

A Demonstration of Marx's Theory of Wage Labour and Capital

Lindsey Shorser

Last Modified: May 16, 2010

A town is built around two food packaging plants. Plant A employs 10,000 people, while Plant B employs 300. They both use the same packaging process and materials and both pay their workers \$15 per hour.

1. Which plant receives more contracts from food companies to package their product? Why?
2. What happens if the larger plant is offered too many contracts?
3. What happens if the smaller plant is offered too many contracts?
4. What happens if each one is offered too few contracts?

The final step in the packaging process in both plants is to use an iron to seal each bag of food. A machine is invented to automatically seal the bags.

5. Which plant is going to be able to buy the machine first? Why?
6. Will it be beneficial for the plants to buy the machine? Why or why not?
7. How will it impact the tasks performed by the workers?
8. How will it impact the number of jobs at the plant?

Plant A does an experiment: 5,000 of its workers continue to each perform all the steps in the packaging process. The other 5,000 workers are stationed alongside conveyor belts where they each perform one step in the process over and over again.

9. Which group of workers will package more food by the end of the day?
10. How will the results of the experiment effect the number of jobs at the plant.

In order to keep their jobs, the workers try to outperform one another. This mostly means working faster and more diligently.

11. What does this do to the total output of the plant?
12. What does this do to the number of jobs at the plant?

Both plants have made changes to the packaging process that have increased productivity. In fact, both plants have been running at peak efficiency for a while now.

13. What can the plant owners do to increase their profits? List three possibilities.
14. If they decide to lower the wages of the workers, will the standard of living of *everyone* in the town be effected, or just the workers?
15. If they change the quality of the packaging material, will this be good or bad for business in the future?

The bigger plant offers to buy the smaller plant. The owners of the smaller plant decline.

16. Are the owners of the smaller plant acting in their own best interest or not?
17. Are the owners of the smaller plant acting in the best interest of their workers or not?
18. If the economy declined and there were fewer contracts to go around, would the bigger plant be better off if it owned the smaller plant? Why or why not?
19. If the economy declined, would the smaller plant be better off if it was owned by the bigger plant? Why or why not?
20. If the plants were mostly automated and run by machines, would they be better off or in a more perilous position if the economy was in decline?