

**BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE PILANI,
PILANI CAMPUS**

I Sem 2023-24

GSF313: Marxian Thought

Comprehensive Examination (Open Book)

21 December 2023

Duration: 180 mins

Maximum Marks: 50

Instructions:

Please write legibly.

You are allowed to use books, printouts of notes, PPTs, chapters etc.

Digital devices are not allowed.

1. Are modern value chains fair to people in the global south? Explain your view with reference to adequate marxian concepts, including a critique of the ideology of *free trade*. [20 marks]

Value chains are not fair because surplus value is extracted from global south in two main mechanisms of unequal exchange -

Low productivity - low organic comp of capital - high surplus value
High productivity - high organic comp of capital - low surplus value
global "production prices" determined as average - so the sale price effectively hands over surplus value from low productivity

Free trade agreements - prevent protection of nascent industries and other sectors in poorer countries - markets are flooded with cheap commodities from high productivity countries

International value chain of coffee, t-shirt etc – large % of value is realized in the country where the company is located + product is sold - large share of value in IP rent and services. Disadvantageous for producer/labor intensive countries that actually produce commodities.

2. What lessons can we learn from the Cuban response to the trade embargo? Do you think the Cubans succeed in overcoming commodity fetishism, and if so, how? [15 marks]

An alternative model of social organization;

- a. Farming for consumption rather than sale (use value over exchange value)
- b. Local farming utilizing natural methods. Healthier food.
- c. Less dependence on oil and petroleum products - public transport + low commute urban planning
- d. Public healthcare system based on prevention and holistic health rather than cure - community healthcare based on small areas and monitors who ensure people live healthy.
- e. Effective childcare system for employed families
- f. Effective system for sharing food and avoiding systemic wastage

[not an exhaustive list]

3. How is relative surplus value produced? What are the ways in which capital increases the extraction of relative surplus, and prevents its eventual fall as predicted by Marx? [15 marks]

Unlike absolute surplus value, relative surplus value is NOT produced by extending the working day. Relative surplus is produced by increasing the productivity of labor in such a way that the time required for reproducing the value of labor power is less than before, leaving more surplus for the capitalist.

A - - - - B - - - - C
A - - B - - - - - C

Marx identified several counteracting factors to the falling rate of profit which prevents the extraction of relative surplus value;

- a. Lengthening the working-day and intensifying labor
- b. Depression of wages below the value of labour-power [competition]
- c. Cheapening of the elements of constant capital
- d. Reserve army of labour (relative overpopulation)
- e. Foreign trade
- f. Increase of stock capital
