

Cooperation under capitalism and the evolution of division of labor in manufacture and in society

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The discussion of division of labor in economics

In economic thoughts, most of the discussion of division of labor can be summarized by saying that the division of labor increases the efficiency. This statement occurs in the very first sentence of Adam Smith's *The Wealth of Nations*.

"The greatest improvement in the productive powers of labor, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labor."

Smith illustrates his theory with a famous example of the production pins. He says that an individual could not make as many pins as he or she could produce concentrating on a single operation of its manufacture. There are three reasons for this.

"... first, to the increase of dexterity in every particular workman; secondly, to the saving of the time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labor, and enable one man to do the work of many."

Another classical economist, Ricardo also illustrates the profitability of division of labor to all market participants even in the case where one individual is more productive in every instance and respect. And Smith argues that the division of labor is a very natural result of the intrinsic human nature.

"This division of labor ... is the necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another."

This viewpoint is found in other economic thoughts. In his work, *Human Action*, Ludwig von Mises speaks of how economic cooperation within society springs from a natural state. Mises argues that because many people want shoes these items become the focus of large-scale production, which makes shoes more widely available at lower cost than small-scale production could achieve.

"The fact that my fellow man wants to acquire shoes as I do, does not make it harder for me to get shoes, but easier. . . . The catallactic competition of those who, like me, are eager to have shoes makes shoes cheaper, not more expensive."

He argues that social cooperation under the division of labor is the fundamental source of man's success in the quest for survival and in his efforts to improve his material conditions.

"The fundamental facts that brought about cooperation, society, and civilization and

transformed the animal man into a human being are the facts that work performed under the division of labor is more productive than isolated work.”

In this way, both Classical economics and Austrian economics treat cooperation and division of labor as a source of economic efficiency and the form that is appropriate to human nature. Neoclassical economics treat them likewise by mentioning that division of labor is a cause of increasing returns to scale.

In *Capital*, Vol.I, like other economists, Marx attributes rising productivity to division of labor. But he also points out its peculiar nature under capitalism. In this essay, I will explain cooperation under capitalism by discussing the evolution of division of labor in manufacture and in society in terms of Marx.

### Marx's explanation of cooperation

Cooperation takes place when many workers work together side by side in the same or in connected processes and increases productivity in many ways.

“... mere social contact begets in most industries an emulation and a stimulation of the animal spirits ... it heightens the mechanical force of labour, or extends its sphere of action over a greater space, or contracts the field of production relatively to the scale of production, or at the critical moment sets large masses of labour to work, or excites emulation between individuals and raises their animal spirits, or impresses on the similar operations carried on by a number of men the stamp of continuity and many-sidedness, or performs simultaneously different operations, or economizes the means of production by use in common, or lends to individual labour the character of average social labour whichever of these be the cause of the increase ...”

Workers have cooperated collectively throughout history, accordingly cooperation is not new under capitalism. What is new is the particular way in which cooperation is organized by the capitalists. And given that the economy is a capitalist one, the only way to engage in cooperative labour is by working for a capitalist.

“... wage-laborers cannot cooperate, unless they are employed simultaneously by the same capital, the same capitalist. ... concentration of large masses of the means of production in the hands of individual capitalists is a material condition for the cooperation of wage-laborers.”

Laborers are coordinated and that coordination requires a directing authority, at least if the cooperation is on a sufficiently large scale, even without increased division of labor. With cooperation the real subjection of labor to capital begins. In capitalism, this directing authority must be a representative of capital, because the direction needs to ensure that surplus value is produced.

“All combined labour on a large scale requires ... a directing authority, in order to secure the harmonious working of the individual activities ... The work of directing, superintending, and adjusting, becomes one of the functions of capital ... The directing motive, ... is to extract the greatest possible amount of surplus-value.”

The specificity of the social relations of cooperation under capitalism is class antagonism. As the scale of capitalist undertakings grew, so did the conflicts. It is this resistance which dictates the need for capital to create a whole officer corps of supervisors and overseers to make sure that the large army of workers actually do as much work as their employers desire that the collective power of masses is maximized.

“As the number of the cooperating laborers increases, so too does their resistance to the domination of capital, and with it, the necessity for capital to overcome this resistance by counter pressure. The control exercised by the capitalist ... is consequently rooted in the unavoidable antagonism between the exploiter and the living and laboring raw material he exploits.”

In other words, cooperation is governed by technical relations based on technology, science, and instrumental rationality, accordingly, regarded as efficient means to the end of the appropriation of nature. However, cooperation in capitalist society is also the means to the end of the extraction of surplus labor. This cooperation is distinguishable from cooperation in other era.

“The sporadic application of cooperation on a large scale in ancient times, in the middle ages, and in modern colonies, reposes on relations of dominion and servitude, principally on slavery. The capitalistic form, on the contrary, presupposes from first to last, the free wage-labourer. ... Historically, however, this form is developed in opposition to peasant agriculture and to the carrying on of independent handicrafts whether in guilds or not. From the standpoint of these ... cooperation itself appears to be a historical form peculiar to ... the capitalist process of production.”

That is to say, there are specific forms of cooperation which are inherent in specific modes of production and social formations. The specific form of cooperation in capitalism shows itself in the evolution of division of labor in manufacture and in society.

#### Division of labor as the specific form of cooperation

“... manufacture arises from the union of various independent handicrafts ... On the other hand, it arises from the cooperation of artificers of one handicraft; it splits up that particular handicraft into its various detail operations, isolating, and making these operations independent of one another up to the point.”

In both cases, bringing together of different tasks and simplification of multiple tasks, size matters. Having many people producing makes it possible to produce more efficiently through the division of labor.

“But whatever may have been its particular starting-point, its final form is invariably the same a productive mechanism whose parts are human beings.”

In the putting-out system the organization of production remains unaltered, handicraft people continue working as before using their own tools in their ways. But in manufacturing the capitalists increasingly impose a new division of labor in which the

workers become increasingly specialized, performing only one part of a larger production process involving many workers and many steps. The impact of the division of labor on workers is quite devastating. They lose some of their identity in order to fit their specific job, accordingly, become appendages of a larger machine. Being forced to do the same repetitive task every day squelches the imagination.

“While simple cooperation leaves the mode of working by the individual for the most part unchanged, manufacture thoroughly revolutionizes it, and seizes labour-power by its very roots. ... Not only is the detail work distributed to the different individuals, but the individual himself is made the automatic motor of a fractional operation, and the absurd fable of Menenius Agrippa, which makes man a mere fragment of his own body, becomes realized.”

Any division of labor in any kind of society will involve some restriction on the potential development of the individual. However, in capitalism this is carried to a barbaric extreme. Marx points out how the process of division of labor makes the work monotonous and unfulfilling while simultaneously creating value for the employer. And Marx sees an important difference between division of labor and specialization. While specialization is free and natural, division of labor is pushed onto the laborer under capitalist production.

Marx investigates the three periods of capitalism: (1) simple cooperation, or handicraft industries; (2) manufacture based on division of labor; (3) large-scale industry based on machines. In handicraft production, workers are working with tools as opposed to large machines. Relative surplus value is increased here because of increases in productivity and deskilling. The process toward manufacture is in fact the process of the defeat of the guild system based on skilled handicrafts. The real subjection of labor to capital is advanced through the manufacturing division of labor. Now the workers lack even the skills necessary to produce a complete commodity. Their technical dependence on the capitalist's workshop is thus enhanced. The effective application of intelligence and skill in the production process is no longer mediated through the workers' consciousness. Human intelligence and skill are rather pressed into the service of capital, in a hostile relation to the workers. Because the manufacturing division of labor is developed in the service of capital, it should not be identified with division of labour in general.

“Within a family ... there springs up naturally a division of labour ... based on a purely physiological foundation ... On the other hand ... the exchange of products springs up at the points where different families, tribes, communities, come in contact ... the social division of labour arises from the exchange between spheres of production. ... It is the fact that their respective products are commodities.”

According to Marx, division of labour is present both in society at large and within manufacture. Prior to the modern economy, the social division of labour is based on kinship relations, wherein the character of an individual's labour was determined by their age, sex and position within the family. With the collapse of tribal society, there begin a new kind of division of labour, based on class relations, including the division between mental and manual labour.

“While division of labour in society at large ... is common to economic formations of society the most diverse, division of labour in the workshop, as practiced by manufacture, is a special creation of the capitalist mode of production alone.”

Marx juxtaposes two notions.

“Just as a certain number of simultaneously employed laborers are the material pre-requisites for division of labour in manufacture, so are the number and density of the population ... a necessary condition for the division of labour in society. ... Since the production and the circulation of commodities are the general pre-requisites of the capitalist mode of production, division of labour in manufacture demands, that division of labour in society at large should previously have attained a certain degree of development.”

And he explains some differences between division of labor in manufacture and in society.

“Division of labour in society is brought about by the purchase and sale of the products of different branches of industry, while the connexion between the detail operations in a workshop, is due to the sale of the labour-power of several workmen to one capitalist ... The division of labour in the workshop implies concentration of the means of production in the hands of one capitalist; the division of labour in society implies their dispersion among many independent producers of commodities. ... Division of labour within the workshop implies the undisputed authority of the capitalist over men ... The division of labour within the society brings into contact independent commodity-producers, who acknowledge no other authority but that of competition.”

For Marx, cooperation under capitalism is unnatural result of the movement of capital. At the beginning, the division of labor originates from the efficiency improvement, but its maintenance in capitalism is not possible without the nature of capital seeking surplus value.

“Cooperation based on division of labour, in other words, manufacture, commences as a spontaneous formation. So soon as it attains some consistence and extension, it becomes the recognized methodical and systematic form of capitalist production.”

## Bibliography

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