

DOES MARX'S CRITIQUE OF CAPITALISM STAND OR FALL WITH THE LABOUR
THEORY OF VALUE?

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Does Marx's critique of capitalism stand or fall with the labour theory of value?

Capital by Karl Marx is commonly interpreted as an economic assault on capitalism; however, its deeper focus is on political power. Marx claims that a capitalist society is made up of labour, but workers do not control the wealth they produce. According to his labour theory of value, value is created through socially necessary labour time. Workers engaged in wage labor produce more than they are paid, in other words, profits are built on the surplus value of labor. The essay argues otherwise. Though the labour theory of value is the key to the Marx's explanation of surplus value, his criticism of capitalism does not rest entirely on it, as his greatest contribution is the analysis of the exploitation, alienation, and domination of classes, and the political power inherent in the social relations between capital and labour.

Marx's Labour Theory of Value and Its Role in Capital

The labour theory of value is one of the main ideas of Capital since it helps to understand how capitalism transforms human labour into a source of profit and power. Marx develops and expands on the theories of Adam Smith and David Ricardo, though he gives their theories a more critical intent. To Marx, there are two sides of a commodity. It has use value in that it satisfies a need, and it has exchange value in that it can be exchanged with other commodities. The question is what makes different commodities comparable in exchange. The common denominator, according to Marx, is labour, which is measured as socially necessary labour time, i.e. the average labour time that is necessary to produce a commodity under normal circumstances (Falk *et al.*, 2017).

This theory is important as it directly results in surplus value. Workers sell their labour power for wages, but during the working day, they produce more value than the value paid back to them as wages. The surplus value is retained by the capitalist as a profit. Hence, Marx defines

exploitation as a fundamental aspect of daily wage work, not only of unfair or illegal treatment. Burns (2024) substantiates this argument by demonstrating that exploitation may take place via intensified labour, low wages, and the extraction of more labour out of workers.

In terms of politics, the value theory of Marx is not merely a theory of prices. It shows a social correlation among classes. Workers seem to be legally free, yet they rely on capital owners to provide them with access to work and survival. Their labour power becomes a commodity, and their activity is controlled by the needs of capital. Cole (2022) thus suggests that the value theory by Marx can be interpreted as a critique of capitalist social relations. The key strength of its construction is that it demonstrates the unequal power of classes that can be translated into profit.

Economic Criticisms of the Labour Theory of Value

The labour theory of value has been subjected to severe criticism, particularly by neoclassical economics. Neoclassical economists reject the concept of the labour theory of value. They believe value is determined not only by producers, but by consumers, scarcity, supply and demand. In this view a commodity derives its benefit from people's desire to possess it and its scarcity.

Another major criticism is the transformation problem. Commodities are value forms of labour, but actual capitalist markets are governed by the prices of production, competition, and profit rates. According to critics, Marx does not adequately explain how the values of labour are, in fact, converted into the actual market prices (Reuten, 2025). It is a weakness since Marx associates surplus value with profit. When the calculation of value is unstable, the critics say that his economic theory of exploitation is also unstable. Others also state that technology, innovation, entrepreneurship can create value...

It, however, does not imply that the entire critique of Marx falls apart. As demonstrated by Basu and Orellana (2022), the discussion of the economic model developed by Marx is still ongoing, particularly in regard to profit and exploitation. Cole (2022) also claims that the value theory of Marx cannot be simplified to a limited price theory. The most important difference is between Marx as an economist and Marx as a theorist of capitalism and power. Although the labour theory of value might be criticised, the political analysis of class domination by Marx could still be significant.

Exploitation Beyond Price Theory

The critique of Marx is still convincing since exploitation is not only a mathematical problem of value. It also represents a political relationship between the owners of capital and the sellers of labour. Formally, workers are free in capitalism. The freedom is, however, restricted in the sense that they normally do not have independent access to land, tools, factories, or capital. They need to enter the labour market and work under the conditions that are mostly determined by the employers. It is what makes the criticism of Marx more than merely a price theory. It concerns dependence, control, and unequal power (Falk *et al.*, 2017).

The existence of exploitation can still be determined even in cases where the real labour values may be hard to measure. Burns (2024) makes it obvious by demonstrating that excess work may be achieved by intensifying labour, suppressing wages, increasing productivity and imposing employer control over the working conditions. It is possible to get a 'normal wage' and still be 'exploited' if the labour process is arranged primarily to benefit a third party.

The aspect becomes even more evident in contemporary capitalism. Although gig workers seem to be independent, often platforms dictate access to customers, pay rates, ratings, and working time. Poor jobs, low wages, and low bargaining power are common among the

workers in the poorer regions of the global supply chain. Bernards (2026) states that exploitation remains the central foundation of the global political economy because precarity and unequal development still significantly play a role in capitalism. So, the critique of Marx can be economic in terms of the value claim. It remains impressive for its political description of "formal freedom" becoming "material dependence" due to capitalism.

Alienation, Commodity Fetishism, and Ideology

The political nature of Marx's critique of capitalism is evident in his shift from value to alienation and from value to ideology. Workers in the capitalist system are not simply "producers of goods". They make products which are not their own. It sets them apart from the labour product. It also sets them apart from the activity of labour itself; labour becomes repetitive, controlled, and turns into a way for profit, not for development. They are also alienated from their own nature and from one another, since competition outweeds cooperation (Falk *et al.*, 2017).

The intensification of this problem is created by commodity-fetishism. Capitalist market relations involve the exchange of human relations with things. The product appears to have value, but the labour and exploitation are hidden. Despite articulating through inequalities of social relations, prices, brands, commodities seem natural. Thus, Marx's value theory is not, as Cole (2022) states, only a theory of the price; it is also a theory of social forms.

Politically, it remains an important question today. The labour systems and flows behind products and services are often obscured by modern branding and digital platforms, and the identities of the consumers. Working conditions go unnoticed, and delivery services or mobile applications seem convenient and desirable. As Lafferty (2026) explains, capitalist work remains significant for Marx's wage labour account, one that focuses on the organisation of time,

discipline and dependence. These critiques need not be based on an economically perfect notion of the labour theory of value. They describe the impact of capitalist consciousness, actions and social influence.

Capitalism, Crisis, and Class Power

Another reason for Marx's criticism is the instability and political power that capitalism brings to the table. Capitalist production is not for social purposes, but for profit. Business entities need to be competitive, be able to expand and control costs. These pressures can lead to wage restraint, increased work speed, reduced labour protection and insecure labour. Such are the normal results of a system which demands that capital always finds greater surplus accumulation and greater control in the market place.

This logic also produces a crisis. Competition brings about overproduction, risk, and uneven development. It is because profit, exploitation, and accumulation continue to be major issues in capitalist economies, and debates on Marx's crisis theory are still going on, as noted by Basu and Orellana (2022). Despite the criticism of the labour theory of value, the fact of the repeated crises cannot be ignored.

The political dimension is equally important. Capitalism does not respect the time outside of work. Rich people have influence over policy, lobbying, labour law, tax, and public debate when they are owners of capital. Private economic actors may have significant public power that can erode democratic participation through corporate concentration. Mantzari, Smyth and Lanka (2025) connects Marxist thinking to today's issues of corporate power, financialisation and accumulation. Bernards (2026) also shows that global capitalism continues to depend on precarious and unequal labour relations. It helps to support the essay's argument that Marx's

critical analysis is not based just on a technical theory of value. It also points to structural issues of power, crisis and class rules.

Does Marx's Critique Ultimately Stand or Fall with the Labour Theory of Value?

Marx's critique is not entirely dependent on the labour theory of value, but the theory remains important to his system. It provides Marx with an explanation of surplus value and a demonstration of the need for unpaid labour for profit. It is therefore a key element of his economic pitch. Yet Marx's critique goes beyond the issue of value measurement. His strong ideas are on issues of exploitation, alienation, commodification, class domination, and the tendency towards crisis that capitalism demonstrates. Cole (2022) considers value as a form of criticism of capitalist social relations. Further, as demonstrated by Burns (2024), exploitation can manifest itself in the form of control, pressure on wages, and intensification of labour. The labour theory strengthens Marx's critique, but it does not fully contain it.

Conclusion

The critique of capitalism by Marx must not only be an economic theory. The labour theory of value has continued to be important because it shows the concept of surplus value and provides Marx with a clear explanation of exploitation. However, Marx's significance is stronger in his broader political critique. He demonstrates the way in which capitalism produces class dependency, alienated labour, commodity fetishism and unequal power. These criticisms still stand, because capitalism today continues to create insecure jobs, high levels of inequality, a commodified social life and a high concentration of wealth. Marx's analysis is useful even if the labour theory of value is rejected, as it explains the nature of capitalism's social and political relations.

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