Capitalist critique of Karl Marx on surplus value

Gerald Kelvin Onuoha*, Ishmael U. Gwunireama

Department of Philosophy, University of Port Harcourt, Nigeria

Article Information

Keywords: Karl Marx, Surplus Value, Profit, Capitalism, Industrial Relations, Critique

Abstract

Karl Marx (1818–1883) was an outstanding German philosopher of political economy. His disdain and displeasure for capitalism as an economic and political system logically stems from his claim that it is unjustifiably exploitative, dehumanizing, and alienating. He conceives it as being characterized by wage labor, which leads to industrial disharmony between the capitalists and laborers. This paper examines Marx’s conception of surplus value, the nature and character of the labor theory of value, and alienation, key issues in Marxist-Leninist political philosophy. It is, particularly, a reaction to the Marxian claim that surplus value is created in production. It argues that profit and extra capital are the basis for the survival of many businesses. Therefore, it concludes that what Marx refers to as surplus value is a return on investment that the capitalist further puts back into the business to enable the equipment, payment of wages, salaries, and delivery of welfare packages/incentives to workers to make a business a going concern. As a result, there is no surplus value, and it is not a valid basis for industrial disharmony between capitalists and laborers as long as the parties are bound by the employment contract negotiated under the legal regime.

1. Introduction

In Marxian economics, surplus value is defined as the difference between the amount raised from the sale of a product and the amount it costs the product's owner to make it; that is, the amount raised from the sale of the product less the cost of materials, plant, and labor power (Barclay Jr et al., 1975). The concept has its roots in Ricardian socialism, with William Thompson coining the term "surplus value" in 1824. (Hunt, 1979). It was, however, not always separated from the related ideas of surplus labor and surplus product. Karl Marx refined and popularized the concept after that. Marx used the German term "Mehrwert," which denotes or simply means "value-added" (sales revenue less the cost of materials consumed) and can be translated as "greater worth." In Marx's Critique of Political Economy, it is a key notion (Gottlieb, 1950). To be clear, value-added equals the total gross salary and gross profit revenue. However, Marx uses the term Mehrwert to refer to the yield, profit, or return on investment in production capital, i.e., the amount of capital value increase.

Marx begins his work on surplus value from the point of view of private property since value comes from man’s use of his labor, which is his private property. Marx’s 1951 Theories of Surplus Value began with the origin of surplus-value, for it is in the origin that one can come to terms with the meaning of the concept. He did not invent the origin; he rather leveraged Locke’s 1768 On Civil Government to deliver on the pristine meaning of labor, especially from the point of view that it is intrinsic to and inseparable from the nature of man. Taking a cue from Locke (1768), Marx said that the capitalist production system is one where the worker, in his bid to survive, exchanges his private property—something that he alone can lay claim to—and that it is in this exchange that exploitation takes place. But how exactly is labor a man’s private property? Thus, Marx leveraged Locke’s work thus:

Though the earth, and all inferior creatures, is common to all men, every man has a property in his person: nobody has any right but himself. The labor of his body and the work of his hands, we may say, are properly his. His labor hath taken it out of the hands of nature, where it was common and belonged equally to all her children, and hath there appropriated it to
himself. As much land as man tills, plants, improves, cultivates, and can use the product, so much is his property. He, by his labor, does, as it were close to the common. The measure of property nature has well set by the extent of men's labor and the conveniences of life: no man's labor could subdue or appropriate all; nor could his enjoyment consume more than a small part; so that it was impossible for any man, this way, to entrench upon the right of another, or acquire to himself a property, to the prejudice of his neighbor (1967, pp. 229-232).

Labor, in Locke's model, is something that is not owned, and that is why, as soon as man mixes his labor — by way of effort geared towards making any aspect of the unhampered component of nature usable — with nature, that part of nature becomes his private property.

Marx saw this account of labor — a private property for which no external claim can be made — as his springboard and saw the need to use it as the base for his theory (Lazarou et al., 2017). Labor, for him, is not just a natural property of man; it is of much practical value, and labor is the basis for value. Labor is value and labor; labor is useful to man and can be used to achieve other useful things that man lacks. This is how Marx puts it:

Labor bestows on objects almost their full value ('value' is here equivalent to use value, and labor is taken as concrete labor, not as a quantum; but the measuring of exchange value by labor in reality based on the fact that labor creates use-value). The remainder of the use-value, which cannot be resolved into labor, is nature's gift and hence its essence common property. Therefore, Locke seeks to prove is not the contrary, namely, that property can be acquired in other ways by labor, but how, despite the common property provided by nature, the individual property has been created by individual labor. Therefore, one limit to the property is the limit of personal labor; the other limit is that a man does not accumulate more things than he can use. However, the latter limit is extended, apart from other exchanges, by the exchange of perishable products for [a less perishable product such as gold, silver, diamond, etc., for] money (Marx, 1951, p. 28).

Surplus value, according to Marx, is the additional value created by workers above their labor costs, which the capitalist appropriates as profit when things are sold. From the 19th century onwards, the massive expansion in wealth and population was largely due to the competitive pursuit of maximum surplus value from labor employment, which resulted in an equally massive increase in productivity and capital resources. Regardless, the economic surplus was becoming increasingly convertible into money and reflected in monetary terms. As a result, large-scale wealth accumulation is conceivable. As a result, surplus output and capital accumulation yield surplus. In addition, Friedrich Engels, in support of Marx's notion of surplus value, writes:

Whence comes to this surplus value? It cannot come either from the buyer of the commodities under their value or from the seller selling them above their value. For in both cases, each individual's gains and losses cancel each other's; each individual is, in turn, a buyer and seller. Nor can it come from cheating, for though cheating can enrich one person at the expense of another, it cannot increase the total sum possessed by both and, therefore, cannot augment the sum of the values in circulation (Marx & Engels, 1975, p. 61).

As a corollary to the above picture painted by Engles (1967), Marx seeks to create a clear line between the amount of time spent working and, of course, labor power, as well as between absolute and relative surplus value. A worker who is sufficiently productive can generate an output worth more than the cost of hiring him. Although the wage appears to be based on hours worked, it does not reflect the entire worth of what the worker does in an economic sense. In effect, the worker is selling his capacity to work rather than his labor (labor power). On the strength of the foregoing, Marx (1990) avers that:

The value, which is to say, the quantity of labor which the workers add to the material, falls rather into two parts. One pays their wages and is paid through their wages. The workers therewith give back only as much labor as they received in the form of wages. The other part forms the profit of the capitalist, that is, it is a quantity of labor which he sells without having paid for it. Thus, if he sells the commodity at its value, that is, according to the amount of labor time contained in it, in other words, if he exchanges it for other commodities according to the law of value, then his profit originates from the fact that he has not paid for one part of the labor contained in the goods, but has nevertheless sold it (p. 119).

However, it is vital to remember that capitalist exploitation is defined by the realization of absolute surplus value, which the capitalist then claims. As a result, the worker cannot directly benefit from this benefit since he lacks access to the means of production (such as shoe-making machines) or the products, and their ability to bargain over wages is limited by laws and the supply and demand for wage labor.

A single firm or production location, on the other hand, does not create relative excess value. Instead, it develops from the whole link between many firms and different sectors of the industry when the required labor time for production is reduced, resulting in a shift in the value of labor power. When the commodities necessary for a worker's subsistence fall in value, the amount of socially necessary labor-time falls, the value of labor-power falls, and a relative surplus-value is realized as profit for the capitalist, increasing the overall general rate of s. The absolute surplus value is generated by extending the working day, but the relative surplus-value is generated by shortening essential labor times and corresponding changes in the lengths of the two working day components.

According to Marx's theory, as proclaimed in Das Kapital, the entire production process has become a labor process creating use-values and a valorization process creating new value, and more precisely, a surplus-value appropriated as net income i.e., capital accumulation. The aim or propensity to maximize the appropriation of surplus value by growing the stock of capital is the driving force of capitalism, which finds expression in material production.

2. Karl Marx on The Labor Theory of Value

This theory states that the value of any commodity is a function of the amount of labor that it takes to produce it. In capitalism, the worker’s labor is a commodity, so the value of that labor is determined by its cost. What it takes to produce a worker’s labor is what it takes to sustain him. Giving what
he thinks is the most charitable account of capitalism, Marx assumes the product will be sold for its just price. However, this would leave the capitalists without any profit. So, the capitalist must find some way to make a profit in this scenario. He does so by forcing the worker to work more hours than is necessary for his survival. Marx opines thus:

In its significance for capitalist production, productive labor is wage labor that, exchanged against the variable part of the capital, reproduces this part of the capital (or the value of its own labor-power) and produces surplus value for the capitalist. It is only through it that commodity money is transformed into capital and produced as capital. Only that wage labor is productive, which produces capital. This means that it reproduces in expanded form the sum of value laid on it or gives back more labor than it receives in the form of wages. Thus, it is only that labor power whose utilization produces a value greater than its own (Marx, 1990, p. 148. Emphasis supplied).

Marx posits that the workers’ day can be divided into two parts. First, there are the hours he spends producing products whose total value is equivalent to his wages (wages equal to what it takes to sustain the worker). The second part of the workday consists of the hours he spends producing commodities whose value is expropriated by the capitalist. Thus, the capitalist makes a profit on this surplus-value. For these reasons, Marx describes the capitalist as having a “Vampire thirst for the living blood of labor” (Marx, 1990, 367). However, in his less emotional passages, Marx presents the capitalists as the characters in Greek dramas, who are helpless and vicious of fate and unwittingly bring about their own destruction. Although greed for profits drives the capitalist, this is not because he is a morally defective being. The laws of his economic system give him no rest and continually whisper in his ear, “Go on! Go on! Thus, Marx describes the capitalists as victims of their own system. Analyzing the emerging trends and evolving dynamics of capitalism, Marx (1990), in his Capital, has this to say:

As a capitalist, he is only capital personified, and his soul is the soul of capital. But capital has one single life impulse, the tendency to create value and surplus value, to make its constant factor, the means of production, absorb the greatest possible amount of surplus labor (p. 362).

This underscores the extent and propensity of exploitation and capital accumulation on the part of the capitalists concerning surplus value. For Marx, capitalism evolves as a system in which a small class of people own and control the major forces of production as their private property and employ workers who have no economic resources but their own labor-power (Allman, 2019). Labor theory of value argues that the economic value of goods or services is determined by the total amount of “socially necessary labor” required to produce it. What is more, labor theory of value is an essential element of Marxian economics which he adumbrates thus:

The productivity of labor in the capitalist sense is based on relative productivity – that the worker not only replaces old value but creates a new one; he materializes more labor time in his product than is materialized in the product that maintains his existence a worker. The existence of capital is founded on this type of productive wage labor....The labor of the unproductive worker “produces no value”, “adds to the value of nothing”, “the maintenance (of the unproductive worker) never is restored”, “his labor does not fix or realize itself in any particular subject or vendible commodity”. On the contrary, “his services generally perish in the very instant of their performance, and seldom leave any trace or value behind them for which an equal quantity of service could afterward be procured”. Finally, his labor does not fix or realize itself in any permanent subject or vendible commodity (Ramtin, 1991, p. 3).

Marxist-Leninist philosophy holds that the labor theory of value results from the exploitation of the working class under capitalism and dissociates price and value (Clarke, 1991). Marx uses the labor theory of value to explain the relative difference in market prices. Thus, this theory states that the value of a produced economic good can be measured objectively by the average number of labor hours required to produce it. This claim, in our view, is, however, debatable. In what follows, one perplexing question that begs an answer is this: If goods and services are to be sold at their true, objective labor values as measured in labor hours, how do any capitalists enjoy profits? This Marxian view that capitalists underpay or overwork wage labors, thereby exploiting and even alienating them to cut down cost production and do away with the surplus-value, is a claim with which we shall contend. Marx believes that a commodity’s price or worth can be based on one of two things: values or use-value. Value refers to the commodity’s utility or worth compared to other commodities. Use-value refers to the usefulness of a commodity or its ability to complete further tasks or work. For example, the use-value of a car is its ability to get someone transported from point A to point B. He also argues that all value in commodity is derived from human labor. In other words, it is human labor that creates commodities. Thus, he insists that the value of a commodity depends on the amount of human labor put into its production. Here, Marx encapsulates three key elements of his economic theory:

Firstly, forces of production (material productive forces) include anything that can be used to create products to satisfy human needs and wants. The forces of production can be divided into two categories: the means of production (natural resources, tools, and machines) and human labor power (Bimber, 1990). However, for the forces of production to be used, they required certain social and economic arrangements concerning power, authority, and ownership.

Secondly, Relations of Production consist of the institutions and practices that govern the forces of production. In Marx’s perspective, when we seek to understand a period of history or a particular society, we must ask: Who owns the means of production and controls the labor power? The collective total of these productive relationships is called the economic structure (Chitty, 2000). The combination of these two factors in production, working together, is variously referred to as the base, the mode of production, or the economic substructure.

Finally, the Superstructure consists of the official legal and political system and the forms of social consciousness (Edara, 2016). In point of fact, this level or strand of the society does not engage in economic production but in the production of ideas, legal and political theories, cultural
expressions, philosophies, morality, religion, and patterns of explanation.

3. Marx on Alienation

The concept of alienation is a key theme in Marxist-Leninist philosophy and bears on the subject of surplus value as it is one concept that Marx employs in his attempt to depict the capitalist as an exploitative being and the effects of capitalism on labor. For Marx, alienation is a state of being separated from one’s true self (Shah, 2015). It is the process whereby man is being stripped naked of his essential humanity or qualities, e.g., the dignity of labor. In the opinion of Marx, human beings differ from non-human animals because they produce the means of their subsistence or sustenance. Thus, they do not only engage in work to satisfy their physiological needs. Rather, they do so in conscious, creative ways. For instance, the bee constructs a honeycomb by blind instinct, but the architect conceives his creation in his imagination before building it through mental projection. Furthermore, in the Marxian sense, our creativity goes beyond merely meeting our immediate, physical needs. “The human species forms things under the laws of beauty” (Marx, 1974, p. 76). Hence, to be human is to engage in free, spontaneous, and creative productive activities. Consequently, the majority (propertyless class) has only one way to survive: to sell their labor power to the minority who owns the means of production. This, in effect, reduces the laborer to a state of perpetual servitude.

Alienation, for Marx, is the materials process by which man creates things out of nature; it comes to be dominated by those creations (Wendling, 2009). It presupposes some dehumanization, commodification, and objectification of a sort. It is the process whereby the laborer is stripped naked of his dignity and pride as a rational, social being and, more importantly, as a moral agent. Thus, he identifies four components of alienation: the laborer is alienated from the products of his labor; from his productive activity (production process; for his essential human nature; and workers are alienated from each other and from the products of their labor, in which strangers appropriate case, the labourers’ creations as their private property to be converted into their profits. As he opines:

> Labor indeed produces for the wonderful rich things—but for the worker, it produces privation. It produces palaces—but for the worker, hovels. It produces beauty—but for the worker, deformity. It replaces labor by machines, but some of the workers it throws back to a barbarous type of labor, and the other workers turn it into machines. It produces intelligence—but for the work idocy, cretinism (Marx, 1974, p. 73).

Marx claims that in a capitalist system, it is those who can and indeed control the means of production i.e., the bourgeoisie that enjoys the proceeds that accrue from the labor process (a productive activity) to the disadvantage of the working class the (proletariats) – those who only sell their labor-power. Hence, the labors are ultimately alienated from the products of their labor. He believes that the capitalist system alienates the workers from their productive activity. Hence, Marx emphatically writes that, “Labor produces not only commodities; it produces itself and the worker as a commodity” (Marx, 1974, p. 71). And he asserts that capitalism alienates the workers from their essential human nature. Granted that animals (non-human beings) produce for their immediate needs, but human beings can creatively transform the world into works of art, science, and technology to be shared by the while human race (Lawhead, 2002). He thinks the capitalist system reduces the worker to a beast of burden. He maintained that workers are alienated from each other. Having been degraded themselves, they view others as degraded also. In Marx’s parlance, “In general, the proposition that man is estranged from his species-being means that each man is estranged from the others and that all are estranged from man’s essence” (Marx, 1990, p. 87). Implicit in the foregoing submission is the fact of the alienation of men from each other.

Private property derives from an analysis of the concept of alienated labor, i.e., alienated man ... it is true that we took the concept of alienated labor from political economy as a result of the movement of private property. But it is clear from an analysis of this concept that, although private property appears as the basis and cause of alienated labor, it is in fact its consequence, just as the Gods were originally not the cause but the effect of the confusion in men’s minds. Later, however, this relationship becomes reciprocal (Marx, 1990, p. 88-89).

Here, Marx opines that the laborers see their employer as merely a source of money and see one another as competitors for jobs and wages. In his estimation, “The increasing value of the world of things ... proceeds in direct proportion to the devaluation of the world of men” (Marx, 1974, p. 71). Thus, in Marx’s view, private property is the material expression of alienated labor. This is manifestly evident in how the capitalist treats the laborer as simply a ‘factor’ of production. Hence, the laborer is being commodified and objectified.

4. Critical Evaluation

Marx’s contributions to philosophy, economics, and industrial relations, particularly his conception of capitalism as an exploitative mode of production, have undoubtedly influenced and shaped our perception and understanding of the dynamics between the capitalist and the laborers (employees). On the one hand and the capitalist on the other. Specifically, his view/thoughts on the surplus value and alienation prima facie appear to be the whole truth about the dehumanizing nature of capitalism. Marx questions the foundation of the relationship between laborers and their employers because such a relationship breeds worker exploitation. For him, the labor time put into production does not return to the laborer because the value of the product of his labor is greater in value to the capitalist/his employer than the value of the wages he receives is to him (the laborer).

Marx believes that some value has gone to the capitalist and that since the capitalist did not acquire this value that is unaccounted for, the laborer, who is the real owner of the value, has been subjected to exploitation. Thus, profit, which, naturally speaking, is supposed to be the capitalist’s reward for conceptualizing and materializing production, is a form of the value of the laborer that the capitalist has wrongfully possessed. Rent, interest, extra capital, and wages are all
forms of the surplus value generated by the laborer whose quest to eke out a living causes him to overwork himself, thereby creating surplus value that manifests itself in various forms. That Karl Marx and the Marxists have not averted their minds to the other side of the argument has caused industrial disharmony between the capitalists and the laborers.

Firstly, Marx thinks that the capitalist distinguishes between productive and unproductive labor based on the impact the laborer’s labor time has on what he expects to make. Thus, those workers whose labor time produces goods of more value than what it costs to maintain them are productive in the capitalist sense, while those whose services are not tangible are unproductive. This kind of classification is wrong, as it fails to recognize the complementary role of all the factors—human and non-human—play in the production process. Again, this distinction fails to acknowledge that production is a complex process involving several factors, one of which is what the capitalist erroneously tags as productive. The capitalist’s interest seems to becloud his reason; he fails to see that all the factors that make production possible are productive in diverse ways; some as primary, some as secondary, and others as services that play far-reaching roles in the actualization of the goal of the business. According to Marx, the failure of some labors to produce commodities that are vendible or exchangeable is the reason why capitalists regard them as unproductive:

The labor of the unproductive worker “produces no value”, “adds to the value of nothing”, “the maintenance (of the unproductive worker) never is restored”, “his labor does not fix or realize itself in any particular subject or vendible commodity”: On the contrary, “his services generally perish in the very instant of their performance, and seldom leave any trace or value behind them for which an equal quantity of service could afterward be procured”. Finally, his labor does not fix or realize itself in any permanent subject or vendible commodity” (p. 138).

It is wrong to vitiate the significance of professionals that render several other services in any business organization on the grounds that they do not provide any vendible commodity. A “vendible commodity” is something that contains the labor of primary, secondary, and other services, as defined by capitalists. By the way, the professional who provides services also provides a tradable commodity. It is a matter of what the capitalist means by “commodity,” for services rendered are also commodities in their own right. We agree with Marx that there is no real distinction between productive and unproductive labor, but this work distances itself from Marx’s claim that the basis for such a distinction lies in surplus value.

Secondly, Marx sees profit as one of the forms of surplus value, but what is his reason? Why did Marx classify profit as one of the avenues via which the capitalist exploits the worker? Marx does not agree that profit should be the reward of the capitalist, and his reason is that profit means that the employer appropriates some of the values that belong to the laborer to himself without the owner's permission. In other words, Marx sees profit as the wrongful possession of the worker's right. Let us see Marx’s reaction to the capitalist justification of profit. Marx does not appear comfortable with Adam Smith’s case for the capitalist to profit from his business venture. For Marx, the process of production should never lead to the preponderance of any form of value that cannot be accounted for. Profit means some leakage in the system that is supposed to flow from the labor power of the laborer to the production of the commodity that the labor exists in. The mention of profit, which is an extra, makes Marx wonder. The defense advanced by Adam Smith that justifies profit did not go well with Marx. Marx’s angst is about the relationship between values: that of the commodity and that of labor-power. The commodity in which the labor power exists eventually becomes more valuable than the wages the laborer receives, and this extra that the capitalist appropriates as profit is what Marx is not happy about. This is his idea of exploitation and maltreatment of the worker that should not occur (p. 119). There is hardly anything wrong with the profit that the capitalist, or investor, makes from the business venture.

Moreover, the capitalist is himself a laborer, which means that he is entitled to proceeds from his investment. A man who invests so much expects to make a profit. No one goes into a venture that will not be financially rewarding. The capitalist is not Santa Claus (Father Christmas), who doles out gifts without expecting anyone to give him money. A capitalist is a businessman, and the basis for any charitable business venture is profit. If what a businessman invests in does not have the propensity of giving him something in return, then his adventure has no basis. By the way, when did profit become a crime?

Thirdly, it is important to ask: what does the worker bring to the business other than his labor? Would anyone find work if the capitalist did not go through harrowing experiences in order to amass capital for establishing the business? The capitalists he attacked for distinguishing between productive and unproductive labor, Marx has failed to see that business is about investing and reaping or buying and selling. The capitalist raises the capital needed to hire laborers and other materials for a successful business adventure. He expects to make much more than he invests so that he can take care of the numerous liabilities that the business has. Profit is the capitalist’s gain from his labor. If the adventure fails to make a profit, it will naturally die, and all the workers, including the ones Marx seeks to protect, will be laid off, causing a serious crisis for the society/state. Marx’s theory of the worker is possible because of the capitalist’s investment. A worker that leaves subsistence agriculture to look for a job space where a capitalist does his business is looking for a better welfare package, and if the welfare package as contained in the contract of employment is binding on the parties (Gwunireama & Ebiemere, 2016) and guaranteed in a profit-making venture, then why should anyone find fault with it?

Fourthly, Marx seems to have failed to see that the capitalist is the risk-taker here. He is the one that looks for the huge capital needed to bring different workers together. The capital he uses comes from diverse sources, some of which incur interest. He will, therefore, work hard to manage the capital in a way that will yield a profit; otherwise, he stands to go bankrupt. Does Marx know that when businesses go
moribund, the owner, the capitalist, suffers the most? Profit is not exploitation in any way. Moreover, the worker possesses the commodity that the capitalist wishes to buy. The capitalist eventually buys the labor of the worker at a price agreed by both parties. Thus, both the capitalist and the worker are producers in their own right, and if one buys in order to manufacture something of greater value than what he bought, how is that an issue? Is that not what the art of investing and reaping or buying and selling entails?

Fifthly, a critical examination of the working relationship between workers and their employers does not show this surplus-value and exploitation that Marx talked about. According to Yesufu, in his *The Dynamics of Industrial Relations: The Nigerian Experience* (1984), an industry is a social system deliberately, established to carry out a definite purpose and consists of people in creative relationships. In other words, organizations being a social system, the people they engage as workers need to be treated well for them to be effective. This treatment includes energizing, motivating, and placating these workers by their employers. The advent of capitalism has brought the numerous subsistent laborers under one umbrella, and roles are now broken down into smaller units. The welfare of workers has become a serious issue in industries today. Workers move from where they are to sites where their welfare is given better attention, which is a sign that Marx did not paint the correct picture. Employee welfare package is a very important consideration in industries. Even during the time of Marx, there was always an exodus of laborers to industries where their rights and privileges were protected. Yoder (1958) defines a welfare package as a wide variety of services provided by companies for employees, and in some cases, for members of the employees’ families. In his 1957 Business Management: An Introduction to Business and Industry, Shubin sees it as additional incentives given to employees by management to augment their wages. Both Ekpiken (1983) and Yesufu (1984) describe welfare programs as including the provision of well-ventilated offices, drinking water, end-of-year parties, restrooms, toilet, and first aid facilities by the management to the employees. They also opine that providing employees with canteens, subsidized meals, medical facilities, housing or housing allowances are regarded as welfare programs. This definition is a clear objection to Marx’s exploitation claim.

Lastly, if workers enjoy such welfare packages in addition to their wages, then Marx’s claim that surplus value is the extra value of the worker that the employer has possessed without paying for it does not hold water. The extra benefits that go to the worker apart from his salary and wages seem to be the extra value realized by the employer upon the sale of the finished product. These welfare packages seem to be the employer’s way of appreciating the worker for a job well done. If these packages truly exist, then surplus value cannot exist at the same time. All these facilities enable the worker to perform the tasks assigned to him very well. Unlike the picture painted by Marx, the worker is very happy in these industries where they work. These packages make the workers feel that they are significant and highly regarded, and where such feelings hold sway, there is bound to be progress and growth. Thus, Marx’s claim of a surplus value is unfounded.

5. Conclusion
Surplus value is said to be the difference between the amount paid to the worker and what is accumulated by the capitalist. Thus, it is determined by the margin between the wages of a worker and the "socially necessary" labor time the worker puts into the production of a given commodity. As a result, Marx claimed that the more a worker is underpaid, the greater the capitalist’s surplus-value. In contrast to Marx’s depiction of surplus value and the nature of the relationship between capitalist and labor, we argue that there is no such thing as surplus value in the course of production. In the light of the contemporary socio-political and economic realities where the capitalist takes up the herculean task of organizing the factors of production, there is hardly such a thing left as surplus value, let alone being appropriated wholesomely by the capitalist to the exclusion of the laborers to warrant industrial disharmony.

References


Limited.


