus value* which arises from increasing productivity at a given set of consumption requirements on the part of workers and the *effective degree of relative surplus value* which depends on where wages will settle between its present level and the level correspondent to maximum relative surplus value. The determination of the new value of labor power, and its associate *maximum* relative surplus value, is the result of different forces than those determining the level wages and its associate actual degree of relative surplus value.

These are two different levels of abstraction because they correspond to two different levels of reality. There cannot be any room for a new determination of wages without a prior increase in productivity. The actual degree of relative surplus value cannot be determined by theory as Lebowitz claims it can. It can only be determined by class struggle. The latter is in its turn conditioned by rising productivity, rate of accumulation, and a host of other factors.

This article separates those two moments. The first moment determines the new value of labor power. The second determines the level of wages:

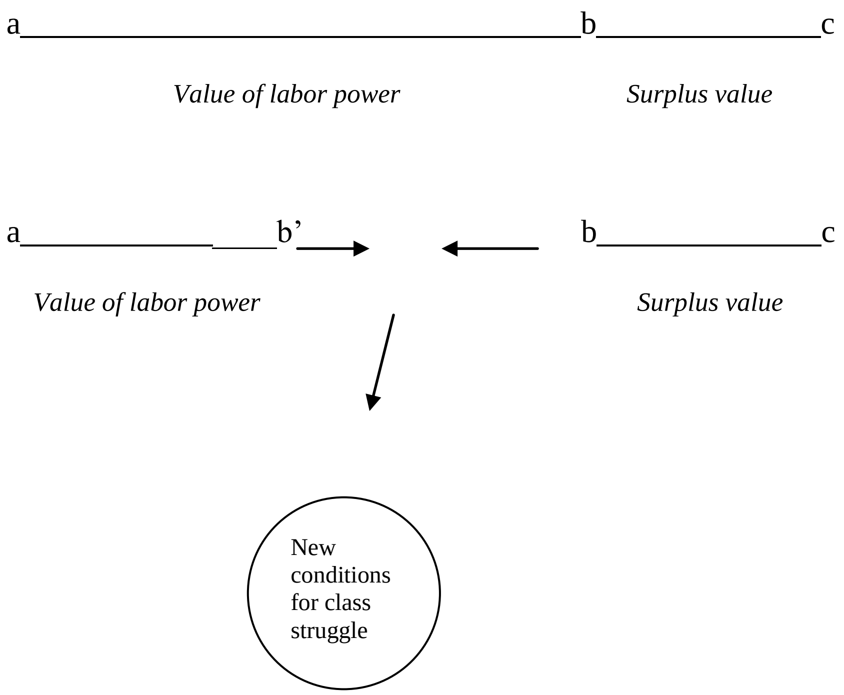
1st. Moment:

↑productivity → determination of the new value of labor power →

maximum degree of relative surplus value

2nd. Moment:

↓money wages → actual degree of relative surplus value



But that is not all. The analysis of relative surplus value took the value of gold as constant as it was irrelevant for the comprehension of the process leading to the reduction of the value of labor power. Yet it is not irrelevant for the determination of the actual degree of relative surplus value. In fact, if we take into account the growth of productivity in gold mining, then, relative surplus value becomes totally independent of a reduction in wages. Moreover, if the growth of productivity in gold mining matches the reduction of the value of wage goods, relative surplus value can arise at its maximum degree at the previous wage level. This is of obvious interest as it suggests that relative surplus value can be obtained without the introduction of class struggle.

Changes in the standard of price are also another possible reason for RSV to become independent of lower wages. Thus, before proceeding any further a brief explanation about the difference between prices and *standard prices* is required.

IV. Price and standard of prices

The distinction between money prices as the expression of values in terms of the money commodity and the *standard of prices* by means of which quantities of the money commodity are measured has not been given the due attention it deserves. For the purposes of the following presentation this distinction is important. For this reason a brief summary is presented below. Let us suppose we define our standard of price as:

1 Shilling = 20 grams of gold

We now call 1 Shilling a piece of coin weighing 20 grams. The subdivision of one Shilling gives rise to different denominations to which there correspond appropriate quantities of gold. The imaginary quantities of gold which measure the value of commodities are in turn measured in terms of this standard of price. If a commodity has a value equal to 25 grams of gold then it has a price of 1,25 Shillings in terms of that standard of price.

Let us suppose that the value of a product is equal to 6 hours of socially necessary labor time. The direct transformation of that value in terms of a certain quantity of the commodity which functions as money we call its *money price*. If it takes 6 hours of socially necessary labor time to mine 60 grams of gold, then 60 grams of gold is the *money price* of that use value. The use value under question has now besides its money price, a *standard price*. Its standard price is equal to 3 Shillings. As argued by Germer (1997), “it is significant that, assuming a constant value of the money commodity, the *standard prices* may change without any change in the *money prices*” (p.51). This is precisely what happens when the standard of price is changed.

As any other commodity, labor power also has also both a *money price* and a *standard price* as is illustrated in the table 1 below.

Table 1. *Fixed consumption needs and value of labor power*

Fixed consumption bundle	Value of Labor Power or Necessary labor Time	*Price of Labor Power* in terms of the commodity which measures value	Price of Labor Power in terms of the *Standard of Price*
Means of subsistence of the Labor Power	6 hours	60 grams of gold	3 Shillings

The following sections present four different cases. The first two imply class struggle over the determination of money wages: the first case because wages must fall and the second because wages must rise. The last two cases illustrate how relative surplus value can come about at the new value of labor power independently of any wage reduction.

We define relative surplus value obtained independently of class struggle that increase in surplus value which accrues to the capitalist class independently of a reduction in money wages.

V. Conditions under which relative surplus value implies class struggle

Case 1. Productivity in gold mining is constant, whereas it increases in those branches producing means of subsistence for the labor power.

Table 2 below repeats table 1. As it has been explained the standard of price establishes a unit of measure for the measurement of quantities of gold. In our example it is:

1 Shelling = 20 grams of gold

All immaginary quantities of gold which express the values of commodities are in turn measured by this standard. If we suppose for example that a commodity has a value worthed 25 grams of gold then its price in terms of the standard of prices is 1,25 Shellings.

Table 2. *Fixed consumption needs and value of labor power*

Fixed consumption bundle	Value of Labor Power or Necessary labor Time	Price of Labor Power in terms of the commodity which measures value	Price of Labor Power in terms of the Standard of Price
Means of subsistence of			

the Labor Power	6 hours	60 grams of gold	3 Shillings

If the value of gold is constant, whereas productivity doubles in the branches producing consumer goods, then we obtain the following result:

Fixed consumption bundle	Value of Labor Power or Necessary labor Time	Price of Labor Power in terms of the commodity which measures value	Price of Labor Power in terms of the Standard of Price
Means of subsistence of the Labor Power	3 hours	30 grams of gold	1 ½ Shillings

The new value of labor power is 1 ½ Shillings. If wages remain at 3 Shillings there will be no relative surplus value but only the same amount of surplus value materialized in a greater quantity of use values. For there to be relative surplus value it is necessary that wages be reduced to a level lower than 3 Shillings. Wages would have to fall to a level which obeyed the following inequalities:

1½ Shellings < wage < 3 Shellings

If wages settle at any level within this inequality it implies that they stand above the new value of labor power but below its previous level. For this to happen it is necessary that productivity growth and a host of other factors have created a labor market environment favorable to such a reduction.

The possibility that both real wages and surplus value may rise simultaneously shows, moreover, that there is no mechanism to ensure that wages will fall to the level of the new value of labor power. Therefore, we cannot suppose that increasing productivity generates a symmetrical effect upon the degree of separation among workers.

Caso 2. Productivity in gold mining increases at a greater pace than productivity in the branches producing means of subsistence. Example: productivity in gold mining doubles, whereas productivity in the branches producing wage goods rise by 1/3 diminishing necessary labor from 6 hours to 4 hours.

With the duplication of productivity in gold production the output of gold in 6 hours labor is 120 grams. On the other hand the number of hours necessary to produce the subsistence basket falls to 4 hours. If the standard of prices is constant then we get the following result:

Fixed consumption bundle	Value of Labor Power or Necessary labor Time	Price of Labor Power in terms of the commodity which measures value	Price of Labor Power in terms of the Standard of Price
Means of subsistence of the Labor Power	4 hours	80 grams of gold	4 Shillings

The money price of the means of subsistence has risen to 80 grams of gold whereas the standard price of labor power rose to 4 Shillings. In order to be able to buy her means of subsistence the employee has to earn 4 Shillings, i.e., 1 Shillings above the previous wage.

The value produced in the working day is equal to 240 grams of gold. In order to be able to buy her means of subsistence the worker has to earn 80 grams of gold. If the standard of prices has not changed then 1 Shilling is still the denomination of 20 grams of gold. With a wage of 3 Shillings, that is, 60 grams of gold, the standard of living of the labor power is reduced by ¼. If wages do not rise to 4 Shillings, there would be simultaneously relative surplus value and the transformation of part of the wage fund into surplus value due to a reduction of the price of labor power below its value. Since this possibility does not explain relative surplus value but surplus value at the cost of the worker we assume that workers will be able to push wages up to 4 Shillings.

According to our example wage goods have become dearer by 1/3 of their former values following a devaluation of gold relative to wage goods. As a consequence both money wages and standard wages should rise by 1/3. This is the case of inflation in Marx's theory of money.

A similar result should arise when the devaluation of money is not due to increasing productivity in gold mining but due to a devaluation of symbols of money relative to the amount of gold they are supposed to represent. This is the case which will be analyzed in the next section.

Conclusions from cases 1 and 2.

Both cases presented above imply class struggle over the level of wages. In the first case wages have to fall, otherwise no relative surplus value can be appropriated by the capitalist class. For wages to be reduced capitalists have to attack labor positions and impose a retreat on them.

The second case implies a sudden reduction in the buying power of wages due to the devaluation of gold. In order to be able to get a price of labor power equivalent to its value workers will have to fight for an increase in the standard price of labor power.

VI. Conditions under which RSV can be obtained without a reduction in wages or without class struggle

Case 3. Both productivity in gold mining and productivity in the production of the wage goods rise at the same pace.

This is the case where money wages can remain what they were before the increase in productivity for with the same wages workers will be able to buy the same amount of use values as they used to buy before the increase in productivity. This happens because the absolute devaluation of the money material allows them to buy exactly the same commodities they bought before:

Socially necessary labor time to produce the wage bundle = 3 hours of labor

Socially necessary labor time to produce to produce 60 grams of gold = 3 hours of labor

Fixed consumption bundle	Value of Labor Power or Necessary labor Time	Price of Labor Power in terms of the commodity which measures value	Price of Labor Power in terms of the Standard of Price
Means of subsistence of the Labor Power	3 hours	60 grams of gold	3 Shillings

The standard of price has not changed. Three shillings are the denomination of 60 grams of gold. If workers receive wages to the value of 3 Shillings they are able to acquire the same fixed consumption bundle as before. There will be relative surplus value even if wages remain unchanged.

Case 4. Devaluation of paper money to the same degree of the cheapening of commodities, the value of gold remaining constant

Let us suppose now that all gold money is deposited in the banks and that symbols of value are issued instead. If by any chance the quantity of symbols issued exceeds the quantity of gold necessary to circulate all commodities at the ongoing velocity of circulation then the symbol of money is devaluated relative to gold. This devaluation forces the monetary authorities to devaluate the standard of price.

At first the standard of price is at its original legal level, that is

20 grams of gold = 1 Shilling

Let us suppose that, for simplification reasons, there is double the amount of symbols of value in circulation than the amount that would be necessary to circulate commodities. In this case it is not possible to exchange one Shilling of gold to one Shilling paper symbol of money. The devaluation of the paper money causes a run on the exchange of paper for gold. The monetary authorities are forced to devaluate the standard of price in order to avoid a deepening of the monetary crisis. The new standard of price should be established at

10 grams of gold = 1 Shelling

If productivity in the branches producing means of subsistence have doubled as well, then we would have the following results:

Means of subsistence = 3 hours of labor

↓

Means of subsistence = 30 grams of gold

↓

Means of subsistence = 3 Shillings

The price of the consumption bundle continues to be 3 Shillings. However 3 Shillings now represent only ¼ of the working day:

VLP	surplus value
3 Shillings	9 Shillings
↓	↓
30 grams of gold	90 grams of gold

Despite of the fact that the price of labor power has remained constant at 3 Shillings its value has fallen to 30 grams of gold, the equivalent to 3 hours of labor. Surplus value, on the other hand, would have increased to 9 hours of labor or the equivalent to 90 grams of gold.

The devaluation of the standard of price caused by a devaluation of the symbols of value relative to gold has allowed relative surplus value to accrue to the capitalist class without the need for a reduction in the price of labor power expressed in terms of the standard of price.

The change in the standard of price by means of which 30 grams of gold are now equivalent to 3 Shillings suggests that relative surplus value is compatible with constant standard price wages.

VII. Conclusions

Lebowitz has argued that technical progress is an instrument that allows relative surplus value to arise because it lowers the value of labor power and wages at the same time. Without this synchronic movement there could be no relative surplus value. As an instrument utilized by the capitalist class to decrease costs and divide workers technical progress battles on two fronts at the same time: the battle of competition among producers of the same commodity and the battle to weaken labor ability to keep their wages from falling. As such technical progress is an instrument of class struggle. In other words relative surplus value can not be explained without recurring to class struggle.

We have argued that there is no immediate connection between the determination of the value of labor power and the determination of the level of wages. The determination of wages depends on mainly two economic forces: on the one hand the cumulative rise in organic composition, and on the other, the rate of accumulation. For this reason the drive to divide workers through technology could not be the sole determinant of wages.

The previous analysis has shown that a decrease of money wages is not strictly necessary in order to allow relative surplus value to exist. Once we restrict our view of class struggle to the level of conflict over the determination of money wages, then as we have shown, there are conditions under which relative surplus value requires a deliberate attempt on the part of the capitalist class to depress money wages. Yet, there are conditions which do not require any effort on the part of capitalists in order to increase surplus labor. If RSV can be obtained without class struggle then the permanent interest of capitalists in dividing workers cannot be said to be part of the concept of capital.

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