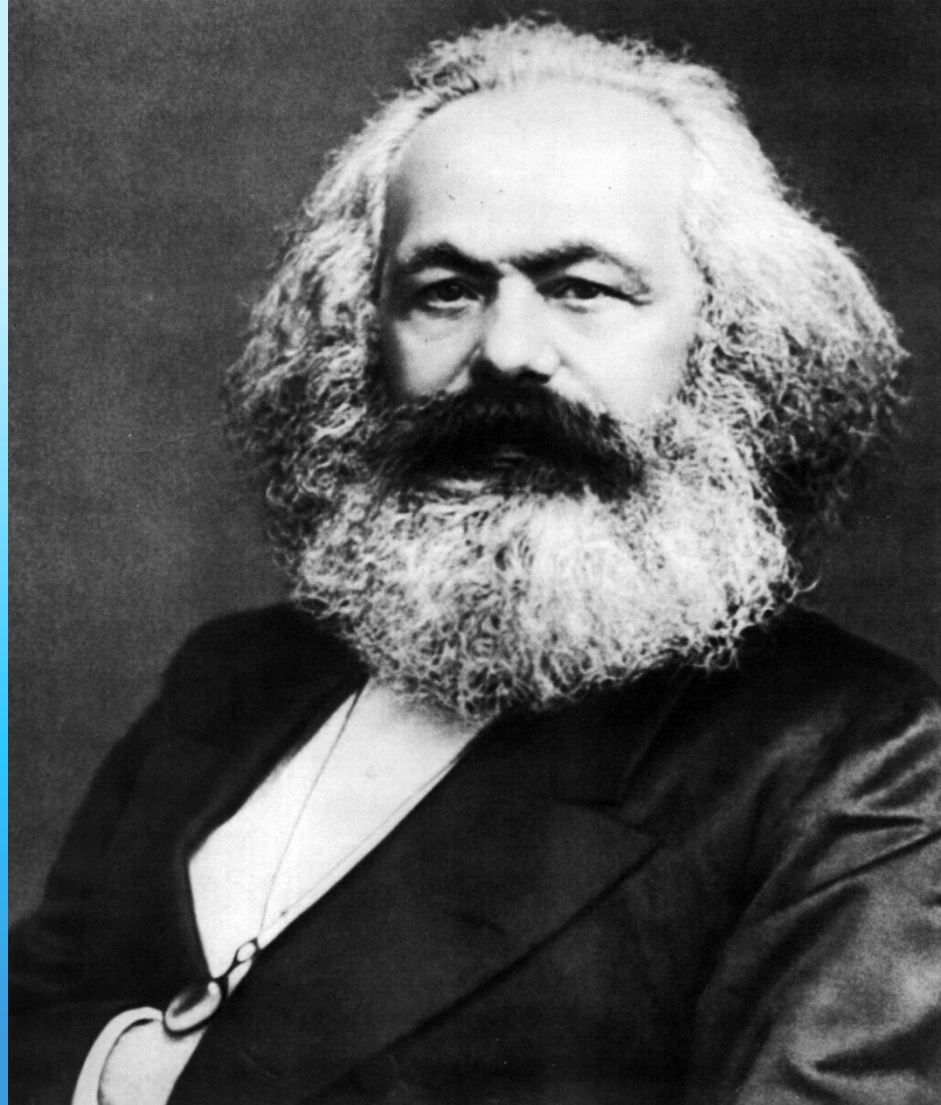


# Lecture 7

# Capitalist Mode of Production

- Historically specific: did not exist in 1400 and spread with industrialization
- Private ownership of the means of production (capitalists), i.e. machines and tools
- Distribution of goods controlled by a market
- People without means of production must become laborers
- a new class of capitalists develops
- All or most of the inputs and outputs of production are supplied through the market
- the laborer is separated from the means of production, access is mediated by elite owners
- came into being when monetary wealth was enabled to buy labor power
- for labor power to be offered for sale, the tie between producers and the means of production had to be severed for good (enclosure movement in 18<sup>th</sup> C. Britain took away access of peasants to commons lands)

# Marx (1818-1883)



# Where does wealth come from?



Land



Labor

Trade



# Adam Smith (1723-1790)



Division of labor at Chipotle restaurant

Pin Factory: “One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands.”



# Use Value



A tractor providing utility to a farmer by reducing the effort of plowing a field.



# Exchange Value



A souk in Morocco where goods are exchanged



# Commodity



Tom Hanks as a autarkic producer of coconut flesh in Castaway



A coconut plantation in Southeast Asia



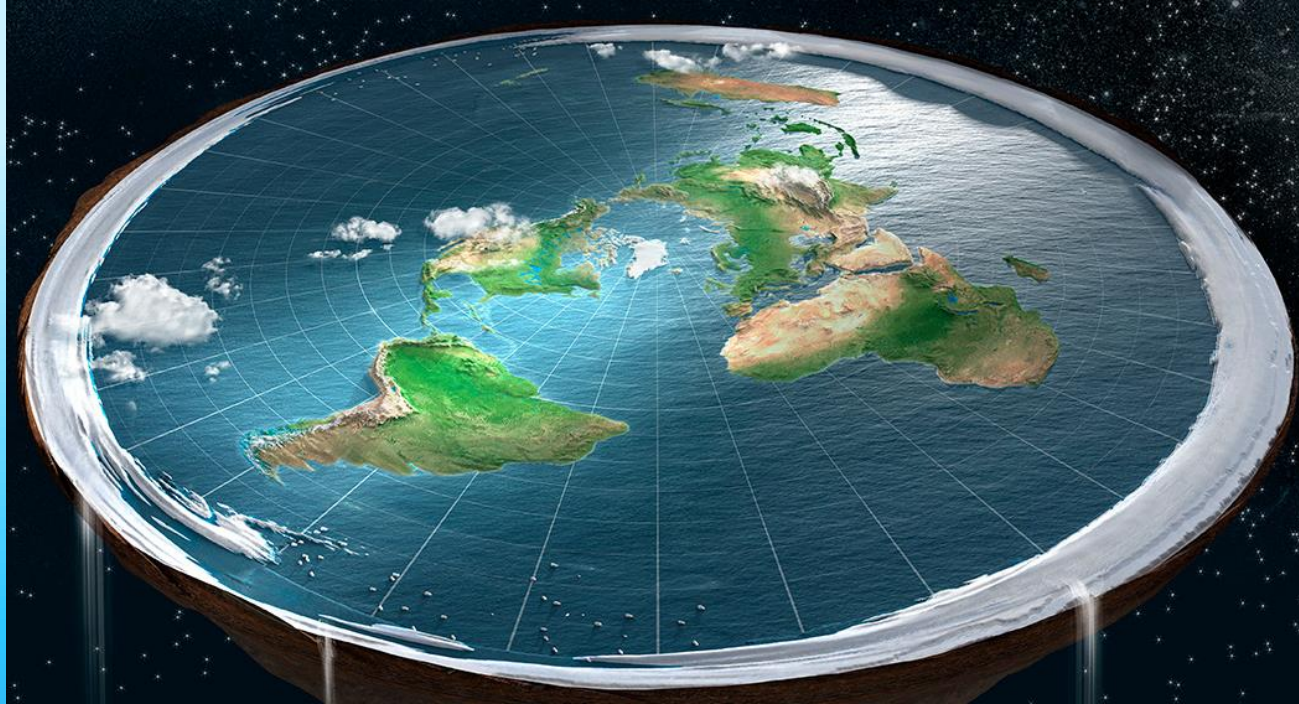
# Labor Value



Chefs in a restaurant using their labor to transform raw materials into higher value cooked food

# Socially Determined Labor Time

- Flattening of distinct qualities and types of labor to a uniform measure.



Marx “All the different kinds of private labor, which are carried out independently from each other are constantly being reduced to the quantitative proportions in which society requires of them (p. 323)”