17.03. Introduction to Political Thought
Lecture Outline: Marx, *Capital* (pp. 302-8, 319-43, 361-84, 407-19)

I. *Das Kapital* (Capital)
   A. Provides political economy behind the moral arguments of *1844 Manuscripts*
   B. What Marx takes from classical political economy

II. Value, surplus value, and the analytics of exploitation
   A. What is a commodity?
   B. “Use-value” (utility) v. “exchange-value”/“Value” (price)
   C. Labor theory of value as theory of natural prices (theory of long-run equilibrium prices):
      exchange-value or price of a commodity is determined by the amount of labor-time
      socially necessary for its production
   D. Labor theory of surplus value: labor power is the source of profits in a market economy
      1. C-M-C (aim is to exchange one use-value for another) vs. M-C-M (aim is to
         accumulate exchange value)
      2. Who is working class?
      3. Variable capital v. constant capital
      4. Necessary labor time v. surplus labor time
         a. Assumes labor is in permanent over-supply
         b. Wages would always tend toward subsistence
         c. Marx imprecise on subsistence
   E. Calculating exploitation (see handout)
      Rate of exploitation = rate of surplus value = surplus value/variable capital =
      surplus labor time/necessary labor time

III. Marx’s predictions: worsening crises and inevitable demise of capitalism
   A. Long-term tendency for the rate of profit to decline
   B. Dependence on money will create liquidity crises as the result of “hoarding” capital
   C. Democratic governments under capitalism can do little to advance workers’ interests
   D. Capitalist competition will lead to increasing emiseration of the proletariat

IV. Marx’s theory of exploitation as normative argument
   A. People have a claim on what they make, and they are exploited to the extent that they are
      denied it (echoes Locke’s argument that people are entitled to the products of their labor)
   B. Capitalism is exploitative in that under it workers are denied what is theirs
   C. Limits of labor theory of value as a measure of exploitation
      1. What about exploitation of prior employees by prior employers embodied in the
         machinery used by current workers?
      2. What about domestic labor?

V. Marxist insights with enduring appeal
   A. Argument about freedom: not freedom to exchange labor power for wages, but consider
      the structure of freedom (not just people’s choices but conditions under which people
      make choices)
   B. Evaluating the legitimacy of governments requires attending to the structure of freedom