

CAPITALIST EXPLOITATION AND BLACK LABOR: SOME CONCEPTUAL ISSUES

Donald J. Harris

This paper seeks to examine the substantive meaning of the concept of exploitation and its implications for analysis of the situation of black labor in American capitalism. It is intended to introduce some theoretical clarity and precision into ongoing discussions of that situation by separating out different strands of thought and analysis.

It needs to be said, as trite as it may seem, that words are not “just words.” They have a meaning and that meaning, whatever it is, must be made sharply clear. As categories of social analysis, their meaning must be seen to derive from the particular analytical system in which they are rooted. When located within such an analytical system, they have quite definite meaning and implications for the analysis of any concrete situation. Therefore, for purposes of scientific analysis, it is necessary to probe behind such categories in order to determine their substance and meaning.

This is evidently so for the concept of exploitation, as for any other concept. In common usage “exploitation” is taken loosely to include a multiplicity of forms of social oppression and abuse occurring within many different spheres of social life. It is also taken to imply strong moral or ethical condemnation. Nevertheless, there exists a definite and precise scientific meaning of this concept, resting on well-articulated theoretical foundations. This paper considers the concept in terms of its scientific meaning and examines its relevance to analysis of the situation of black labor in the United States.

THE THEORY OF EXPLOITATION

The first theoretically sound and consistent analysis of capitalist exploitation was provided by Marx.¹ A notion of exploitation as an essential

feature of the operation of contemporary society had been a commonly accepted idea in the main tradition of economic analysis before Marx. In particular, this idea was explicitly developed in the economic doctrines of the English classical economists (represented chiefly by Adam Smith and David Ricardo² and in the doctrines of the French physiocrats (Francois Quesnay).³ Exploitation, in their view, consisted of the production of a "surplus" or "net product" over and above the cost of workers' subsistence and replacement of materials used up in production, and the appropriation of that surplus by a class of nonproductive owners of property (capitalists, landlords, and their hangers-on) and the state. This notion of a "surplus product" was at the core of the analytical system of these earlier economists. It formed the basis upon which they sought to explain the distribution of income between different classes in contemporary society, the mechanisms of operation of the economy, and the process of economic development.

Earlier economists were, however, unable to provide an adequate theoretical grounding of the concept of exploitation appropriate to the conditions of industrial capitalism. Consistent with the dominance of agrarian relations in their own time and with the basic philosophy of natural law upon which their economic doctrines were based, it seemed to the Physiocrats that the surplus originated only in agriculture and as a result of the natural fertility of the soil. Similarly, the ideas of the classical economists were ultimately based on the conception of an economy dominated by agrarian conditions and without significant use of fixed capital in production. Though seeking to root their analytical system in a labor theory of value, they were incapable of fully articulating such a theory and developing its implications for the analysis of exploitation. Their basic theoretical inadequacies arose in confronting the essential conditions of industrial capitalism, characterized by an advanced division of labor permeated by methods of production using fixed capital and with relations of wage labor generalized throughout the system.

It was not until Marx's work that a highly developed theory of capitalist exploitation was elaborated. After Marx, economic theory was reconstituted outside the Marxian tradition on the drastically altered foundations of a subjective theory of value and marginal productivity theory of pricing of "factors of production." This was offered as an altogether different conception that was opposed to the Marxian theory in such a way as to deny the existence of exploitation except as a marginal and inadvertent result of "imperfections" in the market. In this view, exploitation is also perfectly symmetric as between workers and capitalists.⁴

The Marxian theory recognizes that exploitation is not peculiar to capitalism: it is common to all forms of class society. But under capitalism it takes a specific form; i.e., it is associated with a specific social relation peculiar to capitalism—the capital-labor relation. On the most abstract level of Marx's conceptualization the salient features of this relation are, first, that the laborer comes to the market as free labor in the double sense that (1) the laborer is unencumbered by relations of legal ownership (as in slavery) or obligation (as in serfdom) to an individual capitalist and is therefore free to sell his labor-power for a time to any buyer, and (2) the laborer is freed or separated from ownership of means of production, and therefore has nothing to sell but his labor-power. In this sense, labor-power is a commodity freely exchanged in the market like all other commodities.

There is a presumption here, at this first level of abstraction, that freedom and equality reign within the sphere of exchange of commodities. Every seller of a commodity confronts as equal every buyer, each equal as seller or buyer before the laws of the market which dictate that equivalent is exchanged for equivalent, value is exchanged for equal value. This is so for labor-power as for every other commodity. In the case of labor-power, the capitalist pays the laborer an amount of value in commodities purchased with the wage which is equal to the value of the labor-power which the laborer sells. Thus, so far as the conditions of sale of labor-power are concerned, it is presumed that there is equal exchange.

It is worth noting also that, though being a free agent in the specific sense indicated, there is nevertheless an element of necessity, one might even say coercion, in the social relation which the laborer occupies. This is so insofar as the laborer has no alternative to obtain means of subsistence at the required level for reproduction of himself and family and must therefore sell himself into wage employment.

The commodity which the worker sells is his "labor-power," or the capacity to labor embodied in the worker and consisting of the ability to exercise muscle and brain at the level of skill necessary for performing specialized tasks.⁵ As a commodity, it has a value which is equal to the amount of socially necessary labor embodied in the commodities that are required to produce and sustain the labor-power at the associated level of skill. Skilled labor-power has a greater value than unskilled labor-power because a greater amount of labor is directly and indirectly required (in the form of teachers, buildings, laboratory equipment, etc.) to produce such skills. But, putting aside these and other differences between heterogeneous types of labor-power, it may be assumed that there exists a

unit of simple, undifferentiated, labor-power which has a value established by a determinate social process.⁶

How then does exploitation arise? The key to the answer is to be found in analysis of the sphere of production where one sees the other significant feature of the capital-labor relation. The worker sells labor-power to the capitalist at its value and the capitalist then uses it in the production of a commodity which becomes the property of the capitalist. That commodity also has a value. Its value is equal to the amount of socially necessary labor which goes into its production, consisting of the labor embodied in the machines and other materials that are used up plus labor currently expended in production. Exploitation consists of an excess of the amount of value which is embodied in the product over the value which the capitalist pays for the labor-power of the worker and for materials. This quantitative difference between the value of the product of labor and the value of labor-power Marx called surplus value.⁷ It is "unpaid labor." This is the source from which is derived various forms of property income (profits, interest, rent) and revenues of the State.

To put the matter in terms of Marx's familiar metaphor: the worker spends part of the working day producing means of subsistence for himself and his family, the rest he spends producing surplus value for the capitalist. But it should be clear that this can only be a metaphor. For under the advanced division of labor which is characteristic of the capitalist economy, no single worker can be viewed as producing his own means of subsistence. The workers as a class clearly do. Therefore, it is in their capacity as members of a class that they are exploited.

Marx distinguished between "absolute" and "relative" surplus value. Absolute surplus value is associated with increases in the length of the working day and in the pace and intensity of work with a given quantity of means of subsistence for workers. Relative surplus value is associated with changes in the technical quality of means of production and in the organization of the labor process such as to reduce the amount of socially necessary labor embodied in production of workers' subsistence.⁸

Here then, in Marx's analysis, lies the basis of capitalist exploitation. The use of labor-power in production produces more value than is paid to the laborer—it produces surplus value. This surplus value becomes the property of the capitalists (the nonproducers) and not of the workers (the direct producers) because the capitalists own the means of production and control the process of production. Thus, it is the social dominance of the capitalists as a class, as related specifically to their ownership of the means of production and control over the use of labor in production,

which enables the capitalists to appropriate surplus value, and which therefore accounts for capitalist exploitation.⁹

The necessary precondition for such exploitation to occur is that there exist a pool of laborers who must sell their labor-power into wage employment at a value which is below the value embodied in the product of labor (deducting also the value of machinery and materials used up). That condition itself is the outcome of an historical process, which Marx called “primitive accumulation,” involving at one and the same time the separation of previously independent producers from access to means of production and the concentration of ownership of means of production and finance into the hands of the capitalist class. It is a condition which is continuously reproduced, though not without recurring crises, violent upheavals, and resistance of workers by the ongoing operation of capitalist society.

It appears, then, from the Marxian theory of exploitation, that the specific peculiarity of the capitalist form of exploitation lies in the essential duality of the capital-labor relation. This relation combines within it, on the one hand, a relation of equality in the sphere of exchange and, on the other, a relation of dominance in the sphere of production, allowing thereby the appropriation by the capitalists of a part of the product of labor through the mechanism of the “free” market. The analysis thus focuses upon the respective class position of workers and capitalists. The worker is identified as having a specific place in a social relation—the capital-labor relation. From the side of exchange, it is a place as seller of labor-power. This appears, on the surface, to be on an equal footing with the capitalist as buyer of labor-power. Even here, it is apparent that there is an element of social coercion operating upon the worker which the capitalist does not face, requiring that, as member of a propertyless class, the worker must enter into wage employment in order to secure the means of subsistence. At the same time the capitalist, *qua* capitalist, on his part also faces coercive social laws but of a different sort, dictating for instance that he must “Accumulate! Accumulate!” in order to survive in the competitive struggle. These aspects of the situation reveal the general principle that, in the realm of social interaction, the behaviour of individuals as social beings may be largely independent of their individual will and intention.

On the side of production the real difference between the social position of workers and capitalists starkly emerges. It becomes evident that the objective relation between worker and capitalist is not one of equality, not one of sharing in their mutual labors, but one of dominance and

subordination. In particular, the worker as direct producer gets only a part of the product of his labor; the capitalist as nonproducer appropriates the rest. Not only is there appropriation of unpaid labor in this sense, but also the process of production is carried out under the supervision, direction, control, and therefore dominance, of capital. It follows also, for these reasons, that the relation of labor to capital is inherently an antagonistic one. It must be emphasized, however, that the real content of the capital-labor relation is not one of a confrontation of individual wills on the part of workers and capitalists. Rather, it is a relation that is systematically mediated by the mechanism of the market and of competition between capitals. Moreover, in the context of modern capitalism, it must be recognized that the imperatives of capital are embodied in the institutionalized and more or less impersonal form of the corporation.

The full power and force of the analysis is revealed at this point. Specifically, the analysis shows not only how exploitation occurs in capitalism but also that such exploitation is entirely consistent with relations of freedom, equality, and fairness. It is consistent with the "normal" functioning of the "free" market. Most emphatically, it is not therefore a matter solely of robbery, theft, force, or violence. This is not to deny that robbery, theft, violence, and use of force are concretely observable occurrences within capitalist society. On the contrary, that such occurrences are in fact a normal everyday feature of the operation of capitalist society and have been present from the first "rosy" dawn of the capitalist era, would be undeniable.¹⁰ They are also found in other forms of society as well and are therefore not peculiar to capitalism. They, of course, take a specific form in any concrete situation and these particular forms require explanation on their own terms. The point is, however, that they cannot by themselves be made to explain the continuing existence of exploitation as such under capitalism.¹¹

Marx recognized the existence in reality of conditions of unequal exchange, consisting of the nonequivalence of value exchanged with value received. Therein lies the possibility of appropriation of an extra margin of surplus value. These conditions might be associated with a variety of concrete social forms. But integration of an analysis of these conditions into the Marxian theory has not been fully worked out.

The Marxian theory is based on the labor theory of value as taken over from the classical economists and further developed and refined by Marx and subsequent writers. Essentially, exploitation is explained by applying the labor theory of value to determination of the value of labor-power. Contrary to the mistaken interpretation of bourgeois scholars, the labor

theory of value is not a theory of relative prices. Much confusion has arisen as to the internal consistency of the Marxian theory because of the tendency to conflate these two analytically distinct problems. Marx was well aware of and made quite explicit the nature of the distinction between labor value as such and what he called "cost price" or "price of production."¹² There is, of course, an analytical problem of establishing consistency between the system of relative prices and the system of labor values—the so-called "transformation problem." The significance of this problem arises from correctly recognizing that, in capitalist economy, the appropriation (distribution) of surplus value takes place, not directly in the form of labor, but indirectly through the mechanism of the market. Specifically, it is through the formation of prices and the payment of rent, interest, dividends, taxes, etc. in the form of money that the total pool of surplus value is divided up among various capitalist claimants. Various ways of resolving this problem have been known for some time and recent exhaustive treatments of it have shown that there exists a consistent analytical solution under abstract conditions of competitive capitalism.¹³

For a full articulation of the theory of exploitation it needs to be shown what forces and mechanisms in capitalist society determine the wage rate (the price of labor-power) so as to be consistent with the value of labor-power allowing for continued appropriation of surplus value by capitalists. For this purpose, what is required is elaboration of the Marxian theory of capitalist accumulation and technical change. In this connection, Marx showed that a crucial aspect of determination of the wage is the mechanism of the reserve army of unemployed labor.¹⁴ In particular, such a reserve army is continuously reproduced by the very process of accumulation itself through the introduction of increasingly mechanized and automated methods of production, the increasing concentration and centralization of capital, the uneven development of capital as a whole, and the erosion of noncapitalist spheres of production. Competition between the reserve army and the employed labor force is a factor which serves to hold wages down. It must be recognized, however, that the mechanism of determination of the wage is a complex one which requires further elaboration. For one thing, the significance of the reserve army effect would vary as between skilled and unskilled labor. Furthermore, it is the money wage which the wage bargain determines. The real wage comes out of the relation between the money wage and prices of workers' consumption goods. This relation is in turn dependent on other economy-wide forces such as the prevailing degree of monopoly and the overall rate of accumulation.

EXPLOITATION AND BLACK LABOR

The preceding is a brief outline of the Marxian theory of exploitation in general terms, focusing on those elements of the theory that are relevant for present purposes. It is evident that the theory as it stands is incomplete and requires further development in a number of directions.¹⁵ As a highly abstract and general conception, the theory is also not immediately applicable to the analysis of particular concrete situations. Many mediations, both of a theoretical and historical nature, are necessary before that can be done. It nevertheless provides a guide to the understanding of such concrete situations.

Let us turn now to the question of the position of black labor in contemporary American capitalism. It must be emphasized at the outset that the object of analysis is the complex social relations constituting the system of American capitalism. This gives to the problem a specific national character, which is the product of a well defined historical pattern of development within the broader context of world capitalism. That the situation is complex means that we must recognize the many interdependencies between the different aspects and spheres of social life: economy, polity, culture, ideology, etc., as well as the many concrete and changing forms of their appearance in reality. Within this total set of relations, the problem is to locate the specific position of black labor. Furthermore, the problem is posed here essentially as an analytical problem. That is to say, it is a problem of constructing an analysis which accurately grasps the essence of the total situation, while locating the specific place of black labor within that totality.

It must be emphasized also that the category of "Blacks" in America is a social category. As such, it has multiple determinations: economic, political, cultural, ideological, etc., corresponding to the complex social relations in which Blacks are situated. Nevertheless, within this overall complexity, there is a range of economic determinations. It is this range which, for present purposes, we seek to sort out, focusing on the question of exploitation of black labor.

We start with an understanding of American society as capitalist society. This has certain definite implications as to the dominant social relations which characterize the system as a whole. In particular, from the standpoint of the theory expositied in the previous section, we grasp the capital-labor relation, on an abstract plane, as the central economic relation upon which the whole system is based and the central principle in its

operation. Thus, recognizing the abstract generality and centrality of the capital-labor relation, we are now in a position to identify more sharply what is the particular analytical problem which we face. The problem for analysis is: to locate within the capital-labor relation of the U.S. economy the specificity of the position of black labor. It is a problem of the particular mechanisms, processes, and structural conditions within which and through which Blacks, as laborers, are tied into the capital-labor relation of the U.S. economy.

This identification of the problem has the further implication that the position of Blacks cannot be adequately understood except as an integral part of the capital-labor relation as a whole in U.S. capitalism, both in its contemporary form as well as in its historical process of development. Once this is recognized, then the current absence of any fully-developed, systematic conception of the position of Blacks in U.S. capitalism becomes quite understandable. That absence reflects the general lack of a fully developed theoretical understanding of U.S. capitalism as a whole.¹⁶ Still, much can be said about the position of Blacks without awaiting the full development of such a broadly based theory. It is not my purpose here to try to provide a solution of the overall problem. In any case, that would evidently be a task of enormous dimensions well beyond the scope of this paper. I shall nevertheless attempt to make some relevant points with the hope of identifying and clarifying some of the substantive issues.

The first point to note about the position of black people in the capital-labor relation of U.S. capitalism is that it is, for the most part, a position of labor and not of capital. This is the basic element in the situation of Blacks insofar as most Blacks, like most whites, are sellers of labor-power. As sellers of labor-power, black workers, like white workers, stand in a definite position in relation to capital. It should be clear from the preceding discussion exactly what this position entails. In particular, that position is one of exploitation in the precise sense that use of the labor power of black workers in production yields surplus value which is appropriated by capital. Viewed from the side of production, it is a position of subordination to the dominance of capital. That is to say, the worker's labor-power is used in production under the supervision, control, and direction of the capitalist employer. It is through this dual relation of free exchange on the one side and dominance-subordination on the other, as we have seen in the preceding discussion, that exploitation occurs.

I am ignoring here complications arising from the existence of pools of black labor which do not exchange labor-power directly with capital and hence do not directly produce surplus value for capital, such as, for instance, petty commodity producers of various sorts, sharecropping labor in southern agriculture, domestic servants, and so on. In actual practice, these pools may include a substantial proportion of total black employment. Their specific conditions of existence and place in the system of capitalist relations as a whole require a special analysis.

There is an important question here of the "point of entry" of Blacks into the system, which arises on an equal level with the question of primitive accumulation in U.S. capitalism. In this connection it is evident that slavery was the specific means through which black labor was separated from means of production and subsistence and thereby constituted as alienated and exploited labor. Furthermore, it was out of the social relations established under slavery that black labor was transformed into wage labor and integrated into capitalist relations of production. No analysis of the historical and contemporary situation of Blacks in America would be adequate which failed to recognize the important role of this set of "initial conditions" in determining both the position of Blacks in the overall division of labor and the ideological forms which have accompanied that position. These conditions also established, from the start, so to speak, a difference between the position of Blacks and that of white workers. Care must be taken, however, not to exaggerate the continuing role of these conditions at the expense of identifying the ever-changing nature of the position of Blacks in the ongoing operation of the economic system. In this respect, it is useful to distinguish between two analytically distinct issues: one concerning the point of entry of Blacks into the capital-labor relation, the other concerning the situation of Blacks in the ongoing process of expanded reproduction of capital.

As regards the ongoing process of expanded reproduction, a question which is sometimes asked is whether the conditions of use of black labor in production are such that the rate of exploitation of black labor is higher relative to that of white labor. That is to say, granted that both black and white workers are exploited in the sense above indicated, are they all equally exploited? Alternatively, is there any analytical basis for saying that black labor is "super-exploited" relative to white labor?

There is no ready or simple answer to this question. This is due essentially to the conceptual problems that it raises, and not to problems of an empirical nature.¹⁷ The conceptual problems center on whether any mean-

ing can be given to the rate of exploitation as a quantitative measure at the level of a particular fraction of workers or, in the extreme, at the level of an individual worker. As we have seen, the concept of the rate of exploitation has a well-defined meaning at the level of the working class as a whole viewed in its relation to capital as a whole. It is situated precisely at the level of constituting the intrinsic character of the capital-labor relation as a social relation based on exploitation of labor. As a quantitative magnitude, it is expressed in terms of the total quantities of direct and indirect labor embodied in commodities, and therefore represents the activities of all the workers engaged in producing those commodities throughout the whole interdependent system of production. It is the very fact of such interdependence in production and the commonality of the relation of labor to capital that the concept expresses. As such, the concept cannot be immediately transferred to the level of an individual worker or fraction of workers. Neither does it have any immediate correspondence at that level.

The question, however, cannot be simply dismissed. It must rather be reformulated in terms that are more appropriate and meaningful. This can be done without any necessary recourse to use of the rate of exploitation as a quantitative measure at this level of analysis. It is necessary, first of all, to make clear what the basic issue is. This may be stated as follows: In what way are the concrete conditions of exploitation of black labor, as a fraction of the American working class, essentially different from those of white labor? How significant are those differences, in both quantitative and qualitative terms? And how are those differences connected with the ongoing process of expanded reproduction and development of American capitalism? Now, from the standpoint of the theoretical treatment of exploitation outlined above, the differences that would be considered to matter as between one group of workers and another are related specifically to their different locations in the production system, different patterns of consumption of use values, different strengths of organization and militancy in the struggle with capital over conditions of work and wages, different historical conditions of development, and so on. These features matter insofar as they affect the costs of reproduction of labor power (hence the value paid for labor-power) and the conditions of work as related to the pace, intensity, and duration of work.

When stated in this way, it becomes evident that the issue is not one which is easily resolved. I have tried to address some analytical aspects of the issue in an earlier paper.¹⁸ It still remains, in my view, an open question requiring much deeper analysis than it has so far been given

anywhere. Some further observations and hypotheses on the matter are outlined in what follows.

POSITION OF BLACKS IN THE DIVISION OF LABOR

It is evidently the case that Blacks occupy a specific position with respect to the overall division of labor in American capitalism. We may say in this regard that the division of labor has an identifiable "racial" or ethnic character. Various concrete aspects of this have often been described in terms indicating that Blacks tend to be confined to "low-paying," "hard," "dirty" jobs, "shit-work," "the worst jobs the society has to offer." In general, what this points to, among other things, is the fact that Blacks tend to predominate in low-wage unskilled, and semiskilled jobs. It is worth noting, however, that such jobs are not the exclusive preserve of Blacks. In addition to other ethnic minorities, white workers also occupy similar jobs in greater or less proportion from one case to another.

Starting from the particular spheres of activity in which Blacks are employed, what needs to be examined are the specific conditions of reproduction of black labor and conditions of work in those spheres. Now, it is a fact that wages are lower than average in some spheres of black employment. This can be explained, at least in part, by the lower cost of reproduction of the unskilled labor-power employed. This does not necessarily mean that the rate of exploitation is either higher or lower than average. A lower wage in such jobs is quite consistent with a rate of exploitation which is equal to the average prevailing in the economy as a whole. Besides, the wage itself is not to be confused with the value of labor power. It is the latter which is relevant for determining the magnitude of the overall rate of exploitation. Conceptually, it would include not only the value of commodities purchased from direct wage payments but also commodities provided through various forms of income supplements and direct payments through the state apparatus, so far as these represent costs paid by capital for the reproduction of labor power. Beyond this, it would be necessary to take account of the hours of work, the pace and intensity of work, and other concrete conditions of the labor process.

It is necessary, furthermore, to examine the conditions of reproduction of those spheres relative to other spheres of production within the system of U.S. capitalism as a whole. It is interesting to note in this connection

that a characteristic feature of some of the spheres of activity in which Blacks are employed is that they tend to be dominated by "small" capital.¹⁹ Thus these spheres correspond to a particular sector of capital which we might call the "petty-capitalist sphere." The distinction turns not simply on a matter of size as such, but in addition on a range of other quantitative and qualitative conditions including financial position, technology, markets, and degree of competition.²⁰ It follows that the position of Blacks in the division of labor is, to that extent, a position which is specific to the divisions or fractions within capital itself. The problem for analysis therefore concerns the conditions of reproduction that are peculiar to this sector of capital viewed in relation to other sectors of capital in the U.S. economy, the conditions of competition between them, and the dynamics of their expansion and development.

A central feature of the petty-capitalist sphere is that it consists of marginal capitalists who, as a result of the grinding logic of capitalist competition, are on the verge of being eaten up by larger capitals or driven into bankruptcy. Their struggle for survival takes place within a nexus of constraints consisting essentially of lack of access to credit and backward techniques of production and marketing. A basic requirement for profitability under these conditions is access to a pool of "cheap" unskilled labor. A large part, though obviously not all, of what is commonly called "racism" is a set of practices that can be shown to be rooted in these objective conditions of existence and survival of the petty capitalists. In particular, this is so as regards not only low wages of black employees, but also such commonly observed phenomena as higher prices of consumer goods in ghetto shops, higher rents and dilapidated housing in ghetto areas, and so on. In this respect, such aspects of "racism" must be viewed as an inherent feature of the reproduction process of capital and of competition of capitals within the U.S. economy, not as a matter of subjective psychology or "preference."

What is of further significance is the historical and continuing process of uneven development within the U.S. economy. It is this process which accounts for the structural division and differentiation in the system of capitals, as between "small" (or competitive) capital on the one hand and "big" (or monopoly) capital on the other hand. It also accounts for a continuing and significant differentiation of capital on a regional level as between the North and South of the United States.

This process of uneven development has operated historically to draw black workers initially out of backward sectors of agriculture and petty

commodity production in the South into employment in urban industry and services. To the extent that such workers are absorbed in capitalist employment, they were placed in an "inferior" position in the hierarchy of available jobs viewed both within and across firms and industries. That position has to be understood in terms of the dynamics of the process of uneven development itself, by which the position of workers already employed in the more advanced sectors is strengthened through on-the-job experience and training, formation of skills, seniority rights, protection of union organization, and so on. In contrast, each new wave of black entrants to the labor pool is in a relatively weaker position with respect to experience, skills, and organizational strength, reflecting the technical and social conditions of their sectors of origin.²¹ The operation of these factors is no doubt reinforced by deliberate policies pursued by the employing firms themselves with regard to the structure of work relations within the firm, systems of labor control, and choice of techniques of production.

An interesting comparison can be made here with the situation of immigrant workers in the advanced capitalist economies of Western Europe. A process of rapid expansion of capital has taken place in those economies during the postwar period, which resulted in exhaustion of the internal reserve army of labor, requiring importation of additional labor from the more backward capitalist economies of southern Europe, North Africa, India, and the West Indies.²² These immigrant workers of diverse nationalities moved into relatively "inferior" job positions as those positions were vacated by native workers, who in turn moved into positions relatively higher up in the structure of available jobs.²³ Thereby was created an ethnic or national character in the division of labor. All of this reveals clearly the general character and implications of a process of uneven development of capital as a whole (occurring here on an international scale) so far as the position of different groups in the division of labor is concerned. It is of interest also that a pattern of "racist" practices quite similar to that prevailing in the U.S. has been experienced by the immigrant workers despite their widely varied nationalities.²⁴ A systematic comparative study of the U.S. and Western European situations would provide great insight into the common mechanisms, processes, and material conditions which account for the reproduction of such practices within capitalist society.

Finally, I would point to certain other features of the process of capital accumulation in the U.S. economy which significantly contribute to reproducing the position of Blacks. This is so insofar as that process occurs at a

low overall rate on average and involves not only the uneven development and concentration of capital but also recurring cyclical crises of boom and recession and the continuous reproduction of a substantial reserve army of unemployed labor. Since the overall rate of accumulation is low on average and is combined with displacement of labor due to technical change and concentration of capital, this limits the ability of the system to draw off black labor from low-wage unskilled sectors into higher categories of employment. Blacks make gains during the boom, but lose out again during the ensuing recession. Furthermore, the presence of chronic unemployment serves to reinforce discriminatory practices on the part of white labor unions seeking to protect their hold over existing jobs, and on the part of employers seeking to hold wages down by "playing off" one group of workers against the other. The mechanism of discrimination is, in this way, causally related to unemployment and to the process of capital accumulation and is, to that extent, not an independent variable of the problem nor a purely subjective, psychological phenomenon. This mechanism serves to ration the available total of employment and unemployment so that Blacks suffer a greater incidence of unemployment. It serves, at the same time, to channel Blacks into low-paid unskilled jobs, thus reinforcing their inferior position in the division of labor. The greater variability of employment among Blacks further limits their ability to acquire skills, experience, and seniority on the job and move up the hierarchy of the job structure.

What all of this discussion points to are some of the forces operating on a systemic level that are internal to the process of expanded reproduction and development of capital in America, and which serve to reproduce the position of black labor in the system. The basic presumption throughout is that this is the level at which any meaningful analysis of the economic position of Blacks has to be situated. The present discussion is not intended to be either exhaustive or complete. The most important gaps have to do with the international expansion process of capital, the role of the state in the whole process of reproduction and expansion of capital, and the relation of all this to the process of reproduction of ideology.

SUMMARY AND CONCLUSION

The preceding discussion sets up, on a systematic theoretical basis, the precise analytical meaning of the concept of exploitation. This concept is shown to have meaning with reference to the process of production of surplus value and its appropriation as profits, interest, rent, taxes, etc.

within a system of capitalist relations based on free exchange of commodities, including labor power, and dominance of capital over property and production. Exploitation is located within the sphere of the use of labor-power in production and in the context of the capital-labor relation as a specific form of class relation peculiar to capitalism. It is shown to be consistent with market relations of free exchange.

Some broad implications of this theoretical system are drawn for analysis of the situation of black labor in U.S. capitalism. In this way, an effort is made to identify and clarify some relevant issues and to suggest some plausible hypotheses. The discussion points to some directions for further work focussing on the concrete historical conditions of reproduction of black labor, the evolution of the division of labor, and the associated process of uneven development of capital as a whole within the United States.

It is useful to recall here some of the limits of this discussion. Specifically, a number of gaps have been indicated in the articulation of the theory of exploitation. Some important relations, for instance, as concerns the role of ideology and the state, have been ignored. The concept of exploitation itself, rigorously defined, has a limited domain in terms of the sphere of social life which it comprehends. This particular limit must be emphasized lest it be thought that all of the conditions defining the complex situation of black people in America can be brought into the orbit of this single concept. There is certainly no intention here to suggest that this can be done. While granting the power of this concept in its proper domain, it is evident that there still remains a wide range of phenomena, falling under the rubric of "racism," which require further explanation.

In this latter category are included the myriad restraints, harassments, and abuses to which Blacks are regularly and systematically subjected in U.S. society. These take many varied and changing forms that are well known. In the annals of American social science a lot has already been said about them. It must be said, however, that they constitute, in part, manifestations of the particular set of practices by which the specific position of black workers has been legitimized and reinforced from the very earliest days of slavery to the present.²⁵ At the same time, they also constitute manifestations of a general social relation to which all workers, as workers, have been subjected from the beginnings of capitalist society to the present. For instance, there is vivid evidence of this from the history of the English working class.²⁶ What needs to be recognized is

that, in the position of Blacks in the U.S., both the general and the particular come together to form a unity which is reproduced as part of the totality of capitalist society in the United States. It should be the purpose of scientific analysis to identify the material conditions and social processes within U.S. society which govern this reproduction.²⁷

NOTES

1. See the various volumes of *Capital*, especially vol. I.
2. For a useful discussion, see M. Dobb, *Theories of Value and Distribution Since Adam Smith*, Cambridge: Cambridge University Press, 1973, chapters 2 and 3.
3. See R. L. Meek, *The Economics of Physiocracy*, Cambridge, Mass.: Harvard University Press, 1962.
4. See G. F. Bloom, "A Reconsideration of the Theory of Exploitation," in American Economic Association, *Readings in the Theory of Income Distribution*, Homewood, Illinois: Irwin, 1951, 245-277. A thorough-going critique of this conception is necessary but outside the scope of the present paper.
5. This category of labor-power was of fundamental significance in the advance which Marx made upon the analysis of earlier economists. With it he was able to clear up the confusion which surrounded the use of the labor theory of value by both Smith and Ricardo and to explain the real content of the capital-labor relation as an exploitative relation in capitalist society.
6. The precise theoretical determination of this value is problematical. Marx took it as "given," indicating only some of the broad and general conditions which enter into its formation. See, for instance, *Capital*, vol. I, chap. 6; and "Wages, Price and Profit," in K. Marx and F. Engels, *Selected Works*, New York: International Publishers, 1968, 186-229.
7. Surplus value cannot originate in the use of machinery and other materials for the simple reason that such machinery and materials give up only as much value to the product as is required in their own reproduction. To see this, let L_i = labor value of commodity i (in hours), a_i = hours of labor currently employed in producing commodity i , A_i = labor value of machinery and raw materials used up in producing commodity i , and w = value of one hour of labor power. Then,

$$L_i = a_i + A_i.$$
 Surplus value, s_i , is

$$s_i = L_i - a_i w - A_i$$
 and, by substitution,

$$s_i = a_i(1 - w).$$
 It is clear that A_i cancels, leaving only current employment of labor-power which yields surplus value in the proportion $(1 - w)$ depending on the value of labor-power. The *rate of surplus value*, or *rate of exploitation*, is $s_i/a_i w = (1 - w)/w$ and this is positive as long as w is less than unity.
8. For a fuller discussion, see *Capital*, vol. I, chaps. 12 and 16.
9. Insofar as the capitalist, as manager or engineer, renders a productive service within the ongoing operations of the enterprise, and the requisite skill is reproducible, then that labor is added to the total and there is a determinate amount of value which goes to its reproduction. There would still remain a definite amount of surplus value, so that

exploitation cannot be explained away as if it were a real cost of the "labor" of capitalists.

10. Cf. Marx, *Capital*, vol. I, chaps. 26-31.

11. Cf. Engels' discussion of "the force theory" in *Anti-Duhring*, New York: International Publishers, 1939.

12. On this, see for instance, W. Baumol, "The Transformation of Values: What Marx 'Really' Meant (An Interpretation)," *Journal of Economic Literature*, March 1974, 51-62.

13. See, for example, L. von Bortkiewicz, "Value and Price in the Marxian System," *International Economic Papers*, no. 2, 1952, 5-60; F. Seton, "The 'Transformation Problem'," *Review of Economic Studies*, June 1957, 149-160; M. Morishima, *Marx's Economics*, Cambridge: Cambridge University Press, 1973; A. Medio, "Profits and Surplus Value: Appearance and Reality in Capitalist Production," in E. K. Hunt and J. G. Schwartz, eds., *A Critique of Economic Theory*, New York: Penguin Books, 1972.

14. See, *Capital*, vol. I, chap. 25; and "Wage Labour and Capital," in Marx and Engels, *Selected Works*, 64-94.

15. For further discussion of this general point, see D. J. Harris, *Capital Accumulation and Income Distribution*, Stanford: Stanford University Press, 1977.

16. On the contemporary form of U.S. capitalism, see the landmark works of P. Baran and P. Sweezy, *Monopoly Capital*, New York: Monthly Review Press, 1966; and J. Steindl, *Maturity and Stagnation in American Capitalism*, Oxford: Basil Blackwell, 1952.

17. The analytical steps involved in moving from the abstract conceptualization of the rate of exploitation to any given body of empirical data can neither be glossed over nor lightly dismissed. These are such as to raise serious questions about all existing studies purporting to show a numerical estimate of the rate of exploitation either on an economy-wide basis or for individual sectors of the national economy.

18. See D. J. Harris, "The Black Ghetto as 'Internal Colony': A Theoretical Critique and Alternative Formulation," *Review of Black Political Economy*, Summer 1972, 3-33.

19. See U.S. Census Bureau, *1970 Population Census (General Social and Economic Characteristics United States Summary)*; *The Social and Economic Status of the Black Population of the United States*, 1972; and EEOC, *Job Patterns for Minorities and Women in Private Industry*, EEOC Report no. 2, 1967. The sectoral employment pattern of blacks has changed significantly in the postwar period.

20. For a further discussion of the structural conditions and practices of the *petty capitalist sphere* and its relations with the *corporate capitalist sphere*, see my paper, loc. cit. A similar two-fold division within the national capital of the United States has been developed by J. O'Connor. See, for instance, his *The Fiscal Crisis of the State*, New York: St. Martin's Press, 1973.

21. Too much weight should not be assigned to the role of technical skill as such in determining the hierarchical structure, and hence access to different levels of that structure, of the labor process within the firm. On this, see the forceful arguments of H. Braverman, *Labor and Monopoly Capital*, New York: Monthly Review Press, 1974.

22. See C. P. Kindleberger, *Europe's Postwar Growth; the Role of Labor Supply*, Cambridge: Harvard University Press, 1967; and S. Castles and G. Kosack, *Immigrant Workers and Class Structure in Western Europe*, London: Oxford University Press, 1973.

23. The mobility and rate of absorption of native workers were clearly contingent on the rate of expansion of new jobs and this was an important factor in the dynamics of interaction between native and immigrant workers. The situation became rather different,

with consequently different social and political implications, when the rate of expansion slowed down, thereby bringing about an intensification of competition among workers in the labor market.

24. See Castles and Kosack, op. cit.

25. A useful reference on this point is O. C. Cox, *Caste, Class and Race*, New York, 1948.

26. See F. Engels, *The Condition of the Working Class in England*, Stanford: Stanford University Press, 1968; and E. P. Thompson, *The Making of the English Working Class*, London, 1963. For the case of immigrant workers in Western Europe, see Castles & Kosack, op. cit.

27. In this connection, it is of no help to be told that the existence of such practices "serves the interests of employers." This amounts to a kind of simple-minded functionalism which at once explains everything and therefore explains nothing.

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