

Original Article

Analysis of the Cognitive Framework of “Surplus Value” and “Managerial Labor” Expanded by Basic Principles

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Abstract: Starting from the perspectives of two assumptions related to Marx's theory of surplus value, this paper discusses the development and enrichment of Marx's cognitive framework of surplus value according to the basic principles. In view of this, it is concluded that “the labor of laborers who do not own the means of production and the labor of entrepreneurs (masters) who own and manage the means of production can both belong to the source of abstract labor” and that “the source of the formation of surplus value, which is the essence of profit, comes partly from direct labor and partly from indirect labor (managerial labor),” to logically expand the coverage and explanatory power of the Marxist theory of surplus value based on the theoretical system of labor value and surplus value, and to understand better the contributions of “complex labor” and “management of labor.” It aims to affirm the role of entrepreneurs, promote the spirit of entrepreneurship, and understand the problem of “exploitation” at the source, to rationally grasp the coexistence of “distribution according to work” and “distribution according to factors” and thus to form a solid theoretical foundation.

Keywords: Labor Value, Surplus Value, Management Labor, Exploitation, Distribution.

I. BASIC CONCEPTS, THE PROPOSAL OF QUESTIONS, AND LITERATURE REVIEW

A) Basic Concepts: Three Pairs of the Concept of “Labor” and Its Internal Correspondence

Manual labor and mental labor, simple labor and complex labor, direct labor (labor), and indirect labor (management labor) these three pairs of concepts are covered in Volumes 1 to 3 of Capital. They can also be regarded as general and undifferentiated human abstract labor in the dimension of human ability consumption, labor that can create value. Generally speaking, there is more correspondence and consistency between manual labor, simple labor, and direct labor, while there is more correspondence and consistency between mental work, complex work, and indirect work. The labor performed by the workers on the production line depicted in Chaplin's film clearly belongs to the first three, while the labor of engineers, scientific researchers, and professional managers belongs to the latter three.

This paper also involves another pair of concepts, namely the labor of a pure wage laborer who does not own the means of production and the labor of an employer/manager who owns the means of production. The above pair of concepts can also be established based on the homogeneous abstraction of labor; that is, the two have the prescriptiveness of human labor capacity in the dimension of “consumption and payment” with time, intensity, complexity, etc., as the unit of measurement. In a word, the four pairs of concepts mentioned above all have the nature of human undifferentiated abstract labor in common.

B) Proposal of Questions

The starting point for the proposal of the questions is the significant ideological contributions formed by the principles of Marx's labor theory of value, namely the theory of surplus value. If its theoretical significance is still valid in the contemporary market economy, then for the core concept of “surplus value” created by labor, what is the boundary of the “subject of labor,” and should it be expanded logically and realistically?

In this regard, we should first clearly define what exactly the determinant of the value of a commodity is. Regarding the theory of value, there are three major theoretical systems in the field of economics that are the labor value theoretical system of classical economics, the supply and demand equilibrium value theoretical system of neoclassical economics, and the commodity value system of Sraffa (Meng Kui, 2013). In the Marxist economic theory system with classical political economy as one of its sources, we should get to the root of the problem. Based on insisting on the principled understanding that labor is the entity formed by value, its exchange value, and surplus value, it is urgent to deepen the study of classical economics and Marx's labor theory of value in light of the development of the times and the new economic environment. Under the premise that the connotation of the source of (surplus) value is determined to be labor, it is necessary to sort out the extension of the source of value basically, that is, what is included in the relevant labor, from a broader perspective.



C) Brief Overview

Pei Xiaoge (2001) once proposed that “there is no theory of surplus value in the various theories of mainstream foreign economists who do not study people’s socio-economic relations other than market transaction relations.” In the view of these economists, in the case of perfect competition, the worker sells his labor in the same way as other material factors of production and receives an income according to the value added to the product by his labor so that no surplus value is produced. The profit arising is irrelevant to the labor of the worker”. Bombavik, who most thoroughly criticized Marx’s theory of surplus value, asserted that “if the value is based solely on the content of labor, it cannot explain real-world prices and profits.” If the labor theory of value cannot explain the structure of prices and profits, then the theory of surplus value, which asserts that capitalism is based on the exploitation of workers, collapses” (Yang Yusheng, 2002). In Japan, Kojin Kalatani used his romanticism and subjective idealism to try to deconstruct Marx’s theory of surplus value; for example, he believed that “the multiplication of industrial capital (the generation of surplus value in the field of production) is to obtain the difference by increasing labor productivity and thus forming the difference between two value systems that are different from each other in the sense of “time”.” This means that the generation of surplus value in the field of production is only related to labor productivity, and not to the productive labor of workers” (Wang Qingfeng, 2013). The above denial of surplus value, as well as the explanation of the complete separation of the sources of surplus value and the correlation between labor and labor productivity, is unacceptable to us.

This paper defines the premise that the entity of the source of (surplus) value is only labor, but then it is necessary to focus on how to clarify the understanding of the extension analysis of value and its source of surplus value, which is still debatable. For example, in the theoretical system of Marxist political economy, surplus value is defined as “the part of the value that wage workers newly create in the production process that exceeds the value of labor power” (Xu Guangchun et al., 2017), that is the part of the value created by the living labor of workers and appropriated by capitalists without compensation, thus forming a pair of necessary labor and surplus labor. However, until now, in the deepening of the understanding of Marx’s labor theory of value, there has still been a continuous exploration of the sources of surplus labor from the perspectives of complex labor, mental labor, and management labor (indirect labor). For example, some commentators have argued that “the labor of workers is micro, while the labor of capitalists focuses on the macro aspect” and thus argue that “surplus value is the value more than the labor power created by workers and capitalists together.” The capitalists do not exploit all the surplus value, but only take part of the surplus value created by the workers without compensation” (Zhang Dazeng et al., 1988). Although the concepts of “micro labor” and “macro labor” here are not rigorous, does it mean that under such cognitive framework, the labor of the employer is also at least a source of surplus value? In the *Discussion on Knowledge Participating in the Creation of Surplus Value*, Liu Changqing (2003) tried to show that mental labor and complex labor are the source of the creation of surplus value rather than the source of “exploitation” and that “the increase of relative surplus value does not generally need to increase the amount of labor of knowledge creators, so the “exploitative” nature of the capitalist’s acquisition of relative surplus value is greatly diluted.” In fact, this paper has preliminarily affirmed that indirect labor, as well as mental labor and complex labor, which are the backbone of indirect labor, have also become the source for the formation of surplus value. However, it has not yet gone further in theoretical exploration. For example, the labor of laborers (including “capitalists” and “entrepreneurs”) who do not directly affirm the ownership of the means of production should be considered as another form of managerial labor that is correspondingly characterized by intellectual and complex labor and thus may be the source for the formation of surplus value. In addition, Li Guangyu (2018), in the article “Three Practical Challenges and Responses to the Theory of Surplus Value,” on the one hand, admits that managerial labor of the wage workers creates surplus value, “Once labor is subordinate to capital, management workers become wage laborers like other workers.” They exchange their labor power directly with capital, not only reproducing the value of capital but also creating surplus value for the capitalists. Here, managerial labor is productive labor that creates surplus value.

On the other hand, it is argued that the same managerial labor (activity) is only due to the possession of the means of production and thus as a criterion for not creating surplus value. “It can be seen that the income of the capitalist is essentially a part of the surplus value created by the labor of the workers. The managing labor of the capitalist is the exploitation of wage labor. The income of this labor is the gratuitous appropriation of the surplus value created by the worker. The amount of surplus value depends not on the degree of effort to manage it. However, on the degree of exploitation of.”. We can see that the same nature of labor is only due to the “class difference” between labor relations in terms of whether or not to own the means of production, which leads to the difference in whether surplus value is created. The resulting difference is in the exploitative nature of income distribution. Such an explanation is obviously a bit far-fetched. Is it possible that whether labor of the same nature creates surplus value and whether it is exploitative or not only stems from the difference in whether the subject of labor owns the means of production? This cannot be justified (nowhere more so in modern societies where industrial workers already have widespread shareholdings). If we insist on labor being the sole source of commodity value, then from the above examination, we can deduce that surplus value, that is, the generation of profits, will also be related to the management of labor by capitalists and entrepreneurs.

The above review can preliminarily lead to a question worthy of deep consideration, that is, from the perspective of Marx’s political economy, the subjects who own the means of production are not regarded as laborers. Therefore, their

activities will not be regarded as labor. Thus, it is even more impossible to create labor value and its surplus value, which has been the theoretical premise of “orthodox” Marxist political economy for a long time. It is necessary for us to have a more extensive discussion on this major premise to extend and enrich our understanding that conforms to scientific rules and logical norms. First of all, it is necessary to go back to the original texts of Marx and classical economics to trace the formation of this premise.

II. ONE OF THE FOUNDATIONS FOR THE THEORY OF SURPLUS VALUE EXPOUNDED BY MARX: IN CAPITAL, THE DIRECT LABOR OF WAGE WORKERS IS THE ONLY SOURCE OF COMMODITY VALUE

Marx’s theory of surplus value is an ideological understanding formed by a set of relatively clear assumptions through comprehensive analysis and argumentation. To inherit and develop Marxism, we need to conduct a more broad and extended investigation and discussion of Marx’s relevant theories. In Marx’s view, the essence of the formation of surplus value comes from the exploitation brought about by using the goods of labor after the owners of capital purchase labor commodities due to the existence of private ownership of capital. This is of great significance to the critical task of capitalist society, which the Capital focuses on. As Schumpeter notes in his book *Capitalism, Socialism and Democracy*: “By the way, let us praise the pedagogy here: however peculiar the meaning of the word exploitation may now acquire, and how far from its ordinary meaning, however dubious it may be from the support of natural law, scholasticism, and enlightenment writers, it is accepted into the realm of scientific argument and thus helps its disciples in their battles.” If we are to proceed from a purely theoretical point of view, it is necessary to look at how Marx demonstrated and put forward the concept of surplus value. Here, we should analyze how Marx formed the concept of surplus value and how it formed a logical self-consistency: we can take his exploration of theoretical creation as the first perspective and how the understanding of classical economists who preceded Marx’s time inspired him to analyze and demonstrate surplus value as the second perspective.

First, let us look at Marx’s definition of the concept of surplus value. In the fourth chapter of the first volume of *Capital*, it is said: “Therefore, the full form of this process is $G-W-G'$, where $G' = G + \Delta G$, which is equal to the amount of the original advance money plus an amount of appreciation.” I call this amount of value, or the balance in excess of the original value, the residual value. It can be seen that the original prepaid value is not only preserved in circulation, but also changes its own amount of value in circulation, adding a surplus value, or multiplying.” “It only has this form in money. Money, therefore, is the beginning and the end of every process of value multiplication.” “It leaves circulation, enters circulation, preserves itself in circulation, expands itself, expands and returns from circulation, and constantly starts the same cycle again.” It can be seen that when Marx first conceived this creative concept in his mind, it gradually deepened through the circulation of money. Soon, however, Marx’s thought changed in the section “The Contradiction of the General Formula,” in which he emphasized that surplus value should not be formed from circulation but only through production and that “the circulation of commodities only causes a formal change in the value of commodities, and only the exchange of equivalents when phenomena are carried out purely.” He takes the exchange between wine producers and grain producers as an example to discuss the principle. He argues that wine producers produce wine worthy of 100, but grain producers produce grain worthy of 100 in roughly the same amount of time, so the exchange between vintners and grain dealers can only be equivalent exchanges. In addition, he discusses the form of “exchange of assumed non-equivalents” in exchange and argues that in the commodity market, the seller sells to the buyer at a 10% markup. However, the buyer also sells to the original seller as a seller at a 10% markup, that is, the buyer of the transaction; presumably, this general markup does not enable everyone to obtain surplus value, and then argues that such a transaction cannot produce surplus value as the seller and buyer are also the producer and consumer. In short, Marx’s analysis aims to show that surplus value should not be formed from circulation but can only be formed through production.

What makes Marx even more persistent and painstaking is that if he tries to prove that surplus value is not formed in exchange (circulation), he must show how surplus value is formed in other “places.” He classified this “place” as the production field for workers who did not own the means of production and were employed. If it is said that Marx tried to show in the fourth chapter of the first volume of *Capital* that surplus value does not arise from circulation in the opposite way, then one of the stories he tells in the fifth chapter is how capitalists add value like a trick. For example, the labor of production of cotton yarn organized by the capitalists, “our capitalists have long foreseen this situation, and this is precisely why he laughs.” Thus, what the worker encounters in the factory are the means of production necessary for the labor process, not only 6 hours but 12 hours. If 10 pounds of cotton absorb 6 labor hours, which translates into 10 pounds of cotton yarn, then 20 pounds of cotton absorb 12 labor hours, which translates into 20 pounds of cotton yarn. Let us take a look at the products of this extended labor process. Now, in this 20 pounds of cotton yarn 5 working days are objectified, of which 4 working days are objectified in the amount of cotton and spindles consumed, i.e., 24 shillings, and 1 working day is absorbed by the cotton during the spinning process, i.e., 6 shillings. 5 working days is demonstrated as 30 shillings or 1 pound demonstrated as 10 shillings. So that is the price of 20 pounds of cotton yarn. 1 pound of cotton yarn is still worth the same amount as before - 1 shilling 6 pence. However, the sum of the value of the commodities put into the labor process is 27 shillings. The value of cotton yarn is 30 shillings. The product’s value increased by 1/9 compared to the value prepaid for the production of the product. 27 shillings translate into 30 shillings, which brings 3 shillings of residual value. The trick finally became. Money has been converted into capital”. Most importantly, Marx intended to make the reader

understand that this surplus value is created only by wage laborers and has nothing to do with the capitalists, and this becomes the naked “exploitation” of ordinary laborers by the capitalists. In his analytical framework of the change in the value of commodities, he completely ignores the role played by the capitalists in the intervention of production activities, and the concepts and ideas used by Marx in this chapter are only combined with this logical framework.

A key concept that is known to be relevant is that Marx put forward a new concept of necessary labor (time) in Chapter 5 when he described that surplus value could only arise from the production of wage laborers and made a theoretical and systematic argument in Chapter 7 when discussing absolute surplus value. How do wage laborers delimit this necessary labor time to maintain their basic survival and working capacity and thus deduce the second period of the labor process (surplus labor time) and the value it creates? First of all, from the perspective of “qualitative research,” whether the concept of surplus value is correct or not depends on whether the conceptual argument of surplus value and the superordinate concept of forming surplus value, the necessary labor time, and its necessary labor value, is logical within the framework of the labor theory of value. Obviously, from the perspective of objective reality, a part of each worker’s daily labor time is indeed necessary for their own survival and the reproduction of labor power, and Ricardo first expressed the relevant view, such as his proposal of “the natural price of labor.” It is just that from the perspective of “quantitative research,” how long is this period, that is, why can’t this necessary labor time be shorter or longer?” The opponent proposes that “In fact, it is impossible to divide labor into ‘necessary labor’ and ‘surplus labor,’ and to divide labor time into ‘necessary labor time’ and ‘surplus labor time’ from the actual production process alone (Kojin Kalatani, 2006). “It can be seen that Hart and Negri equate the value of labor with the use value that satisfies the life needs of the laborer. In this way, the value of labor is naturally unquantifiable. The surplus value must be based on the value of labor, and if the value of labor cannot be quantified, then the surplus value must not be quantifiable.” (Li Guangyu, 2021).

However, the above analysis cannot necessarily lead to the proposition that capitalists and entrepreneurs (managers) do not create labor value, whether from the perspective that surplus value is not formed in the field of exchange and circulation or from the perspective that workers’ labor time is divided into two parts of necessary labor time and surplus labor time. When Marx argued these two propositions as major premises, he concealed and covered up another larger premise. It is this major premise that has not been explicitly stated that constitutes the fulcrum of the above two perspectives. The major premise is that all other activities that take possession of the means of production and employ others to engage in direct labor do not have the character of abstract labor and, therefore, have no possibility of creating the value of labor and its surplus value. This it should be a hypothesis that needs to be proved in scientific exploration, but Marx regards it as the biggest premise worthy of affirmation and concealment. “At this point, the ‘argument’ obscures this disappearance, but it also exposes and betrays this disappearance.” This is one of the logical origins of Marx’s theory of surplus value: “This essential aspect is both visible and hidden, both appearing and not appearing.” “Its non-appearance is determined by the nature of its emergence itself and by the bewildering ingenuity of the discoveries of Marx’s revolution.” (Louis Althusser and (Etienne Balibar, 2017) But in fact, the problem does not start with Marx, and it is necessary to be traced back to the previous source.

III. THE SECOND BASIS FOR THE FORMATION OF MARX’S CATEGORY OF SURPLUS VALUE: THE CLASSICAL ECONOMISTS BEFORE MARX ONLY RECOGNIZED THAT THE MAIN ACTIVITY THAT DOES NOT OWN THE MEANS OF PRODUCTION IS LABOR

The second perspective examines how the classical economists before Marx’s time analyzed and argued the sources of surplus value. Presumably, the reader may wonder why the capitalist’s labor does not create value or why the capitalist’s practical activity of owning and managing the means of production does not count as labor. It is, therefore, necessary to recall another understanding of the premise of Marx’s theory of surplus value.

Let us start with a review of the discovery history of surplus value. First of all, Stuart of the mercantilist school put forward the theory of transfer of profits or buying cheap and selling dear, Quenet put forward the theory of pure products of land, Senior put forward the theory of the last hour or abstinence of reward, and the theory of the capitalist’s labor, Owen put forward the theory of the existence of money, Malthus put forward the theory of exploitation in the field of circulation, Say put forward the theory of non-labor factor income or creation. All of the above theories explain the causes for the source of income of the economic agent who owns the means of production and acts as an employer from different angles. Adam Smith, the founder of classical political economy, understood it as the theory of free deduction of the value created by other factors of production on labor. David Ricardo said that it is necessary to deduct in advance without compensation for the sake of the growth or accumulation of workers’ overall income (Liu Yongji and Wang Yufen, 1992). In their complicated theoretical models, in fact, there is an implicit premise that is not explicit; that is, the labor of capitalists cannot be counted as labor, which is not stipulated or affirmed by Marx in both implicit and explicit ways. Reading through the labor prefixes prescribed by classical economists, it is full of practical considerations corresponding to various labor-related factors in the production process, but only the labor of capitalists and entrepreneurs, which is different from the workers, is not regarded as a special and more valuable labor. Therefore, the productive activity expressed by the capitalist himself does not create (form) even the slightest bit of value. It follows that the labor of the laborers employed by the capitalists is the only source of value creation. However, this theory is therefore contradictory: since the value of commodities is formed only by wage laborers through labor, and then on the other hand, where does the

profit of commodities come from in addition to the value created by labor and the preservation value of the object of labor? So, they can only attribute this situation to the unequal exchange of the variable capital of the capitalist and the labor income of the ordinary laborer. Adam Smith believed that this kind of unequal exchange was an economic feature of the capitalist mode of production that distinguished it from the ancient feudal simple commodity economy and that there was a discrepancy between the labor-dominated and the labor-expanding. "Since it is very rare in civilized countries for commodities to be composed of labor alone, and for the greater part of the exchange value of commodities contains a great deal of profit and rent, the amount of labor which can be purchased or disposed of by the whole annual product of labor in society far exceeds the amount of labor required for the production and transportation of the produce of that year," [Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, vol. I, chap. 6, The Commercial Press, 1972, p. 48.] In fact, the amount of labor that Adam Smith emphasizes here corresponds to the labor performed by the direct laborer who does not own the means of production and does not include the amount of labor expended by the production practice of the employer who owns the means of production.

At the same time, Marx had to fight theoretically against his contemporaries who adhered to the theory of multiple sources of value, such as Mill, Say, Condiac, etc. For example, Say's "Trinitarian Formula," borrowed from Adam Smith, holds that the value of commodities is created collaboratively by the three elements of labor, capital, and land. The value of the factors formed by borrowing these three elements constitutes three kinds of income: wages, interest, and rent, and these three kinds of income are equivalent to the cost of each of the three elements in creating utility and constitute the production costs of utility, so the source of surplus value is the created collaboratively by the two elements of capital and land. Marx refuted this by using the factors of production with use value to illustrate the source for the value of the production of commodities. In addition, there are similar formulations, such as the utility theory of value proposed by Condiac. At the same time, Mill or McCulloch argue that capital is also a kind of accumulated labor, thus distinguishing it from the direct labor of the worker. But is it true that the capitalist's labor of technological change and management decision-making is only accumulated labor, and there is no living labor of the same nature as the direct labor of the workers? For example, neoclassical political economists believe that the entity of value is the marginal utility of the commodity, the value of the commodity is a subjective evaluation of the commodity given by the consumer based on the marginal utility, and the axiology is based on Gossen's first law, that is, the law of diminishing utility. In short, the pluralistic theory of value, which is different from and opposite to the theory of Marx, is much larger than the labor theory of value that he insisted.

On the other hand, Marx's labor theory of value provides a solution to the incompleteness, lack, and even contradiction of the labor theory of value of previous political economists. Marx put forward a set of theoretical systems that can achieve logical self-consistency to a considerable extent in the real economic system, such as the theory of the duality of labor, the theory of the clear distinction between labor and labor power, variable capital and constant capital, necessary labor value and surplus labor value, and so on. These provide principle-level support for the innovation of Marx's version of the theory of surplus value. These explanations not only conform to the principle of equivalent exchange; for example, the value of labor power and capital exchange are equivalent, but the value created by workers' abstract labor is greater than the value of their labor power in order to maintain the reproduction of labor power, thus producing surplus value (profits) exploited by capitalists so that it can solve the problem of inadequacy, confusion and even self-contradiction of Marx's ideological predecessors in the theory of labor value. However, it is necessary to reflect further on the fact that there is still a logical breakpoint in this solution: it is precisely such a solution that regards the labor of workers as the only source of value and makes the theory of the exploitation of surplus value inevitable. In addition to the fact that Marx always took the protection of the interests of the proletariat as the supreme purpose in the process of planning his logical framework of political economy, and thus led to the negation of private ownership of capital, another important reason is that the political economists before Marx did not explicitly regard the activities of non-wage workers as the ontological activities of the same person and give them labor value. Furthermore, Marx believed that "capital is dead labor, it is like a vampire, only by sucking live labor can it have life, and the more living labor it sucks, the more vigorous its vitality will be" [Marx and Engels: *The Complete Works of Marx and Engels*, Vol. 42, People's Publishing House, 2016, p. 228. It is "solidified labor" and "dead labor," and he also considers the living labor of capitalists and entrepreneurs who manage "dead labor," such as market investigation and forecasting, production and operation plan design and decision-making, etc., as dead labor, that is, it does not belong to the category of labor to create value.

In short, Marx inherited the idea that "the labor of capitalists is not real labor" held by classical economists in the past, and thus believed that surplus value, which is the essence of profit and rent, is only the exploitation income obtained by the occupier of capital, a factor of production. The second major premise mentioned above is also something that classical economists do not deny. Based on this, Marx believed that the laborers hired by the capitalists create value, and because the capitalists do not play a labor characteristic similar to the labor form of the workers in the whole process of production, the "labor" form of the capitalists does not create labor value, so the total value of the commodity minus the necessary labor value is the surplus value created by the capitalist who nakedly "exploits" the ordinary laborers. It cannot be said that although the logical system of Marx's theory of surplus value is generally self-consistent, there are omissions

in the logical chain of argumentation. As a successor of Marxist theory, it is our duty to study this issue in a scientific spirit logically and to make a proper extended understanding.

IV. THE SOURCES OF SURPLUS VALUE SHALL INCLUDE THE PRODUCTIVE ACTIVITIES OF THE POSSESSORS OF THE MEANS OF PRODUCTION

As mentioned above, Marx, along with the classical economists, did not regard the creation of ideas based on non-physical exertion, the management of the means of production (such as the management of natural resources, such as land, data, human capital, scientific and technological knowledge, etc.) and the employment of other people's labor (market investigation, analysis and forecasting, investment risk assessment and decision-making, marketing idea guidance, etc.) as labor, and therefore did not consider these to be the source for value creation. Next, to make up for the missing items and connect the logical breakpoints, the inevitable problem is explaining the income distribution in which the capital element participates.

In this regard, some commentators have proposed that "in the neoclassical factor price theory, the entrepreneur is still regarded as the owner of the enterprise capital, although he also uses a part of the borrowed capital, and the entrepreneurial talent is actually regarded as a special labor factor with high marginal productivity, and the normal profits obtained by him become the remuneration paid to this special labor factor" (Hu Gang and Chu Jianbo, 2003). "That is to say, the scope of production labor is not limited to industrial workers engaged in manual labor on the front line. It includes capitalists engaged in managerial labor, professional and technical personnel engaged in invention and creation, and other intellectual workers; as long as they actually participate in the production process and make actual contributions to the smooth progress of production, they are all members of the overall worker (total laborer) and are all laborers" (Feng Haibo and Zhang Feng, 2011). Another commentator pointed out that "although Smith, Marx, and others have made a distinction between productive and unproductive labor, they have not yet clearly defined where the total labor begins and where it ends. Not only did Marx himself not find a plausible answer to this question, but no one has ever yet found a convincing answer to the question, namely, how exactly should social labor be defined in terms of its content and extension? How exactly is their role in value creation understood? In general, the value created by direct productive labor can be directly measured by the amount of labor it has, while the value created by social labor that is not directly produced is mainly measured by the amount of value it increases directly and the corresponding amount of value" (Zhu Fuqiang, 2022). This means that from the "labor theory of value" of non-Marxist political economists in the past, a generalized labor theory of value can also be critically developed, rather than from Marx's inevitable limitation that only the direct labor of workers is the only source of value creation (or formation). Theoretical development from this perspective is logically rational and has practical significance in practical life.

In fact, looking at the value of non-labor factors of production and its sources proposed by economists of the non-labor axiology school of value, the (production) practice activities that drive and carry the formation of the value of non-labor factors of production are precisely the labor of intellectual workers, such as enterprise managers, capital operators, land developers, and scientific and technical personnel, or at least the vast majority of non-simple manual laborers. However, the labor of this kind of subject, who owns the means of production and manages various types of capital, land, and other natural resources, scientific and technological innovation, and other activities, is formally different from the labor form of ordinary laborers as the subject, who directly acts on the object of (production) practice in the form of physical exertion, and thus manifests itself as the labor form of labor that mainly acts indirectly on the object of (production) practice in the form of mental consumption, but it is essentially the same human labor in the sense of human "abstract labor." "Thus, in the relationship we are studying, the elements (laborers) that have the ability actually to drive the means of production of society are constituted not only by wage and non-wage workers (intellectual workers) but also by the capitalists themselves who perform these technical functions of supervision and organization" (Louis Althusser, Etienne Baribar, 2017).

When we delve into Marx's own definitions of abstract labor, concrete labor, and labor, we can likewise find that their provisions apply not only to the labor of workers who do not own the means of production but also to the labor of employers who possess the means of production. It should be noted that, as Marx himself said, "all labor, on the one hand, is the physiological consumption of human labor. In so far as the same or abstract property of human labor is concerned, it forms commodity value. All labor, on the other hand, is the expenditure of human labor-power in a special purposeful form. As far as the attribute of concrete useful labor is concerned, it produces use value", "the use of labor power is labor itself," and "we understand labor power or labor capacity as the sum of physical and intellectual strength that exists in a person's body, that is, in the living human body, and which he uses whenever he produces a certain use value," "labor is first and foremost a process between man and nature, and is a process in which man mediates, adjusts and controls the material transformation between man and nature by his own activities." [Marx and Engels: The Complete Works of Marx and Engels, Vol. 44, People's Publishing House, 2001, pp. 60, 207, 195, 207~208.] However, as Marx discussed in those years, the labor of hired laborers who do not own the means of production is more labor that is mainly physiologically and physically exerted. It is labor that directly acts on the object of labor or the means of labor so as to distinguish it from labor that is mainly physiologically and mentally exhausted and is the labor that indirectly acts on the object of labor or the means of labor, such as capital financing, scientific and technological innovation, the management division of labor,

allocation of resources, etc. However, it must not be said that the labor of these laborers who produce special use value on this basis is not labor or does not have the substance of abstract labor.

The economists of the narrow labor theory of value artificially separated the labor in the broad sense and its production categories, thus laying the groundwork for Marx's extreme assertion that "workers' labor is the only object of value creation" and objectively prompting the labor theory of value to become more and more a kind of heresy that many people in the economy and society intuitively feel and does not conform to reality, which seems only to show the uniqueness of the Marxist theory of "abstract value." Suppose we can fully understand and recognize the self-consistency of the basic logical framework of Marx's theory of "labor value-surplus value" and deduce and extend its logical chain based on the basic principles to make up for the omissions that Marx failed to detect and fill in during his lifetime. In that case, it is necessary to develop and enrich Marx's relevant ideological achievements with a scientific attitude of seeking truth from facts and no longer excluding the subjects who own the means of production (capitalists, entrepreneurs, employers, etc., but in essence quite consistent) and the value created by their production activities. In Marx's time, to highlight the necessity of the exploitation theory in relation to surplus value, these generalized production activities that possess the main body of production and the value they create were excluded. Suppose we do not exclude the value created by these generalized production activities. In that case, we will give rise to the recognition that exploitation does not necessarily correspond to 100% surplus value because of the difference in the proportion of surplus value division between the two types of economic agents.

In fact, Adam Smith tentatively explained that the income of the practical subject who owns the means of production, which is distinguished from the wages of the workers, is the income of "special labor," for example, "the profit of capital is only another name for the wages of special labor, in other words, it is nothing more than the wages of supervising and directing this labor." However, he immediately found this way of understanding very tricky and "contradictory," so he proposed that "but profits and wages are very different, and two completely different principles govern them. Moreover, capital profits are not proportionate to the quantity, intensity, and skill of such labor's so-called supervision and command." [Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, vol. 1, chap. 6, The Commercial Press, 1972, p. 43.] In fact, if Adam Smith had been able to adhere to Marx's abstract view of labor and develop it but only make formal distinctions between the labor forces that carry the same abstract form of labor, such as the labor force that owns the means of production and the labor force that does not own the means of production, it is likely that Marx would not have been able to implicitly affirm that the practice of the subject who owns the means of production does not have the characteristics of abstract labor through the abstract labor concept proposed by Marx in the future and to form this theoretical framework that is inherently antagonistic rather than inclusive. If, as Adam Smith put it, the value of the two types of labor commodities is governed by two completely different principles, then we can use the skeleton of the same labor measurement formula but with different coefficients and units of measurement within it, in a form similar to the technical production functions that exist in western economics, such as the Cobb-Douglas production function. For example, the skeleton of the labor commodity value measurement formula of the labor force commodity value of the labor subject who owns the means of production and the labor who does not own the means of production all include labor intensity, labor time, and labor complexity. However, the labor commodity value measurement formula of the labor subject who owns the means of production also includes the amount of the means of production, the quality, and the size of the corresponding proportion coefficient (corresponding to the "distribution according to factors" law). In this way, it can be seen that, in fact, the practical subjects who own the means of production and the practical subjects who do not own the means of production also have the same abstract labor characteristics, and the technical form of measurement can be two different types of measurement formulas.

Since labor exists as a commodity in the exchange economy, a two-type formula for measuring the value of labor can be obtained here. First of all, assuming that the labor intensity coefficient per unit of time is S , the labor complexity coefficient per unit of time is C , the labor time coefficient is T and assuming that it is equal to 1, and the labor measurement coefficient of the laborer who owns the means of production should include the proportional coefficient of each coefficient and set it to S_1, C_1, T_1 , so that the labor value formula of a simple manual laborer who does not own the means of production can be measured as Sct , and the labor value formula of a complex intellectual worker who owns the means of production and is engaged in complex management can be measured as $Ss_1Cc_1Tt_1$, and the lowercase letters are the labor ratio coefficient of the labor measurement coefficient.

Accordingly, we can determine the value range of the respective labor commodities according to the price set matrix of all labor commodities in a period of time and use the magnitude of the s, t , and c determined before to work backward the size of the respective labor ratio coefficient of the labor force that owns the means of production, or use the previously determined s, t (here it can be assumed that t is equal to 1), to reverse the size of the labor complexity coefficient c of the labor force that does not own the means of production. There are two situations here: first, the labor measurement coefficient obtained by this backward deduction does not seem to be consistent with the objectively real labor measurement coefficient (including the proportion coefficient), which is likely to be because the market value of labor commodities is often affected by more complex supply and demand factors, and there is a value that temporarily deviates from the labor subject's natural labor value measurement coefficient and its proportion coefficient; second, the

coefficient of measurement of the natural value of labor and its proportion coefficient of the labor force that owns or does not own the means of production is also dynamically adjusted, and this dynamic adjustment often reflects that the natural value of the two types of labor commodities is subject to their respective market value fluctuations. Thus, it can be seen that the so-called natural value and market value of labor (force) commodities can be incorporated into a unified cognitive framework under the condition of changes in the structure of production factors, that is, the market value of labor commodities can fluctuate according to their natural value, and the natural value of labor commodities can also self-regulate with the evolution trend of continuously changing market value. From the above point of view, it can be finally reflected in the market economy society, the distribution according to work under the unified labor measurement formula (the distribution according to work here has a new connotation, that is, the market value of labor commodities needs to be adjusted according to its dynamically adjusted natural value) and distribution according to factors (the distribution according to factors here also has a new connotation, and its essence is that the natural value adjustment of labor commodities also needs to be self-regulated according to the evolution trend of its market value) can be generalized and reasonably form its inclusiveness.

Expanding on this, we can draw the following new understandings of surplus value. First, surplus value is co-created by the labor of wage workers and management laborers who own the means of production. Suppose the labor value created by the employed labor force that does not own the means of production is l_{work} , the labor value created by the labor force that owns the means of production and employs other workers is $l_{occupation}$, the surplus value is m , and the wages received by the worker are v , then $l_{work} = s(work) c(work) t(work)$, $l_{occupation} = s(occupation) c(occupation) t(occupation)$, $v = \text{labor value realized by the worker} = \text{value of the employed labor commodity}$, then $m = s(occupation) c(occupation) t(occupation) + s(work) c(work) t(work) - v$. It can be seen that Marx overestimated the surplus value created by the workers “exploited” by the capitalists, and underestimated the length of the necessary labor time of the workers. Second, the per capita exploited labor value of workers who do not own the means of production = $[Ss1Cc1Tt1 - s(occupy) c(occupy) t(occupy)] / \text{the number of workers who do not own the means of production}$, and the surplus value created by the management workers who own the means of production = $Ss1Cc1Tt1 - s(occupy) c(occupy) t(occupy)$. Third, the factors affecting the size of the deviation coefficients of V/l_{work} and $m/l_{occupation}$ are often relatively stable for a long period of time, and the factors affecting these relatively stable deviation coefficients are often diverse. In view of the complexity of the analysis, this proposition is the only one proposed here, and we will analyze and explain it further in the future.

It should be added that Marx, whether intentionally or unintentionally, neglected the investigation of the conceptual system of complex labor or mental labor in his theoretical system. Then, what is the result of the neglect of labor heterogeneity?

That is, the labor complexity of all labor commodities is the same, which will lead to the abstraction of the difference in labor complexity and become homogeneous. However, we can find that if this law is almost applicable in primitive societies or the ancient private ownership societies, in modern large-scale production and highly developed science and technology economies with a high level of evolution of technological change systems, the realistic environment of this assumption basically does not exist, so this theoretical model is not applicable. But this goes back to the problem of logical self-consistency mentioned above; if Marx emphasized the heterogeneity of labor, then his theoretical system must allow exchange value to be formed through utility value or exchange process, and this proposition exists and is rationalized.

Moreover, suppose Marx only focuses on acknowledging that labor productivity has risen and the value of commodities has only fallen without rising. In that case, it will also lead to the following understanding: if the rising value of commodities is also recognized, the problem of labor heterogeneity of the same type of commodity is involved, that is, the question of the creation and attribution of the rising value of this type of commodity. Has the labor of the workers become more complicated? However, in light of reality, the labor complexity of the workers directly producing this product has not increased in the same proportion or even has not increased at all. Or has the labor intensity of the workers become greater? Or has the labor of the leaders employing and managing the workers become more complicated, and thus, the value has also increased? If they all get bigger, who creates the bigger part? How is it distributed? This directly leads to the inadequacy of the axiological epistemic system that only a single agent creates the same commodity, and it should logically be transformed into a multi-agent axiology of the same commodity. Therefore, the so-called “exploitation” of 100% surplus value is difficult to hold. Obviously, intentionally or unintentionally ignoring the theory of multiple labor subjects and the idea of labor heterogeneity of the same commodity (ignoring the development and analysis of complex labor and mental labor) is a deficiency in the theoretical system, but it can be extended and compensated based on the basic self-consistent principle understanding of the logical framework that Marx has proposed. Suppose Marx’s economic analysis is to be further scientifically developed. In that case, it is necessary to further condense, enrich, and improve it in combination with the concepts of monopoly theory, utility value, excess profits, and technological change.

V. CONCLUSION

From the above analysis and investigation, we can draw a clear conclusion that is, the surplus value is not entirely created by the labor of the workers but co-created by the management labor of the employer (capitalist) who owns the means of production, the management labor of the professional manager (entrepreneur) and the labor of the workers. It can be summarized in two points: the conclusion that “the labor of the laborer who does not own the means of production and the labor of the entrepreneur (owner) who owns and manages the means of production can both belong to the abstract source of labor,” and the conclusion that “the source for the formation of surplus value, which is the essence of profit, comes partly from direct labor and partly from indirect labor (managerial labor).” This also provides a new way of thinking for the deconstruction of the theory of exploitation of surplus value.

Suppose the epistemic framework is formed along the most complete and logical chain of knowledge, qualitatively speaking. In that case, it should be that the “socially necessary labor time” of human beings (in both senses) determines the value of commodities (outputs). Among them, abstract labor includes complex labor formed by “multiplying simple labor” and the conversion of management (decision-making) labor, regardless of whether the subject of such labor has ownership of the means of production. These labor subjects include not only “capitalists” engaged in management activities but also “professional managers,” as well as “employees of enterprises with equity.” Under the shareholding system, the “unearned gains” that benefit the “rentiers” (those who receive dividends according to the equity norms) can be considered to be at least partly the “risk-reward” of the “decision-making labor” of “voting with their feet.”

Thus, “surplus value” is not a concept that can be summed up by “exploitation” alone. If we examine the practice with theory, it can be briefly mentioned that the “sweatshop” exploitation in the early years of capitalism has been curbed with the development of relevant institutional mechanisms, such as laws and regulations, social security, and trade unions. A more detailed, complex, and comprehensive analysis is needed to understand the possible factors related to the “dominance of capital over labor” (which may include some “exploitation” factors) (as shown by the basic conclusions pointed out in Piketty’s *Capital in the 21st Century*).

Of course, the above conclusions can only be explained in a more systematic and in-depth logical framework in a more detailed, richer, and complete way. For example, why is it that, in general, workers who own the means of production are more valuable than those who do not own the means of production, and workers who own more means of production than those who own fewer means of production, under the conditions of assuming the same labor intensity, complexity, and time, etc.? Furthermore, the analysis of the causes of surplus value by classical economists is based on the premise that “the activities of economic agents who own the means of production are not counted as labor” as presupposed and also includes intuitive deviations in the categories of propositions analyzed by Marx and Malthus. For example, the analysis on the causes of “the generation of surplus value” or “why surplus value, i.e., the income of the managerial worker who owns the means of production, is higher than the cheap wages of the worker, and to a certain extent ridiculously high,” has often been reduced to the overly simplistic proposition of “why surplus value is ‘inevitably’ exploitative.” This is only because under certain hypothetical conditions, the proposition does not have the inevitability of existence but only the probability, and the attribution bias caused by the omission in the original epistemic framework leads to further epistemic bias, that is, the complete separation of the epistemic path expression. Therefore, in the face of the practice of economic and social development after Marx’s death, regarding “affirming the role of entrepreneurs and promoting the entrepreneurial spirit,” “the functional role of science and technology as the primary productive force,” “the science of management decision-making,” and “the combination of distribution according to work and distribution according to factors,” etc., it is necessary for rigorous and truth-seeking Marxists that pay close attention to the advances in the concept of complex labor, indirect labor, management, and decision-making labor, etc. to consider based on the basic principle of “labor value-surplus value” revealed by Marx to reverse the cognitive bias in the framework of consciousness structure caused by the omission of items in Marx’s cognitive system, to draw a more scientific and comprehensive cognitive conclusion.

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