

## **2016-08-01 From the preparatory notes for Class 15 of the introductory course on political economy: ‘The evolution of property and how it rules the world’.**

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After starting very late, the class began with a short presentation, prepared by Phindile Kunene, posing the question arising from last week’s material:

**What is the contradiction between the increasing use of machines in the production process, as demonstrated through the videos and the shrinking of the labour engaged in production?**

To which she added:

### Interpreting my question

- Does the increased use of machines not cause a reduced demand for labour (in the production) process and thereby inducing unemployment and increasing competition for work amongst the working class, which then leads to reduced wages?
- If we answer yes to the above: to what extent does this affect the efficacy of the capitalist system?
- If wealth is concentrated in the hands of a few and we have impoverished masses, does this not spell disaster for the capitalists – who need to sell the commodities that are produced?
- In other words, is the contradiction of the capitalist system principally about “under-consumption”?
- Pruning the branch of a tree that one sits on analogy

### Theory of Crisis

- While “under-consumption” is a feature of the capitalist system. It is not unique to it. Pre-capitalist societies did suffer from occasional bouts of scarcity of use values (natural disasters, droughts, wars, primitive productive forces etc)
- “The Epidemic of Over-Production” referred to in the Communist Manifesto
- Unlimited drive to expand production comes into conflict with limited confines of the market economy
- There’s increased capacity to produce (theoretically to satisfy all our needs) BUT production is geared at what can be profitably sold (exchange value). That’s the logic that drives the system.

- Not simply what is needed (use values)
- Unlimited capacity to produce along with limited consumption of the masses resulting from the class structure of society combine into a sharp contradiction

Explanation not exhaustive

- There are various interpretations of Marx's theory of crisis from Marxian theorists
- It is a little more complicated and more technical than the sketch
- Fierce debates – (mono-causal and those who attribute the crisis to more than just one explanation)
- There is also a long-drawn out debate about whether theory of crisis imply inevitable collapse of capitalism
- Or that it will take more than just crisis for the system to breakdown
- Others argue that breakdown or collapse is not in sight and therefore organising strategies of the working class need to cater for this.

These topics will be the focus of discussion in detail further on in the course.

**The class then divided into three groups to read the handout:**

**Adam Smith, Allyn Young.pdf** (on the technical aspect of the division of labour, and how the division of labour — and with it mechanisation — depends on the extent of the market.

The discussion of this text in plenary session was deferred to the next class.

**AFTER THE BREAK:**

Showing of the 50-minute BBC film: **'Inside the Factory — Milk'**