MONOPOLY CAPITAL AND LABOUR

INTRODUCTION

Monopoly capitalism is here understood to be a phase in the development of the capitalist mode of production (CMP hereinafter), qualitatively different from the initial phase of competitive capitalism; a phase in which monopoly corporations have come to play a decisive role in the economies (and'polities'often:- Chile being the classic example) of both developed and underdeveloped social formations; a phase explainable by but not reducible to the tendential laws of capitalism

LAWS OF CAPITAL

The motor force of the CMP is the accumulation of capital; the self-expansion thereof based on the extraction of surplus-value(s) from the working class, an extraction which takes two forms.

First, absolute surplus-value extraction by increasing the length of the working day thus increasing the length of surplus-labour to necessary-labour time. Second relative surplus-value extraction - the cheapening of the value of labour-power primarily brought about by increasing the productivity of labour-power. Both are limited.Once the limits of the former are reached, the latter comes to predominate.

The productivity of labour-power is increased by increasing the technical-composition of capital i.e. by increasing mechanization or the proportion of 'dead' to 'living' labour which leads to an increased organic composition of capital i.e. an increasing ratio of the value of constant (c) to variable (v) capital.

However increasing the organic composition i.e. cheapening the value of labour power (v) by increasing its productivity and thus cheapening the products of labour power which constitutes its value leads to a tendency for the rate of profit $(\frac{s}{c+v})$ to fall, as well as eliciting six 'counterbalancing forces'.

A falling rate of profit generates increased competition, especially during times of crises of over-accumulation of capital between individual capitals, which manifests itself in the two interdependent processes of centralization and concentration of capital, two aspects of the increasing socialization of capital.

Centralization refers to the integration of different branches of production vertically and horizontally while concentration refers to the increase in the scale of production while the number of productive units decreases, enabling the remaining units to divide and control the market by mutual agreement facilitated by (a) their increasing predominance therein and (b) by colonial policy initially.

Both alter the boundaries of production units - requiring a restructuring of labour processes in the direction of socialization and integration. This is expressed in the present stage of monopoly capital by the tendency for the dissociation between economic ownership and possession to close. This does not however eliminate either competition between individual capitals or the non-monopoly level of capital.

This tendency towards concentration intensifies the fundamental antagonism of the CMP between the increasing socialization of production and the private appropriate of the product. This can be understood in terms of the contradiction between the forces and the relations of production.

FOOTNOTE

The debate between forces and relations of production debate I will not enter into. For the purposes of this paper the primary of the latter will be accepted. (Within the econ. level the mode of production combines three elements: the labourer, his means of production and the non-labourer into two relations: a) a connection *of real appropriation of nature constituting the forces of production* or the 'possession' connection . and b) a property-ownership connection, the relations of expropriation of the product which constitute the relations of production.

Furthermore it is important to note that a) at the close of the dominance of a social formation by one set of relations and the beginning of the dominance of another the same forces articulate with different relations as in the period of 'manufacturing' b) that a minimum degree of development of the forces is necessary to articulate with certain relations and c) that the forces of production historically come into contradiction with the relations of production, meaning that the framework in which the product is expropriated limits the real appropriation of nature.

The Production Process

The production process of the capitalist mode of production is a unity-in-dominance of the second of two sub-processes: a) the labour-process which relates closely to Poulantzas's concept of 'possession' and the concept 'forces of production'. and b) the value-producing process which relates closely to Poulantzas's concept of economic ownership and with the 'relations of production'. It is these processes upon which this paper focuses.

Within the production process, the technical delimiting the organic composition of capital, the latter rising more slowly than the former, can be raised to only a limited extent without necessitating a change in technology, an aspect of the forces of production. Further, technological innovations enable individual capitals to make above average profits, i.e. surplus-profits. This form of surplus-profit (technological rent) becomes predominant in what Mandel calls Late Capitalism, a further development or stage of the imperialist monopoly-capitalist epoch.

Thus technological innovation is characteristic of the CMP. that is: "The bourgeoisie cannot exist without constantly revolutionizing the instruments of production and thereby the relations of production and with them the whole relations of society". (Tucker p. 338).

Mandel distinguishes three technological revolutions, the determinant moment of each being a fundamental revolution in power technology. The second dating from the 1890's since the production of electric and internal combustion motors (motive machinery) by machines. The third dating from the 1940's saw the production of electronic and nuclear-powered apparatuses by machine.

Mandel differentiates between an initial phase of technological revolutions and a second phase of 'generalization' the universalization of technological changes during a phase of accelerated accumulation when a 'massive investment of surplus capital occurs. A technological revolution is not only an extension however "but a fundamental renewal of productive technology and of the fixed capital which induces a qualitative change in the productivity of labour" (Mandel p. 112).

The most important characteristics of the third technological revolution "both the origin and outcome of accelerated innovation and the reduction of the turnover-time of fixed capital" (Mandel p. 224), of relevance here are:

First: "A qualitative acceleration of the increase in the organic composition of capital" an increase which leads ultimately to the reconstitution of the reserve army of labour which serves to depress the wages and the combativity of the working class.

Second: "A shift of living labour-power still engaged in the process of production from actual treatment of raw materials to preparatory or supervisory functions" (Late capitalism is characterized by a steep increase in 'research and development' costs).

Third: A radical increase in the importance of the preservation as opposed to the creation of value because of increased automation amongst other things.

Fourth: "A shortening of the production period, achieved by means of continuous output and radical acceleration of preparation and installation work (and transitions to ongoing repairs) Pressure to abbreviate the circulation period hence a shorter turnover time for capital - through planning of stocks, market research etc" (Mandel p. 197)

It was in the first decades of monopoly capitalism that the principals of 'scientific management' were extended the principals thereof being: a) first, the dissociation *of the labour-process from the skills of the workers". Management gathers and* develops knowledge of the labour process (Braveman p. 113). b) Second, "the separation of conception from execution" i.e. the concentration of knowledge as the exclusive province of management (Braverman p. 114) and c) third, "the use of this monopoly over knowledge to control each step of the labour process and its mode of execution".

A further 'principal' is that of the dissocation of the elements of the labour-process into its constitutive parts, decreasing the costs of production by divorcing each element from special knowledge and training, and reducing it to simple average labour which is paid at that level.

Simultaneously "the relatively few persons for whom special knowledge and training are reserved are freed so far as possible from the obligations of simple labour" (Braverman p. 82) a form of the devaluation of labour-power through dequalification to which we will return.

The Extension of Capital

In the monopoly capitalist epoch, capital extends itself and comes to predominate in a) agriculture, precipitating mass urbanization. b) the 'home' - the needs of the family are subordinated to the market, and are reshaped to the needs of capital and c) the 'office' - into which most importantly the computer has been introduced signifying a change in the social and technical division of labour.

According to Mandel late capitalism "appears as the period in which all branches of the economy are fully industralized for the first time" (Mandel P). The extension of commodity production and the mechanization of the sphere of reproduction is facilitated by the following mainly, in the imperialist social formations: 1) a secular decrease of the share of 'pure' means of subsistence (e.g. food etc) in the real wages of the working class. 2) an increasing displacement of the proletarian family as the unit of consumption. However "the increasing discrepancy between the needs of family consumption and wages of the individual male worker leads to increased employment of married women leading to an overall expansion of wage labour expanding capital accumulation and the need for further commodity production 3) the fact that 'culture' becomes increasingly capitalized 4) the direct economic compulsion to 'purchase' certain additional commodities and services linked to an increase in the intensity of labour and the geographic extension of capitalist conurbations (e.g. cars become necessary).
5) the influence of social pressure. Marketing comes to play a more important part under monopoly capitalism reducing the autonomous as opposed to the induced character of demand, which facilitates company planning. The marketing demands of styling, design and packaging becomes imposed upon production. 6) the genuine extension of needs or living standards of wage-earners as luxuries become necessities (the necessary 'civilizing' function of capital) (Braverman p. 264 Mandel p. 390-394).

Labour Aristocracy/New-Middle Class

In the monopoly capitalist era, a stratum of the working class, the labour-aristocracy emerges. This stratum owes its privilige to the high monopoly profits of imperalism whereby a stratum can be bribed "detached from the broad masses of the proletariat (Lenin p. 128) and is best suited to the introduction into the working class of bourgeois ideology and political practices ie. to the taking up of a bourgeois class position (class determination remaining working class).

Like the labour-aristocracies, the new middle-class owes its existence to the advent of monopoly capitalism. It is distinguished by the fact that it occupies a contradictory position performing both the function of the collective worker and the global function of capital, (control and surveillance) in varying proportions though never simultaneously (see below - footnote)

FOOTNOTE

Under private capitalism the figure of the worker changes from an individual to a collective worker to perform the function of which "means to take part in the complex, scientifically organized labour process as a part of the collective labour-power, to produce collectively use-values in order to produce surplus-value", However there must also be a collective worker in the unproductive sphere i.e. "there are agents in the unproductive sphere who perform the function of the collective worker" i.e. (co-ordinationand unity of the labour-process) i.e. through whom capital in the unproductive sphere participates in a share of the surplus-value produced in the productive sphere of the economy. These agents may be materially exploited/economically oppressed by having surplus-labour expropriated from them (Carchedi pgs. 27-28).

Under monopoly capital, the technical divison of labour, the division of functions necessary to the operationof the productive forces is carried to its logical conclusion and extends to all aspects of the labour-process. The function of capital formerly that of one agent becomes the global function of capital, which means subdivision into a number of fractional operations of the work of surveillance and control into a hierarchically organized bureaucratic structure, the common characteristic of which is that the operations are performed "outside the labour process yet inside the capitalist production process" (Carchedi p. 20 Although there are problems with Carchedi's analysis it is useful).

The income of the new middle class is constituted by revenue and by a wage, the heavier the weight of the global function of capital in the position , the greater is the income.

However the labour-power of the new middle class (like that of all labour-power) tends to be devalued in order to increase the rate of surplus-value, through *a reduction of their labour-power from a skilled to an average level usually by* means of a fragmentation of tasks that is a change in the technical nature of the function performed.

"This reduces responsibility and originates a tendency to lose control and surveillance over other agents, a reduction ... in the global function of capital (a change in the social nature of the function performed" (CArchedi p. 376). That is, there is a tendency towards the constant erosion of time during which the global function of capital is performed increasing surplus-labour time.

The changing relations of production under monopoly capitalism effect a change in the social division of labour towards a constantly more complex social division creating new tasks and new strata of skilled worker. Monopoly capital has also produced an extension of 'intermediate' functions, a considerable increase in the number of non-productive wage-earners, such as commercial and bank employees, office and service workers. There is a marked expansion in the category of clerical worker for example (as well as a change in its composition by sex, and in the relative pay of that category) - for the accounting of values becomes more complex and the number of intermediaries between production and consumption increases (Braverman p. 302).

Furthermore, the office becomes the site increasingly of manual labour, assuming 'the particular forms of the various departments and branches of the enterprise" (Braverman p. 299). Mechanization of the office allows machine-placing of work by management.

Productive and Unproductive Labour

Neither service capital nor circulation capital is productive. Neither produce surplus-value materialized in commodities.

Where services are not an exchange of labour-power for revenue, the lack of certainty of the results thereof "alongside the reluctance or inability of the working class to consume them e.g. education, doctors etc, have resulted in

capital taking mutated forms, which are alien to it, though these forms are dependent upon capitalism for their existence" (Bullock p. 9)

Within the family, housewives are unproductive service workers, who ensure the reproduction of living labour, that is, essential for capital, who are paid from revenue ,their husbands wages and who perform surplus labour. (Bullock p. 13)

However the "logic of late capitalism is..... to convert idle capital into service capital and simultaneously to replace service capital with productive capital that is services with commodities" (Mandel p. 406)

The larger the circulation sphere the more is total value produced by the productive sector reduced or devalued; the shorter the circulation time the larger is the productive time increasing surplus-value production, if circulation time, - a barrier capital struggles to overcome - is a time when surplus-value production does not occur. (Bullock p. 11).

Commercial workers working in the sphere of circulation are paid out of revenue and as skilled labour are paid above average labour, but those wages tend to fall partly because of the mechanizationof circulation which increases the reserve army "partly because of the division of labour in the office and partly because universality[in]education devalues the labour-power of commercial workers with the progress" of capitalism. (Braverman p. 421)

Conclusion

In the above an attempt has been made to deal with monopoly capital and labour in the imperalist countries. However with the decisive role monopolies have come to play the creation of finance capital, the division of the world by international monopolies and the completion of the territorial division of the world by the great capitalist powers, which factors constituted for Lenin the essential economic features of imperialism, the highest stage of capitalism, dating from the last decades of the previous century, not only capital but labour has become increasingly internationalized.

In the latter period of monopoly capitalism, the export of the production process itself has become important. The multinational corporation has become the determinant "organizational form" of monopoly capital, control and management taking a specific form in peripheral countries. To quote Langdon - MNC's take

with them a 'package' - a whole way of doing business (that) usually involves the production of certain sorts of final products only; a marked emphasis on sophisticated expensive marketing, certain established approaches to labour relations, and reliance on managerial technical skills and experience accumulated in the richer countries". (Rape No. 2 P. 13 quoted in Maré p. 2).

With the economic dominance of the monopolistic industrial sector in the periphery, economic activity comes to be structured into three interrelated levels, the monopoly level, the competitive level, and the marginal pole.

Characteristic of the monopoly level is control of the basic means of production, which includes technology, generally developed at the centre and inserted into the peripheral social formation, leading to a sharp increase in productivity, facilitating an increased rate of exploitation and the rationalization of labour utilization.

The economic dominance of the monopoly level leads to the creation of a marginal pole of the economy, a topic which has been explored elsewhere (see Mare 1977).

This dominance and the 'control over the new technology residing within this level, leads to changes in the quantity and quality of the labour force demanded; secondly to changes in the mechanisms of absorption, and thirdly, in the mechanism of exclusion and to a depression of the labour force in respect of each of the levels and types of production" (Maré p. 13).

Employment in the underdeveloped countries does not increase at nearly the same rate as output does. Rather there is 1) a heightened demand for skilled labour "and the skills and activities required are different from any previous experience or training that the bulk of the labour force has had" (Mare p. 14), 2) a greater need for a stable labour force and 3) a relatively high wage rate for those employed in the monopoly level.

Finally, to understand the development of monopoly capital and the internationalization thereof one has to understand the international migration of labour from one social formation to another, which increases the reserve army of labour of the importing country, pushing down wages in general and expanding accumulation there; which in 'both' the importing and exporting country further hinders the working class and which allows capital to pay wages below that which it would have to pay to indegenes of the imperialist countries part of the reproduction costs being paid for by the non/pre-capitalist modes in the underdeveloped countries.

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Post-script.

Mechanism:

On rereading the above, it seems overly mechanistic not having taken account of the uneven rate of capital accumulation and of the many contradictory forms that the general tendencies of capital - towards increasing the social productivity of labour and the rising organic composition of capital leading to a falling rate of profit - manifest themselves in, contingent on the class struggle.

Marx writes:

> " Considering the social capital in its totality, the movement of its accumulation now causes periodic changes, affecting it more or less as a whole, now distributes its various phases simultaneously over the different spheres of production. In some spheres a change in the composition of capital occurs without increase of its absolute magnitude, as a consequence of simple centralization; in others the absolute growth of capital is connected with absolute diminuition of its variable constituent, or of the labour-power absorbed by it; in others again, capital continues growing for a time on its given technical basis, and attracts additional labour-power in proportion to its increase while at other times it undergoes organic change, and lessens its variable constituent."

Carchedi - NOTES.

Furthermore, on rereading an article on the white working class in South Africa (which makes use of Carchedi's analysis), a number of problems present themselves.

First, management and supervision is not adequately distinguished by Carchedi.

Second, it is questionable whether the distinction between co-ordination and coercion which Carchedi makes is possible except at a high level of abstraction.

Third, it is economistic to define classes economically unless the theoretical possibility of knowing their determination at all levels is included. For classes are defined by their places in economic, political and ideological relations.

SOUTH AFRICA.

As it is applied to South Africa (and analysis does not mean the application of concepts!) Carchedi is analysing a situation (having reference to struggles over the petty bourgeoisie in France and Italy in the late 60's and early 70's) in which the global function of capital of the 'new middle class' is constantly being eroded so that it can be employed more productively fulfilling the function of the collective worker and so that more surplus value can be extracted from the 'new middle class'. However in South Africa, the opposite seems to have occured, the white new middle class being employed more and more in the latter function exclusively.

Second, the analysis of the South African new middle class does not take account of the imposition of monopoly capital into South Africa at a very early stage in the nineteenth century.

Third, the analysis does not explain the division between black and white supervisors because it is economistic.