

Labor and value in cognitive
(bio)capitalism: Toward a Marxist
theory of Industrial Relations

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On-going work with Marxist philosophical perspectives

- “What is value? Toward a management theory of value” (Autonomist Marxist)
- “From international to intercorporate labour regulation: A critical appraisal” (Lukács and reification)
- “The Commodity Form in Cognitive Capitalism.” *Culture and Organization* 18(5): 377-395 (December 2012).
- “Consumption in Cognitive Capitalism: Commodity Riots and the Dictatorship of the Proletariat of Consumption,” *Knowledge Cultures* 1(4): 98-105 (December, 2013).

Keystones 1

- Approach texts from a *philosophical* perspective, as much as possible (requires effort and training)
- Engage with the original work of classics, much less with (miss)interpretations
- Following Hegel, distinguish between *appearance* (form) and *essence* (Reichelt, 2005).
 - In Hegel, essence and appearance are intrinsically linked to each other, sharing the same substance, but also distinct from one another

Keystones 2

- I seek the *social relationships* (essence) that underpin all *forms* of labor under capitalism, but in a historically and socially specific context – not as idealistic, timeless principles, but as concepts that are *historically and materialistically determined*.
- Therefore, while the essence of capitalism (social relations of production) may remain unchanged, forms of labor and forms of capitalism do change.
 - Manchester did not just move to Shanghai; surplus value is still extracted; wage labor persists but its forms are vastly different, etc.

Keystones 3

- Follow the perspective of the cognitive capitalism thesis & Autonomist Marxism.
- Autonomist Marxism (rooted in the Italian workers' movements of the 1960s) has reached large "mainstream" audiences through the works of Michael Hardt and Toni Negri, whose trilogy *Empire* (2000), *Multitude* (2004) and *Commonwealth* (2009) was published by Harvard University Press. Philosophically based on French post-structuralism (as represented by Foucault, Derrida, Deleuze and Guattari), and politically by Italian *operaismo* (workerism - expressed through the writings of Bologna, Lazzarato, Panzieri, Tronti, and the journals *Quaderni Rossi* and *Classe Operaia*), the work of Hardt and Negri updates Marxist thought.

Autonomist Marxist influences

- Cultural and media studies (Bratich, 2008; Galloway & Thacker, 2007, Fuchs, 2014), post-structuralism (Read, 2003; Thoburn, 2003), finance (Marazzi, 2008; Fumagalli & Mezzadra, 2010), post-colonial thought (Papadopoulos et al., 2008; Driscoll, 2010), queer theory (Gregg, 2011; Clough & Blumberg, 2012), feminism (Federici, 2004; Weeks, 2011), and art theory (Neidich, 2014)
- Some inroads into O&M literature (Böhm, 2005; Jones & Murtola, 2012; Tsogas, 2012; Autumn 2013 special issue of *Knowledge Cultures*), away from the confines of the electronic journal *Ephemera* (Leonardi, 2010; Morini and Fumagalli, 2010; and the February 2007 special issue).

The *Grundrisse*

- Marx anticipated that the productive value of intellectual and scientific labor would become dominant and knowledge would become the principal productive force
- NOT a merely technological progress. It is a process determined and controlled by capital with the specific objective to make labor appearing as less as possible in production, while at the same time maximizing the relative surplus-value that labor create
- A capitalism of affluence and abundance of commodity production which, as Marx rightly observed in the *Grundrisse*, no longer needs hordes of manual labor – *or as little labor as possible!* → 3D printing / internet of things

Cognitive capitalism

- Offers a coherent explanation of the social foundations of post-Fordism.
- Both labor-time and labor-space change meaning in cognitive capitalism, as laboring processes move beyond the time and space confines of the factory and the office and into the whole of the society.
- Immaterial and affective labor now become the *dominant forms* of labor (and not, of course, the most populous) →
- Hence, the forms of both labor and value move into the whole of the society and become *biopolitical*, as in cognitive capitalism “labor creates not only material goods but also relationships and ultimately social life itself” (Hard & Negri, 2005: 109).

Labor in cognitive capitalism

- Immaterial & affective labor (the hegemony of innovation and knowledge over human labor power), draws on collective intelligence (the Marxian “general intellect”) – key element of cognitive capitalism
- Labor itself that is involved in any immaterial production remains material, as any labor that involves bodies and brains: “*what is immaterial is its product*” (i.e.: knowledge, information, communication, and relationships or emotional responses)
- Immaterial labor becomes the dominant form of labour in cognitive capitalism “dominant in the sense that organizes society as if . . . (as if that form is the only in existence, as if it is in the majority, as if everything else is irrelevant, as if the whole of the society needs to conform to its demands” (Tsogas, 2012)
- Immaterial & affective labour is everywhere: from the obligatory smile of the McDonald’s assembly line worker, to...

Affective labor

- Hardt and Negri (2005: 108) describe affective labor as “labor that produces or manipulates affects such as feeling of easy, well-being, satisfaction, excitement, or passion.”
- Philosophical roots in Spinoza’s *affectus* (affection - an experiential ability of a body to affect and be affected) and *affectio* (feeling - “a mixture of two bodies, one body which is said to act on another, and the other receives the trace of the first” (Deleuze, 1978: 4)

Value

- Marxist tradition offers a coherent Labor Theory of Value
- *Appearance v. essence.* We move beyond appearances and forms of value, such as branding (Arvidsson, 2006 and 2010), user-consumers (Willmott, 2010), fair trade (Reinecke, 2010), ownership (Erturk et. al., 2010), partnership (Le Ber and Branzei, 2010), or entrepreneurship (Jones and Murtola, 2012), to (re)consider the *social foundations* (essence) of value in contemporary capitalism

O&M needs a contemporary theory of value

- Value is seriously under-researched in O&M – bypassed are substantive issues of what is value, who produces it and who has the right to it
- No answer to the question: what is value?
- O&M, as far as “value” is concerned, draws almost exclusively from business practice
- Neoclassical marginal utility theory is, a theory of price, not value; the Marxian theory of value determines *variations* of prices, as differences in the socially necessary labor time of commodities, but it does not determine prices.
- “value creation”, “value capture”, “value chain”, “shareholder value”, “customer value”, “value added”, etc., etc...; “what is valuable”... (see *Organization*, 2011 and *AMR*, 2007)
- But, nowhere what *is* value... Exception: Stephen Waring in *Taylorism Transformed* (1991): “Taylor's management theory of value”: Bureaucratic and corporative schools as opposite sides of same Tayloristic coin

Value in cognitive capitalism

- *human labor is the only source of value*
- A commodity in capitalism is primarily a *social form*, and in fact, the most basic form of a social relationship.
- A theory of value that not only anticipates knowledge but also a theory of value that embraces affect – emotions, language, communications, and feelings. That is what the cognitive capitalism thesis can offer us.

Research propositions & findings

1. Knowledge and affect-led immaterial labour add substantially higher value to the products and services into which they are integrated.
2. Complete disassociation between labor costs (which are only one factor of production costs) and its final exchange value as measured in monetary terms (i.e. price)

Discussion

- Porter's *Competitive Strategy* (1980), & *Competitive Advantage of Nations* (1986): knowledge-led activities add higher value to a product
- Value chain analysis:
 - the manufacturing stage of a product is at the low end of value-added activities, while design, marketing, research and other cognitive activities provide higher value
 - production stage comes only after a market for a product has been secured
- The “Nike economy”: “the measure of worth is becoming less physical and more intellectual”.
- Starbucks coffee, designer/branded goods, fashion,...

Discussion 2

- Dual character of commodities in cognitive capitalism:
 - a recognizable brand name and a reassuring image contain a high(er) proportion of immaterial labour and, consequently, a higher exchange-value.
- It is the immaterial and affective qualities, which, through branding and reputation, add on the exchange-value of a commodity that form that dual character of a commodity.

What do we really buy?

- A proposition for a lifestyle, a fashion trend, a cool image, a piece of happiness, moments of idealized relaxation with a splendid cup of coffee or an individualistic portrayal of self in a mass society, and *not* just a product purely for their utilitarian/use-value.
- We buy the immaterial and affective qualities that the work of hundreds or even thousands of people has amassed into something as simple as a single piece of clothing or a cup of coffee.
- Such labour can indeed become very valuable and, when channeled through fashion and ephemeral consumer tastes, can transform ordinary products into expensive lifestyle statements.

Central proposition

- *Negation of value creation in cognitive capitalism:*

consumption precedes production, and allows it to materialize in the space that has allocated for it.

Fashion drives cognitive capitalism

- Benetton: “*first we sell the clothes, then we make them*” (Prof. Bruno Zuccaro)
- Zara: “fast-fashion” and hand-held scanning device directly linked to production site
- Scholarship limited by the factory-inspired (and factory-bound) view of capitalism – in essence, a fetishisation of the factory and the “industrial worker”
- Car manufacturing vs. fashion in Marxist studies of production processes...

Issue for further research

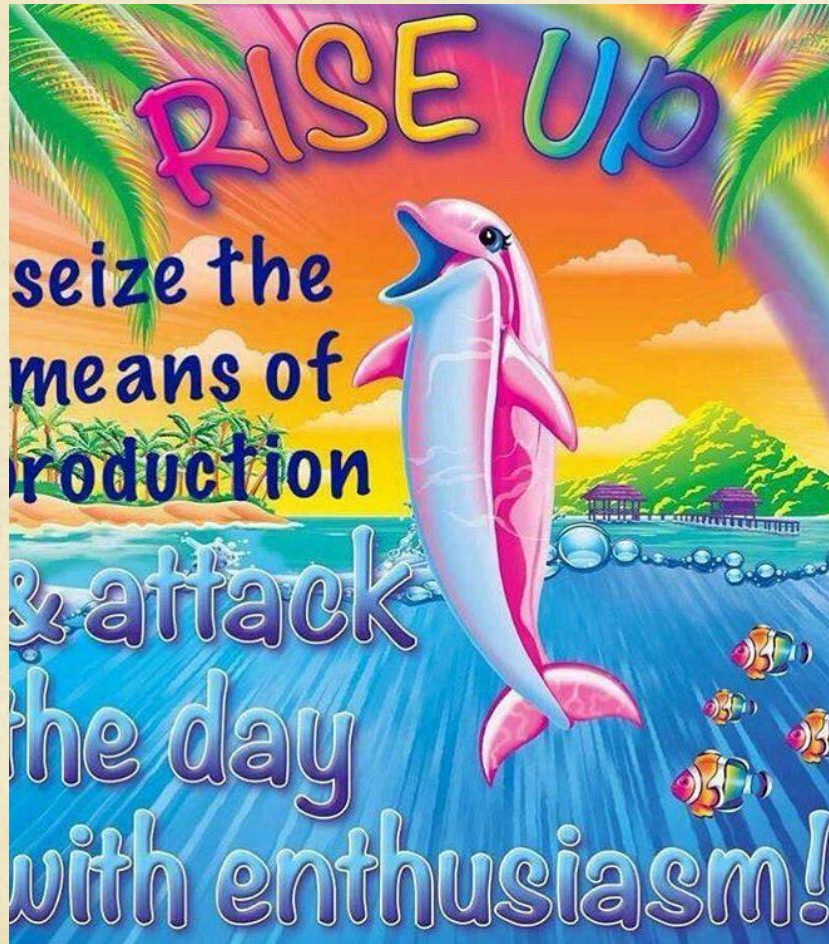
- Following Pasquinelli (2009), I put forward Google's PageRank algorithm as the paradigm of value creation in cognitive capitalism (i.e. value creation not accounted by labor-time, but by (social) relationships between producers, (ephemeral and long-lasting) appeal to others, and directional propensity of that appeal
- E.g. number of hits, origin and direction of links and “value” of links according to popularity/significance

Thank you!

○ https://www.researchgate.net/profile/George_Tsogas

○ <https://birkbeck.academia.edu/GeorgeTsogas>

Any questions?



- “Revolution is a desiring machine... Communism rather will emerge out of the heart of capitalism as a social form that not only answers the basic human needs of all but also heightens and intensifies our desires” (Virno and Hardt, 1996: 7).