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## 7. *O valor oculto na acumulação capitalista* (19 e 20 de abril)

- Donald A. Clelland (2014) “The Core of the Apple: Dark Value and Degrees of Monopoly in Global Commodity Chains”. *Journal of World-Systems Research: Volume 20, Number 1* (pp. 64-81)
- Mark Selden, Pun Ngai, Jenny Chan (2013) “Apple, Foxconn and China's New Working Class: Political Economy of global production”. In: *The Asia-Pacific Journal /Japan Focus*, Volume 11; Issue 32; Number 2, Aug. (pp. 1-21).
- Maria A. Bridi (2014) “O Setor de Tecnologia da Informação: o que há de novo no horizonte do trabalho?”. *Politica & Trabalho*, Revista de Ciências Sociais, n. 41, Outubro de 2014, pp. 277-304.

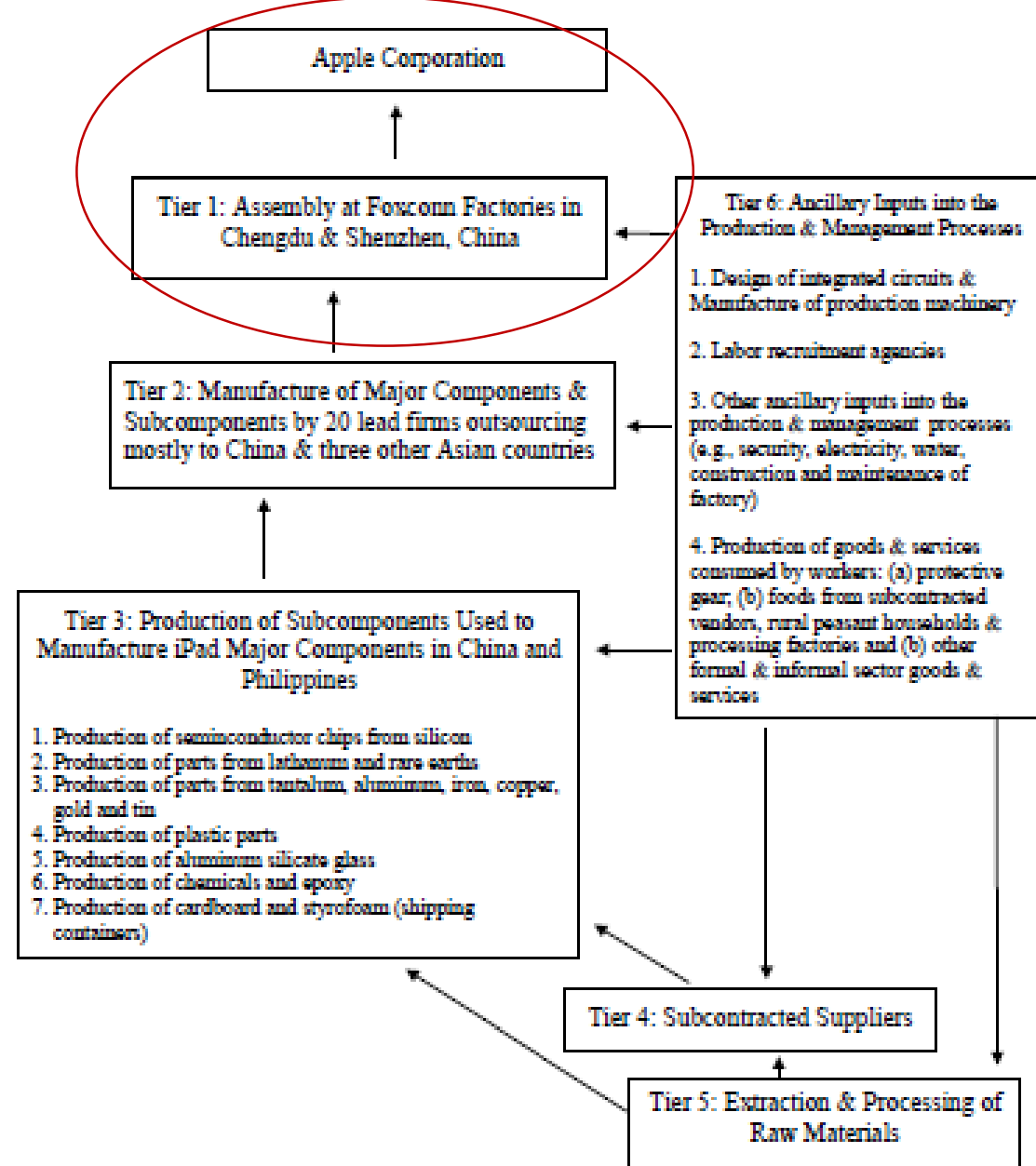
# O Valor Oculto na Produção Capitalista

Wallerstein (2009: 7) points out that “the basic effort of capitalists is to externalize costs, that is, to not pay the full bill for the inputs they use.” Such externalized costs are found at every node and every link of every commodity chain. Even though these factors are “uncosted” by the capitalist, they can be made visible in the money form. When a capitalist lowers wages to challenge competitors, the value of the reduction in labor costs becomes a form of dark value. If all the other costs of competitive firms are equal, the reduced labor cost has been captured as profit. In other words, dark value has been transformed into bright value. Should the capitalist cut the price to outmaneuver competitors, (s)he passes on the dark value to buyer(s) in the next node of the chain. The value of the labor input to the buyer is embedded in the product (e.g., a component part for the iPad) as dark value that can be captured by the buyer. However, the decreased wages are externalized to laborers as the need to undertake additional work hours to replace lost income that may be critical for household survival. This argument of dark value capture can also be applied to necessary costs of production for which the capitalist pays nothing (e.g., environmental damage).

# Matéria e Energia Escuras

Physicists now estimate that imperceptible dark matter and dark energy account for 96 percent of the universe and that dark energy determines the degree to which expansion can occur (Panek 2011). By analogy, I argue that **invisible human and natural energy flows are converted into the dark value that forms part of the basic structure of the world-system**. Like other surplus transfers that are embedded in all commodity chains, this dark energy flows from some locations and accumulates in others. **It is such relationships that allow us to identify some places, organizations and groups as core, others as periphery** (Wallerstein 1983, 1987). Arrighi and Drangel (1986: 11-12) contend that: **“Core activities are those that conquer a large share of the total surplus produced within a commodity chain, and peripheral activities are those that command little or no such surplus.”**

Figure 1. Supply Chain for First Generation Apple iPad, April 2010- March 2011



Sources: Analysis of Apple (2012), iPad teardowns, numerous NGO and company websites, newspaper accounts.

# Trabalhando para a Apple

“Why would suppliers concede to Apple’s demands? According to a small Taiwanese supplier, **a contract with Apple can send a supplier’s stock share soaring or even represent most of its revenue.** But working with Apple is not easy. Its engineers are uncompromising and it imposes a code of silence enforced with financial penalties for product leaks. And its history of cutting suppliers in a heartbeat helps create a “love-hate relationship” between Apple and the companies that build its products.... **Still, when the world’s undisputed leader in consumer technology comes calling, company executives often order their engineers to work around the clock (Boudreau 2012: 2).”**

# Capitalismo à moda chinesa

“In the neoliberal era, core deindustrialization has been stimulated by labor arbitrage, the global search for lower-waged labor to produce items to be sold at high prices in distant zones where wages are higher (Roach 2004). After the initiation of “capitalism with Chinese characteristics” in 1978 (Huang 2008), **China doubled the size of the world-system’s working class over two decades**. This project is an historic combination of development by means of (a) a vigorous program for attracting foreign direct investment, (b) expansion of export-oriented industries, and (c) the **semi-proletarianization of its rural surplus labor (...)**”

# Desenvolvimento Nacional

“Apple suppliers keep wages low because of **China’s intentional construction of a segmented labor market** (the *hukou* system of household registration) in which **migratory temporary peasant workers are legally and structurally inferior to urbanites** (Pun and Huilin 2010). These migrant workers are classified as **nonresidential workers** who form a “split labor market” (Bonacich 1972) of lower-paid temporary workers with few legal rights without social insurance and labor rights infrastructure, **the migrant labor regime is a safe haven for urban and industrial employers that thrive on cost-minimization**” (Fan 2004: 288). This “floating population” makes up **70 percent of manufacturing workers**, is paid wages below national averages, works 50 percent longer hours than other urban laborers, and is concentrated in massive industrial compounds that usually deduct from wages the cost of housing, food and health services (Foster and McChesney 2010).”



Apple conducted audits of 356 of its suppliers in 2010 and 2011, documenting wages lower than government standards, delayed payment of wages, wage deductions to discipline workers, and failure to pay overtime. With respect to worker wages and benefits, Apple documented that 2.6 times more suppliers were in violation of corporate standards in 2011 than in 2010. Because most production costs, including distribution and physical materials, are to a great extent inelastic, the only way factories are able to offer a competitive advantage is to lower... labor costs. First, workers are kept in probationary status in order to evade government regulations about wage increases. Second, a laborer who fails to meet the daily production quota is often required to complete the work after regular hours without pay. Third, disappearance of pay slips and under-reporting of work hours is common (Fair Labor Association 2012). Fourth, many workers are subject to a “dormitory labor system” in massive company towns (Pun 2007) where they are daily subjected to several forms of unpaid labor extraction (Fair Labor Association 2012; China Labor Watch 2012a).

**Table 3. Partial Accounting of Dark Value in the First Generation iPad Supply Chain, January 2010 - March 2011**

Basis	A \$ Cost per Unit	B U.S. Multiplier	C \$ Cost if produced in U.S.	D \$ Dark Value
<i>Part A. Dark Value Extractions from Waged Labor</i>				
Tier 1: Assembly	8	14	112	104
Tier 2: Production of Major Components	25	Range: 2-12	246	221
Tier 3: Production of Subcomponents	12	Range: 2-12	84	72
Totals	45		442	397
<i>Part B. Dark Value Extractions from Professional, Managerial, and Indirect Production Costs</i>				
Tier 1: Assembly	5	8	40	35
Tier 2: Production of Major Components	20	Range: 3-8	123	103
Tier 3: Production of Subcomponents	10	Range: 3-8	47	37
Totals	35		210	175
<i>Part C. Totals for Both categories of Workers</i>				
All Workers	80		652	572

# Inovação + Superexploração do trabalho

“At a 2011 White House dinner for CEOs, President Obama asked Steve Jobs, “What would it take for Apple to bring its manufacturing home?” The Apple CEO replied: “**Those jobs aren’t coming back**” (Duhigg 2012). These empirical data help us understand Jobs’ response to the President. Bringing iPad assembly and production to the United States would eliminate Apple profits and/or raise the iPad retail price significantly. **The Apple success story of design innovation is dwarfed by the financial significance of its capture of underpaid waged labor. Whatever the value created by design, it can hardly match the significance of cheap labor.** The waged workers in the top three tiers of suppliers add \$397 of embedded dark value to each iPad. Without those inputs, Apple’s \$106 operating profit margin would not be possible because the hidden savings from cheap labor is nearly four times greater. Consequently, **Apple’s Jobian innovation nirvana means little without cheap labor.** The company’s degrees of monopoly at maximizing Chinese dark labor value are as crucial as innovation to its ranking as the second most profitable company in the Fortune Global 500”.

**Table 4. Underpaid and Unpaid Externalities in the iPad Supply Chain (China Only)**

Basis	A \$ Cost per Unit	B U.S. Multiplier	C Dark Value: \$ Cost if produced in U.S.
<i>Part A. Household Labor Externalities</i>			
Household Production of Labor	7	9	63
Daily Household Unpaid Reproduction Costs	12	9	108
Total	19		171
<i>Part B. Underpaid and Unpaid Informal Sector</i>			
Informal Sector Services	16	9	144
<i>Part C. Unpaid Ecological Externalities</i>			
Pollution Externalities	19	10	190

Sources and Notes: Multipliers in Parts A and B are based on minimum wage rates. In China, the informal sector wage is close to the minimum wage (Yu et al. 2008), which in China varies by region. I used Shanghai's rate \$0.80/ hour which is roughly one-half the manufacturing wage. The multiplier of 9 is the multiple of the U.S. minimum wage (\$7.25) compared to the minimum wage for China. My multiplier for household production of labor is much lower than one based just on expenditures of the lowest of three income categories in the U.S. (ca. \$9,000 per year), a multiplier of 15 (Lino 2012:10). Additional details are supplied in the text. Numbers are rounded.

On the other hand, these hidden workers provide local dark value to low-paid waged workers who, in turn, embed that dark value into the export commodities they manufacture. The daily life of the peripheral wage earner entails unequal exchanges in which one hour's earnings are used to purchase goods or services that require greater labor time from cheaper producers. **At iPad factories, Asian workers expand their income by purchasing cheap meals, goods and services from lower-paid informal sector vendors that ply the streets near their factories (Pun and Chan 2012).**

The Chinese state uses its monopolistic control of its labor surplus to provide a degree of monopoly to entrepreneurs who, in turn, sell this advantage to core capitalists. **The scope of the sale of cheap labor is so great that it allows for both a large external surplus drain and a large semiperipheral accumulation,** an historical economic precedent still under-theorized. It represents a new regime of global accumulation, but it has in common with previous core-periphery relations the gift of cheap labor. Apple's iPad price is based on this gift. It is the core of the Apple, and **the core of the Apple is the historic core of the world-system: the drain of surplus from the (semi)periphery, largely through the drain of the value of labor power.**

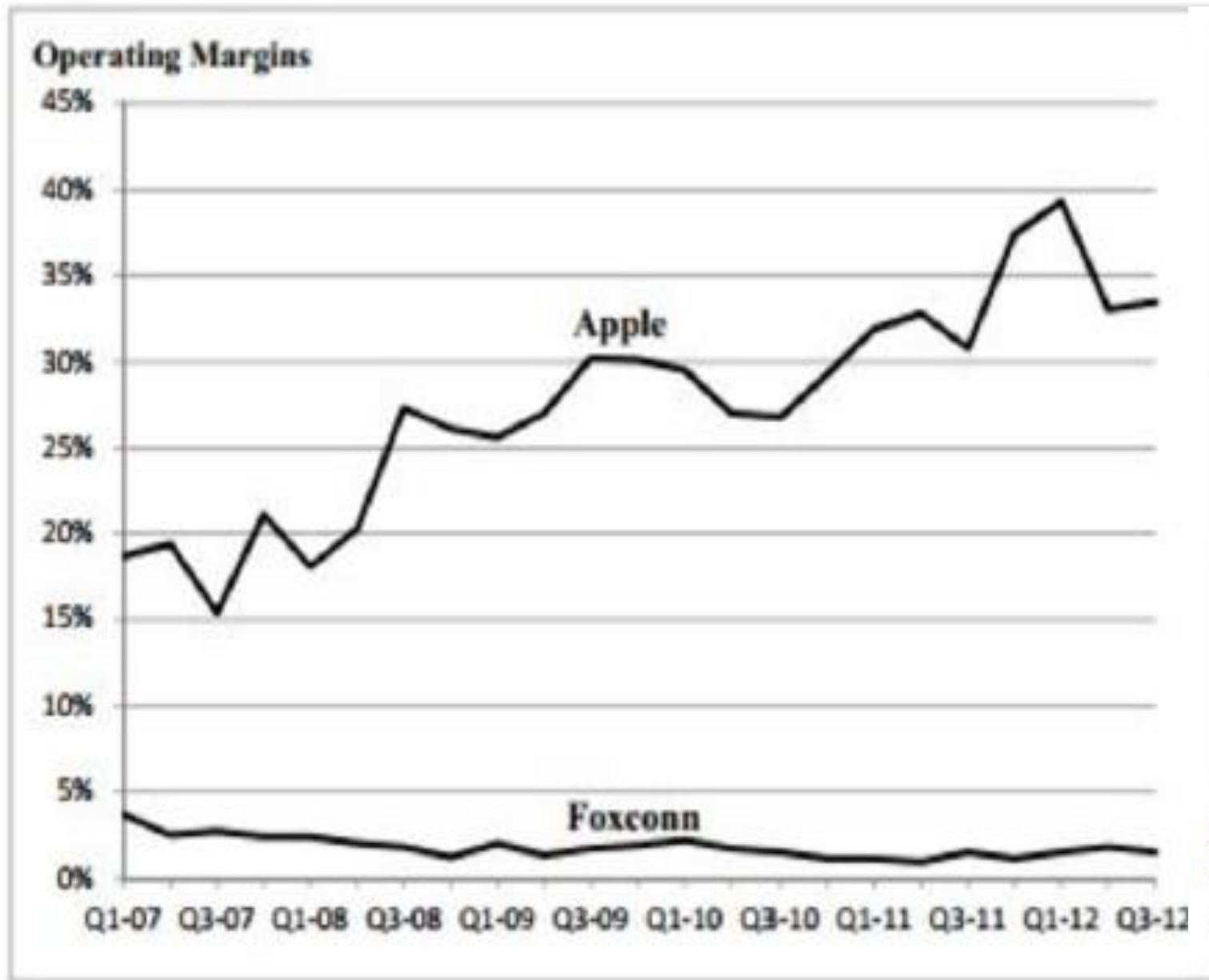


Figure 3. Foxconn locations in greater China. *Source: Foxconn Technology Group (2013a).*

- Foxconn, not unlike other foreign-invested factories, adjusts basic wages and recruits mostly teens and young adults to run the assembly lines. 'Over 85 percent of Foxconn's employees are rural migrant workers between 16 and 29 years old', according to a senior human resources manager in Shenzhen.



A Letter to Foxconn CEO, Terry Gou,  
If you don't wish to again be loudly woken at  
night from deep sleep,  
If you don't wish to constantly rush about  
again by airplane,  
If you don't wish to again be investigated by  
the Fair Labor Association,  
If you don't wish your company to again be  
called by people a sweatshop,  
Please use the last bit of a humanitarian eye to  
observe us.  
Please allow us the last bit of human  
selfesteem.  
Don't let your hired ruffians hunt for our  
bodies and belongings,  
Don't let your hired ruffians harass female  
workers,

Don't let your lackeys take every worker for the  
enemy,  
Don't arbitrarily berate or, worse, beat workers  
for one little error.

\* \* \*

You should understand that working in your  
factories,  
workers live on the lowest level of Chinese  
society,  
tolerating the highest work intensity,  
earning the lowest pay,  
accepting the strictest regulation,  
and enduring discrimination everywhere.  
Even though you are my boss, and I am a  
worker:  
I have the right to speak to you on an equal  
footing.

# Orientações para o Ensaio

# Ensaio? (Discussão)

- Parte de um problema, uma polêmica, uma ideia ou proposição, uma premissa teórica, uma hipótese, o senso comum;
- examina argumentos e evidências já existentes (literatura);
- elabora novos argumentos e/ou corrobora algum dos existentes; apresenta outras evidências (pesquisa);
- conclui (mesmo que inconclusivamente).

# Detalhes que importam:

- Introdução, conclusão, divisão em seções e subseções, título: quando e como usar?
- Referências bibliográficas e notas de rodapé; (adotar um único padrão)
- Citações e remissões; (aspas, referência mais completa possível, incl. Página;
- Revisão ortográfica e de estilo;

# NYT Foxconn Workout 2012

- <https://nyti.ms/2k6E0SI>