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[00:00:00] Aurora: Hello and welcome to the Aurora podcast, an analytical podcast in the historical materialist tradition published by the Aurora association. Today's episode is a recording of a lecture given immediately after and in connection with the association's annual meeting, held on August 1, 2005. As you can hear from my voice, we went out and had fun afterwards. Not fully recovered since then. The speaker we are going to listen to is David Zacharie, Senior Lecturer at the Department of Information Technology at Uppsala University and member of the Aurora Association. If you want to know a little more about David, you can read directly from his page on the Uppsala University website. Han är en Associate professor, Division of Systems and Control and Coordinator of the Machine Learning Arena, Research, interests and cloud statistical machine learning and signal processing, decision theory and casual interference, localisation and sensorfusion. But in a more direct Historical Materialist context, he is perhaps best known for his work on applying the labor value theory in concrete analyses using statistical methodology and detailed empirical evidence, including in the book How Labor Powers the Global Economy, which he wrote with Emmanuel, Deffar, John and Moshe. Make over I hope they mention one. But he is also known for collaborations with Paul Cockshot, among others, who has been interviewed on the podcast before and. We have discussed a lot about him and the circle around him before. The lecture that David gave to us was under the title A Modern World of Work Theory, and it had the ambition to explain how modern methodologically developed theory can be used to apply work value theory in a scientific and applicable way. Overall, the Annual Meeting was a success. The board was re-elected and future plans for the association were discussed and we hope to reveal. Develop historical materialist thinking in even more formats.

[00:01:55] Aurora: A podcast and study circles to come. But you non-members will just have to wait and see what those plans are once they are realized. We also have to admit that we have a bit of suffer from success, they say. As regards the study circles. We have received many digital participants. These participants have of course enriched the circles and been a very welcome addition. But we're in a situation now where it's difficult to really take care of everyone and create sensible circles when there are so many digital members. So I guess it's just a little announcement. About the fact that we may pause some podcast participation digitally until we can at least broaden a little who participates physically, which we have reason to believe will be broadened quite a bit now after the summer. More than that, we can say a little for the future of the podcast, that it is unclear whether we will be able to maintain the fairly good pace we have kept. Our ambition has been to release an episode every two weeks, and on average we've done about that this year. We have released 22 episodes in one financial year, so that's a little less than an average of two episodes per month. But it's for the simple reason that, although you may hear it in the background. But that both I and Viktor Johansson have become parents of young children. So we'll probably do a bit more on podcasts when there is an opportunity. Will be a little less routine that way. But you shouldn't paint the wall, it can be as much as before or less. Or somewhere in between. We'll just have to see.

Enough about that. Here comes David Zacharie with the lecture A modern labor theory of value.

[00:04:04] David Zacharie: But thank you very much for the invitation! So I'll try to say something about the labor theory, some kind of relevant version of the modern version of it. And since this is Aurora, I guess I have some kind of historical atheistic approach to it. Unlike the conventional, we might say. A little background just to put this labor theory thing in context. There is a long discussion going back to basically classical political economy around what is economic value and how is it distributed etc. But here we have one of or. Clark is one of the grandfathers of neoclassical economics and he makes the argument here that the distribution of income in society. Follows. If only market logic is allowed to follow its natural law of nature, it will be distributed according to the extent that different actors contribute to prosperity. This is formalized in various mathematical ways such as margin, wages, etc. But this idea is pervasive in much of classical economics. Distribution. And there is also. What does creating and generating wealth mean? What is this prosperity being measured? For example, if you fast forward 100 years or so, you have. Can you illustrate how deep this is in the general cycle of. The modern economy. Here we have the CEO of Goldman Sachs being asked basically why. How is it that you are paid so much? Paying high wages in mortgages. One explanation is actually that those who work with them are the most productive in the world.

[00:05:58] David Zacharie: It follows the same logic as Clark has said. This is what I am trying to illustrate here. That the theory has become some kind of nerd topic. Actually, completely irrelevant. But it has a context that was highly relevant. Political debate. The one in the 80s wrote a book in the background about who produces value for the UK. This had a major influence in the economic debate around Thatcherism. And what is the productive sector of the economy? There was a lot of argument around the fact that they have too large a publicly owned part of the economy that is not productive in any sense, and that's the issue. Then this discussion has come up again with, for example, Mariana Masken's book The Value of Everything. There is a long discussion on various theories about what is valuable. How to measure it? In the Swedish context we have. Niklas Blomqvist at LO Economist who has written a book on the value of work. Unfortunately, I haven't read it so I can't say much about it. But when I listen to podcasts about it and it's inspired by Socrates' discussions so this is very much alive, both policy, practice and political discussion. It is intertwined with both technical economic theory and normative economics, and with arguments that are entirely metaphysical but which are very difficult to weigh up. I'll try to be in context with this. If I were to say perhaps a general conclusion, namely that it is clear I can do it without having an independent economy of my own, it is impossible to form an independent program.

[00:07:44] David Zacharie: Okay, this might not be something many people agree with. On economics, politics, finance and pure physics. Then you would converge to some kind of core and then you could all, all develop your own political programs. But I would argue that the whole framework that we provide starts with questions that influence

what policy programs you then articulate in this context. The labor movement's own political goals were a hot topic in the early 19th century. I'm going to try to give a different approach to this than trying. The word value is extremely loaded. Extremely difficult to try to have a rational discussion about what is valuable. Why not start there? We start with a different starting point to come to a conclusion of what are reasonable definitions of value. But one approach to history is to start with the basis of history, namely the idea that economic systems have different dynamic laws, and they are distinguished above all by the way in which labor is extracted. The people working there may have different ideas about what it should be but how it is done. But this is a central core of the story of tourism. That the way in which work is extracted determines a great many other aspects of the economy and social development in general. If you are going to take this input seriously, maybe you can get some data from Statistics Sweden. Last year, 2004, approximately 8 billion hours of work were extracted.

[00:09:23] David Zacharie: And it's under certain conditions if you're going to follow this historical materialist idea that it's under conditions, that the productive assets are concentrated in the hands of a few and that those labor hours produce things that are largely distributed through market exchange. If you follow Clark's idea, this distribution should be done according to the contribution made by different actors. Work. Capital, friends. But that's not where at least the political economy of the labor movement was based. It was just to try to argue in various ways that the people who do the work are the ones who should determine the outcome of production and that they should be defended against, as Hodgkins wrote long ago, claims of capital. So it has been. If you take Marx's capital, it is actually in the context of a much longer historical debate or practical political discussion about the exploitation of labor and economic conditions. I can say something about this presentation that has a more narrow background, namely. A book written in the 1000 90311 tradition of Marxist political theory, but which provided completely new tools for studying political economy that we can discuss afterwards. But it was like a revolution in the concepts of Marxist political economy, that is, understanding the economy in statistical terms. But we can come back to that later. The book is called Loss of Chaos, written by Fadon and Make over make over. Another context very famous Israeli British mathematician and his he and a group of Palestinians and Israelis.

[00:11:16] David Zacharie: Together they create it. An educated group from the Israeli Communist Party who previously in a class based economic analysis of Israel as a settler state. It was unique at the time. He is still alive and not long ago we wrote a book together called How Labor Powers the Global Economy, which is a kind of extension of this book. Okay, this is some kind of background. Feel free to ask questions about what is not clear. The idea here is that I'm not going to talk about the world, I'm going to start with something much more simple and then we can talk about it at the end. But if we start with a question about what governs much of our daily lives and the economy in general is wages, prices and profits. If we think about income, something that affects everyone, we come to a distribution of income and wage income that has a spread. This can be

studied at a certain point in time, but one problem is how to compare over time? Just ten years ago, things looked different. There were other figures, what was the average income and so on. What do you do then? Well, typically they say. To be able to compare over time, we take a large basket of products, goods and services and then we try to have a fixed basket that is basically identical to that of ten years ago and then we compare the income with that basket.

[00:12:52] David Zacharie: This is how they try to measure real income. It is extremely difficult when you go back just 20 years. There was a product that wasn't in iPhones and things like that, and this is a challenge to try to find the right standardization. Sometimes you count, then you switch and suddenly the number is completely different. And so on. But what we're going to do here is provide a kind of yardstick that has, that allows things to be compared over much longer periods of time and even across, say, regions or spaces. Starting with one of those baskets that SCB usually collects. It could be shoes, haircuts, blablabla. Lots of different products, goods and services. One thing that unites them is that they are all direct or indirect products and human labor. Then you can imagine that you are measuring the size of a basket. Not just in terms of how many products happen to be in this basket. If it is ten products and 20 products, but in terms of how much resources are used to produce it. Here it goes on average. This is no longer the case. Abstract as it usually is when talking about this 20 years ago. Now you can talk about things like the carbon footprint. Do people have an idea that a certain amount of carbon dioxide that went into creating this car, for example, that a mass in production stage back that creates, that has carbon dioxide emissions that results in the car.

[00:14:18] David Zacharie: You can take other resources too. Water. Steel was a universal asset that goes into virtually every production process and one such is the labor input. It is a universal input factor. It basically includes everything in a different way, but also unique in that you can. You can even if oil or electricity is needed for almost everything in Sweden. But you can. You can. You can use labor time to build new power plants, but it is difficult to build, operate power plants and build new workforce so that the workforce has a specific role in. As an economic resource. It can be mobilized to create other resources. But the reverse, right? And it is so. In any case, work effort is a unique input factor in which we can measure time. So if we take a basket of all sorts of products that make up a standard of living, we go into ICA and buy a bunch of things spontaneously or whatever they are, then we get a certain amount of labor time to reproduce or create that basket for example, so we can measure a basket. In this basket, the size has 20 working hours. It took 20 hours. On average, it produces this. If you need to pause for a moment. This is basically what Ricardo Smith Ricardo defines as the value of work. They talk about value in principle, but it's the average amount of work that goes into it.

[00:15:47] David Zacharie: Then you can do the qualification. But in principle, this is what classical political economy takes as economic value. Reproducible products with working hours. And that's the one Marx follows too. But now we will deviate from the representation in

capital and try to establish a kind of bridge between this measure, the yardstick, labor content and prices of baskets. So firstly if we go. If we go and buy lots of different things and buy bananas at ICA or milk packages, it can vary both from one purchase to one store to another. This price cannot be seen as just given things, but they have a range at the macro level, at least a range of unknown variables that allow them to simply vary. Now we are introducing an idea that we will be able to measure the price of a basket. How much does it cost? And because the basket can be of different sizes, we can measure the price. Let's say in. How much does the basket cost in dollars per hour of work for this basket? If you think about it, you can start to see that people choose different baskets. If I take just different products, there can be a huge spread. If I just go to ICA and buy certain things or go to Biltema or get a haircut, the different products can cost a lot different per hour of labor input. So the first thing here is that there is no direct link between market price and labor content.

[00:17:32] David Zacharie: It can vary randomly. At a macro level, it can vary from one transaction to another. But what becomes interesting for the analysis at the macro level is that if I say I don't just take random transactions that I happen to study, but take a big basket, a sample of what is exchanged in Gothenburg, then some structure starts to emerge. So if I take a sample of the last eight purchases in Gothenburg, then I might see okay prices on the baskets, 520 SEK per labor hour. But the larger this basket is in sample, sample the basket more products happen to collect in Gothenburg right now, the more stable this figure becomes. It becomes a figure of how many crowns per hour worked. This is what you can use to start studying a range of things really. This was one of the innovations from Do we make Falun look this way. What happens is to take a huge sample, collection of transactions and things bought and sold in Sweden or larger regions. The point is that a large economy, as you do, need not be a small local economy, because there is a result that says that the price of the sample basket is not just anything, but it is basically the average hourly wage in the country or region, divided by the wage share of total income. So what does it mean? It's quite abstract, so let's take a concrete example.

[00:19:09] David Zacharie: If we take Sweden in 2004, last year the average wage was about 249 SEK per hour and the wage share about 60%. So about 60% of all income goes to wages. What does it mean? If we follow this form, it says to take a large sample collection in Sweden. So, the price of this big basket, which is random to collect, will be about 415 SEK per labor hour, that is, per hour. The working contents of the large basket will cost approximately 415 kr. In other words, so that I can convert any price into how many labor hours there are in large sample collections. This links labor content to market price. Now there is a bridge between these, a bridge between these two different ones. Measurements. One measure is working hours, measured in workers hours and the other would be Swedish unicorns or dollars or whatever you want. Two seemingly different things, but linked in this way in the great big collections of baskets of products and services. This is about someone who is not interested in the history of ideas. So there are these kinds of ideas that Marcus touches on in the

capital, but he doesn't really have the tools to be able to formalize in that way. At this point, that kind of statistical theory does not exist, at least not as clearly formulated. So for example, if you go by these figures. If I have 05:00 bucks in my pocket.

[00:20:57] David Zacharie: Then I could walk around. If I just buy things randomly. Or a large, large collection of goods. All sorts of things that I buy at various shops. Then I could get one. Then I would be able to buy a work content equivalent to twelve hours of work approximately. This disconnects a way of seeing money from working time. Now we have a completely different yardstick than a fixed score. Now we say. If we draw random baskets or large diversified baskets of products, we can say something about how much they, how much labor they require. And it also allows us to start looking at incomes in terms of how much work they can buy. How much labor content a monthly salary can buy. This is a completely different way of understanding real income than fixing a fixed basket and saying compare to it. So that purpose is different purpose than looking at how many fixer-uppers can buy. How much work content can I buy? Okay, so now the interesting question becomes. What does purchasing power mean over labor content? I'll try to make it clear that there are a lot of implications that follow from this. Much of Marxist economics will follow from this very simple starting point. So obviously, any greater income should mean greater amount of labor content that I can buy. Is trivial. If we take the specific example of the median wage in Sweden. And if you go by Statistics Sweden figures. If you work 40 hours of work. This gives you a purchasing power of 21 hours of work.

[00:22:36] David Zacharie: If you work with the median wage. So now we should be able to express wages in terms of how many hours you get, so to speak, in work content. This gives a completely different picture of how resources are distributed in an economy. Yes, that was an interesting thing that I think conventional market economics doesn't handle well, that it can study what happens within the wage-earning class. And of course it can study the distribution between economic classes. But this will show things that don't appear in the first volume of the capital. But if we take it as an example. Here we have taken data from Statistics Sweden last year. If you work 40 hours a week and look at Statistics Sweden's various occupational categories, look at the lowest wages, a childcare worker should get 40 hours a week in wages, 15 hours in work content, care assistant 16 hours. If you move up a little more in these occupational categories. Miners get 25 to 27 hours of work content for a 40-hour work week. Okay. Okay. I can say as an aside that the median wage for a 40-hour working week was about 20 hours. So you get about half back. This is quite a remarkable figure, because it is exactly the figure that Marx uses for capital. The fact that the wage share is 50% in principle means that it is about 50% stable over. Over the centuries, an economically stylish factor that doesn't really have an explanation as to why. Why is it about 50 50 and not 90 ten or 80 20? It is rather 50, 50, 60, 40.

[00:24:36] David Zacharie: This division between work and non-work. We'll come back to that division later. But okay, then we have. Now we have real wages in terms of labor content for say conventional blue-collar occupations. And they're all under 40 hours, of course, as

you'd expect from Marxist theory. But this is a little less obvious if you look at the highest paid professions that have civil engineering occupations, such as mechanical engineering. You get 30 hours for a working week. But in some categories of professions, certain things start to emerge that you wouldn't expect from Financial Analysts get for a working week 42 hours back. That is, they work 40 hours but get 42 extra hours, so to speak. And do you go up then? CEOs over 53 hours and managers in banking, finance and insurance level one as it is called according to Statistics Sweden as it is the highest category, receive 91 hours their salaries 91 hours of work content for working a lot. A working week is 40 hours. This must mean in terms of purely how much life time one devotes to work. This is how these people net out from the other working people quite obviously. And it's a concept that you won't find capital in the first volume. Okay. Okay. Now we can go back. By looking at this category. Can we go back to this distribution of wages and study in terms of labor content instead of nominal Swedish kronor.

[00:26:20] David Zacharie: If you do that, the distribution looks something like a skewed normal distribution. It is skewed in the sense that most people or most people earn below the average wage, which is not obvious to people who can, who can't so to speak. The distribution of funds feels like it should be the average, but it's not. It is the median that is so to speak 50% a month and means can be higher than the median and that of salary distributions. And all such types of distributions are always so mean higher than the median, that is, the distribution. Another way to say the distribution is skewed. So there is a small tail of people who earn extra compared to everyone else that pulls up the average. But if you look at the distribution of wages in terms of work content, there is some structure. On the one hand, you have the skew, you have a part that is below the median, that is, it is the 50% worst paid or lowest paid of all hours worked and they end up in Sweden then per hour worked, so if they are below about an hour, they get about half back and lower, so nothing more than half. If you work 40 hours in this half, you get back the work content about 20 hours and below. Allt under det. But then there is this category that does not fit into the first band, namely a tail of salaries that are like net, so to speak, more than what they give or contribute.

[00:28:01] David Zacharie: Those who have One can show that these wages must be wages, interest. What is the reason for this? It is only possible to get this figure because 50% of the population is 50% of wage workers cannot get it. It is. It is denied to the rest. It's the only way they can get these extreme wages. That's a point I'll make, but it's simply one way of understanding wage rates. An exclusive part of labor income and nominal. This threshold is approximately SEK 70 0 per month. So that's about where you start earning work content that goes beyond what you actually put in. A distribution has a center of gravity. That is what the mean is and what is interesting about this wage Per in terms of labor content is that this center of gravity in the distribution the mean happens to correspond to corresponds exactly to the wage share in the economy. So in other words. Where the center of gravity is located does not only determine the overall share of wage workers in the economy. It therefore also determines what the

rest of the economy gets. Capital income and all other income. So the distribution of wages expressed in labor content says something about the distribution between classes. Also this is. An explanation that I have not seen before, namely that do you have the skewed distribution that you are talking about and have a tail with which have wage rates then? Put it this way, if we are to pursue a policy of wage solidarity that pushes up the lowest paid so that they get better and more homogeneously, so to speak, what happens under this kind of distribution? Then it turned out that the distribution of weight must also be pulled up, i.e. the wage share must go up if we are to improve for those at the bottom.

[00:30:00] David Zacharie: There is. There is only so much room for wages. Equality. If it rises, then the conditions for the wage share also rise at the expense of the capital share, for example. This is also the reverse. If we are to reduce the wage share or increase the capital share, then we should also reduce wages. Equality. This is linked to a discussion on the solidarity wage policy, which was an active issue in Sweden for a long time. This connects two things that are not entirely obvious, namely. Wage dispersion within the working population affects the distribution between classes. A question that is. Natural for the trade union movement, but perhaps a broader Marx theory. Hasn't this been a natural part? Okay, so now we have some tools to discuss both distribution and a measure of economic income, in this case labor content. Now we can try to make some claims about the dynamics of these issues. If we look at the purchasing power across the whole of what was created in 2024, it equates to around 8 billion hours of work. It is thus extracted in workplaces and under different conditions. If we have a 60% wage share and follow this labor content and logic that was before, then the remaining percent, 40% must have been dedicated to the non-working classes or institutions.

[00:31:33] David Zacharie: So entrepreneurs or non-workers? They have devoted some 3.2 billion man-hours as arguments in Marxist economics. This is time over which paid workers have no control. It is at your disposal. So now you can weave this slightly more narrow technical issue of work content and how to measure income into a larger issue of classes within and between classes. How deposits affect it. Now we can see understand class position also in terms of how different income types or ability to earn an income or livelihood work in different ways. We have salaries obviously, but now we have seen dispersion within salaries. We have capital income and we have the remittance and the remittance can break down into different types as well. But this is a quantitative tool for class analysis. As you can. So you can refine the analysis too. Somewhere it is complementary to a kind of Erik Olin Wright analysis. It could be expanded with a quantitative side. And one way to look at this is the profit motive or the pursuit of capital income. That's if you're going to maintain a healthy capital income. So do you have to? It cannot be separated from the extraction of labor content. If we are now measuring capital income, as how much labor content I can acquire. It is a question of whether I, as a capital owner, earn a certain amount of money, and that corresponds to what it is for many hours of work.



[00:33:25] David Zacharie: What is it that changes this purchasing power over labor content? One conclusion one can draw here is that as soon as you look at any income income groups which one you choose. If we, if we understand it in terms of labor content, then we can conclude that obviously can not earn more. I cannot increase my real income faster than the working population. Because then I have more working hours available than can actually be delivered in Sweden in 2025. This puts an upper limit on the distribution of who can get what. This is the amount of work that can be extracted. This puts a lot of limits on how much people can earn from how the financial sector can earn for example. Spontaneously, it feels like you can earn as much as you want. It's just paper money. So what is the limit? But hefty in terms they cannot earn by a certain amount. They can only increase a certain amount. And as we do in the book. I show you this one, for example. If you have a large portfolio, stock portfolios and other financial assets, it cannot grow more than a certain percentage of population and productivity growth. So there are different ways you can increase your work content. One direct route is of course the conflict of direct income and what we have seen in the past. If you make it worse for the worst half here, I will take more paid work with me.

[00:34:50] David Zacharie: The wage share which makes the capital share go up so that increasing the capital share of total income is more related, is related to worsening for them increases wage dispersion. They are not separate, separating only because of the tail. In general, this is an illustration of pushing down the lowest paid strata. An indirect route is price inflation and that is that purchasing power is radically impaired by a principle that those who sell certain things, product types, can pull up their prices and wealthy able to do so. We have seen this in the aftermath of the Ukraine war, in particular the pandemic. So the supply side has some shocks. You can charge huge prices. It's just a redistribution. This is perhaps one of the most important underlying factors why we can. You can change how much labor content different incomes get, and that is that the labor content of different baskets of products goes steadily down. So if you take a large, diverse, diversified basket and study its contents over time, you will see something like industrial capitalism. So every 25 years, the work content is halved. So if it took 20 hours to produce a bunch of stuff 25 years ago, it now takes 10 hours. And in 25 years will take 5 hours approximately. And for some mass-produced goods like Samsung TV. This kind of thing goes even faster pace. But then there is the other extreme. Haircuts have never changed in 50 years. Some labor-intensive sectors. Service sectors. They change nothing or very little. Same with education.

[00:36:44] David Zacharie: You cannot improve the work content of a one-hour maths lesson. It will still be about an hour. But this reduction in labor content is, as we argue in the book, also the central dynamic force behind it. Everything that shifts is a lot of things underneath that are not under your direct control. It can be accessed. There are shifts in the distribution of employment and all sorts of things that the content of work has as a consequence, but which I do not have time to go into now. The important thing, or perhaps the result that was laid by us, is that so fast. How to get no

one sitting and measuring work content? Why is time being reduced? It can be shown that there is a statistical consequence of focusing only on prices. Reducing prices systematically at several stages or steps of the production process. What squeeze costs are constantly coming. Will most likely lead to a shrinking of the work content. So it's an indirect unplanned consequence of cost pressures. But this also means that in terms of labor content, the pressure on purchasing power in wages is shrinking and decreasing all the time, because if you remain at a certain level and decrease all the time, so to speak, wages shrink. In terms of work content. So you have to push up wages at the terminal rate, otherwise you get less and less pay in terms of labor content. But what is particularly interesting from the point of view of the first volume of capital is that if the content of labor is constantly decreasing.

[00:38:23] David Zacharie: But if there is a level at which we see a reasonable standard of living, whatever that is for a basket of products that think this is a standard of living, whatever that might be basic food, medicine, housing. What if that basket also decreases in time? Then the bottom also drops out of what is required for survival. So necessary work also shrinks as the labor content of these products goes down and medicines become cheaper, food cheaper etcetera etcetera. And that means that the bottom level of the wage distribution also has a downward pressure on it. This is a discussion found in the first volume of Capital, for example, but not in terms of the distribution. This makes it harder to resist the downward trend, because as soon as you get people into the labor market who can take the lower wages, the protection, so to speak, is lower and lower as well. They can take such a salary for it. In terms of work content, it can be down to What can it be in the US? The minimum wage is roughly equivalent to seven hours of work per week and could be halved to 3.5 in 25 years. What it means is a huge transfer from those working to those not working in the other groups. If you work if you have 40 hours and only three, dedicate yourself to it. The rest you have just worked for free for the rest. Which you have no control over. A comprehensive way of looking at this. How real income in terms of labor content changes, partly by how much nominal income can increase, partly price inflation which lowers so to speak how much you can buy and that productivity which is not measured locally within any firm but the whole economy, but the whole labor content of a large collection of goods if it is at three different rates, prices or wages or incomes, price inflation and material productivity.

[00:40:27] David Zacharie: If, for example, wages are increased by 6%, price inflation is 2%, as it might have been before. But productivity is also at 3%. Then what is left, so to speak, in terms of real purchasing power, is purchasing power. Growth will be 1% per year. But if inflation is very high, it can become negative as it has been. That is, those who work get a smaller share of Work Content back. This inflation thing is a way of understanding how all the time. The financial sector or measures can try to secure their income by. Actually, it is. In terms of labor content that secures its income as soon as inflation soars, ensuring that nominal income compensates for it. There is one more question that. I think Anders' question about earlier, namely how to relate to productive work that has been a long

discussion in classical politics, economics and Marxist political economy in relation to our work here that I'm talking about now. One way to look at it is that this basket of goods that determines a standard of living, a reasonable standard of living that people accept, it requires some labor content.

[00:41:48] David Zacharie: But obviously not everything possible goes into that basket. They are not Bofors weapons for example. They are medicines. It can be. It could be the work content too so to speak. A simple procedure that counts as a standard of living. In other words, what determines a standard of living involves only certain work processes, and it is only improvements in those work processes that can reduce the necessary working time. This lower limit that I talked about earlier, this is related to Marx's idea of relative surplus value. What is it that can create it? So this means that if Bofors become more efficient in their production, then their improvements do not contribute to the relative surplus value in Marx's theory. That is, they cannot reduce working hours in Sweden and there are other sectors that do not reduce the necessary working hours. And in Marx's sense, they cannot produce relative surplus value. This is the basis for a more, in my opinion, rigorous theory of what productive work actually is. It goes back to ideas that Smith had that a capital owner becomes rich by employing, for example, many who produce in a factory but becomes poor if many are considered servants. What is the difference? Obviously, it has on what scale you look. But when you start to see it on a societal scale. The capital-owning class cannot become rich even if it employs in the form of a company.

[00:43:20] David Zacharie: Lots of servants. It is the same principle of consuming the surplus to combat it. But what is it? The other party. This is the necessary working time performed in the sectors that determine living standards. In other words, it is a way of looking at productive work and seeing all the processes involved in producing what is considered a basic standard of living. It's productive because that's where streamlining can push down the necessary working hours. All other sectors. Financial sector. Arms sector. What you want. Lyx productions. Even if huge improvements are made, we will not push down the necessary working time and thus not free up more time for more work, which is the argument in both mine and Marx. This is a link to productive work. We wrote an article maybe 20 years ago with people about this, but it's been passed around in different streams of ideas, but not done rigorously enough before. So it is possible to formalize why this is the case. Okay, let me conclude with some implications of this kind of analysis in terms of dynamic development. We have seen a polarization and that was an argument we made, that different classes acquire different amounts of work content. But we can look at capitalism as an economic system. Its dynamics for example. Maybe there. Unlike much, perhaps conventional or popularized Easter economics, profitability plays a major role in Marxist analysis. Returns on capital, like the central dynamic that determines whether capitalism will expand or not, should not be reinvested.

[00:45:13] David Zacharie: Which sectors to invest in? The perspective that comes from Lazios is to see the whole macroeconomy as chaotic

system, but where there is some dispersion of returns as different sectors. Different companies earn hugely different possible levels of profitability. So there is always a distribution of profitability where the share of capital earning between 0.10 percent per year or whatever you want. It would be a certain proportion of a distribution. But what is interesting is that if you look at the distribution of profitability across the economy, it also has a center of gravity somewhere, and that is determined by the data. If you study as we do in our book. It is also not arbitrarily set. It does not have, as it has in some types of economic literature, that it is completely, basically arbitrary. But here, in this kind of life, it has limitations that come from a labor content of reasoning, namely the working population cannot grow forever and the labor content cannot shrink forever. These two things together put limits on how profitability can vary and, in any case, the emphasis on profitability. And the interesting thing from this point of view is because it's about the dynamics of capitalism, there are limitations, the dynamics of capitalism. And the answer in this analysis is yes. If we have a population that is stagnating or even shrinking.

[00:46:44] David Zacharie: And we have a shift to labor-intensive sectors. The two main sources of profitability would then disappear. What happens then is that you cannot maintain the rate of investment or the share in Sweden or in Western Europe, or in advanced economies which all have stagnating populations and which have all more or less shifted to a more intensive service sector in relative terms. The exception. In this case, for example, China, which for a long time had huge reserves of rural labor that could be drawn in, and a very large amount of manufacturing or sectors where the labor content can shrink and because of that they can maintain a much higher investment rate in Western Europe. They can approach almost 50% of national income can go to investment, while Western Europe or advanced capitalist countries. The rest is around 20-25%. This is almost double the share of investment in China. This explains the relative dynamism of China versus the stagnant, relatively stagnant economy here. This is partly that. On the one hand, it has two implications, on the other hand, what happens in China, about when the labor reserves start to run out. Then at least one element disappears. And conversely in Western Europe it is possible to imagine the reformist project, an expanding capitalist sector again. Industrial mobilization is being built on a scale similar to that of the post-war period, when the conditions for profitability disappeared. When it is not these sectors that are expanding or when the population can no longer be drawn in from rural areas or from northern Sweden if they want to.

[00:48:42] David Zacharie: I think that's a big question mark for those who advocate a return to the post-war project. How and under what conditions it should be done. This analysis helped to clarify the sources of stagnation in capitalism. This is perhaps also like a footnote. This is perhaps a strong turn against the idea of collapse, that profitability would collapse at some point. Rather, the argument is that profitability stagnates to a low level that makes the dynamics of capitalism disappear or become exhausted. We have a counter example in China that is not of that type. Okay, so that was a lot of words per minute. Okay, let me try to summarize some points that might frame

a bit what I said. The first is that I tried to give a modern labor theory in a completely different way than maybe you read capital and stuff like that. But instead of starting with metaphysical debates about value, we started with historicism. What is the purpose of the analysis? It is of course extracting working time and it has a lot of political implications. And so on. I have taken the content of the work. What Marx called value as an economic measure. So you measure baskets in hours worked and then see if you can understand income in terms of how the labor content can be purchased for this income. This automatically leads to problems of distribution in terms of work and class. Polarization also in terms of work. There are many other aspects that I obviously don't have time to go into, but those who are interested can check out our book and with that I say thank you very much!

[00:50:37] Speaker3: I think I need some questions to think about. I have not read the book. I have read some of it. But this is about how to look at work. As if it becomes homogeneous. It is thought that work, homogeneous work, is equivalent. Conventional Marxism then says that abstract labor should be transformed from what one gets necessary social labor time, which is determined by competition. In this case, think about how you can develop what you see in it. But does that concept still have any bearing in this one? On the interpretation of this interpretation or reworking of the labor value theory. Secondly, this does not apply to the idea of how to define productive work. As I interpret it, productive work is what is included in the basket of goods for the group of wage earners as a whole. But several of the goods you mention, such as luxury consumption for example. There we can imagine that many smarter than those who listen to it, is difficult for the upper who have a net plus labor share. They are likely to consume a lot of these products that are not included in this package and are therefore not productive. And how does it affect the model as a whole? And lastly, something interesting. If you can get one more. Overall theory of or about exploitation. How can this be transferred to other types of production? I don't know, but it seems that some kind of remodeling may occur there as well. What would it look like?

[00:52:25] David Zacharie: Yes, these are good questions if you think abstract work, proactive work, a generalization to other modes of production with abstract work. So that is the question. So abstract work really means that there is some abstraction from the concrete type of work. That is, you can speak of a labor hour and not a shoemaker hour. It is a prerequisite for the concept. Then how the abstraction takes place is market segments in the editing process that abstract the calculation of working time in this way. That there are 80000000000 hours and not just a bunch of categories and working hours. This is because the underlying idea is that people can either be re-trained, or new people can come in and spend their working hours in different categories. Is it then one thing if everyone was tied as a worker? Yes, I will be a shoemaker when I grow up genetically. I cannot do otherwise. Then we cannot talk about working hours. There is nothing about training, about allocation opportunities. So fast, on Allocation Opportunities. Can you imagine? Jaha. If I free up 20 hours here, there are 20 hours here. That is, the abstraction of

possibility. The abstraction possibility of labor comes from human. The ability to reallocate work, retrain and do other tasks. That is, the universal universality of work. This is something we affirm here, so we have not done any explicit analysis on how the abstraction works. But the premise that I put in the book is precisely that it is the ability to re-train and re-allocate working time that is the very possibility of abstraction that allows us to talk about working hours. This is the first level of abstraction we are talking about.

[00:54:11] David Zacharie: Then there are two different tracks around abstraction that you think. One is to distinguish working hours in hours, so an hour of programmer is the same as an hour of McDonald's work or flipping burgers. Here you have to make a choice like. As the work content I have defined as pure working time, i.e. linear working time. Marx has some idea that you should be able to recalculate in some way. But no one has Marx. I don't have a solution to that question and people have been debating it for ages and in the end it's a kind of snobbery because they want it to be that way. But there is an underlying assumption that I should really. There should be some price that means that since I get a high salary, it must also be that I have a higher labor value that I put in. But there is no reason to think so. And the possible corrections to be obtained from it are almost no different from that type of analysis. But the big problem. There is no argument for what. How to count if it is clean only? I would like it to be so. And tell me how you will do there. No one comes on. No one really solves it. You can. You can pretend mass construction that if I train this many hours. Then I have to deduct the return on the hours and recalculate the differences. That each hour of medical time must be equivalent to 1.1 point 5 hours because I have calculated the return on studying at KI.

[00:55:43] David Zacharie: But there is a much simpler theory. Much more. Egalitarian starting point is to say This is the finite time normative sentence. This is a finite time that people give up to produce things. It is universal. It's an hour for you and an hour for me, no matter what I do. Then I can leave. Exhausting, but that's another matter. It is not that exhausting. Creating more value. It is an abstraction. The other thing that you mention is through market competition this process happens and so on. It is included in the calculation of working time and work content. Let's say you have two producers who produce sugar, but you put in 20 hours and you put in 40 hours. If one of them has a competitive advantage, they will sell more. Then the average What is sold becomes more of the one who is most efficient and the one who more efficiently dominates the market and thus pushes down the labor content. What is meant by average is in relation to the producers that are out there, so the inefficient percent contribute less to calculating the labor content and they sell less. Typical. It is a process that takes place and that kind of calculation has in the book how to. How to calculate is for the so-called supply and use table which is in principle. You map each type of producer to all the types of goods they produce and then you can calculate the labor content from that. I hope it answers roughly an abstract work.

[00:57:12] David Zacharie: Productive work. Let's see if I remember

correctly. Okay. Okay. Here I would say there is one. How do you say Tension in Swedish? There is a certain tension and tension between a more narrow analysis that you use as a very narrow model, rigorous linear algebra model and so you can exactly what is work. It is possible to show exactly what affects relatively more work, but as soon as you have the statistical distribution perspective, you immediately get when you have people out in the tail who earn a lot of money income. They can pay as much as they want. The only way I can think of, which was perhaps sharpened by your asking that question, was how do they relate to technical, narrow definitions of productive work in these statistics? The only way I can think of to do that is to think of it not as a basket of goods that everyone serves, but as a commodity like Marx. The value of work or the value of labor. There is some kind of historical moral baseline that is what counts as a reasonable standard of living right now. It would be basic food medicines that people consider tolerable. It is related to the minimum wage, for example. What should be included in such a basket buying minimum wage? It would therefore not include Bofors guns. Or we've already said that, but not luxury goods for example. It would not seem that it constitutes a standard of living when people institutions decide what should be the level of benefits and so on. Do you have one? It is always such a reference all the time, so it would exclude by definition.

[00:58:56] David Zacharie: What is the nature of that type of goods. But in the original article, which we wrote a long time ago, actually quoted from Nazi Germany exactly the argument that the car is a luxury good. We do not accept this. We want it to go and become part of this basket. So that's why Volkswagen will create the car for the people. And what is happening all the time in mass-produced goods is moving from luxury consumption to becoming part of the minimum standard. Now cell phone is basically minimum living standard. It's hard to have anything without it, and that means that in this analysis, the cell phone in 1980 would be non-productive. Working to improve the mobile phone did nothing to reduce working hours. But as soon as Samsung delivers masses to mobiles for the entire population, all Indians, have cell phones. Shrinking working hours. The content of the mobile phone. Samsung's mobile phones help reduce the necessary travel time, thus freeing up relatively more work, which they did not do when it was only financial analysts who had it. This means that productive work is not something that is fixed, but that what is included in the basket is a dynamic process. But this is linked to the basic perspective. What is essential work and what is necessary? That's what it boils down to. But have you What is the whole starting point of our analysis was that Marx claims that everything that produces surplus value is productive. But what produces added value and complementarity? What are necessary working hours? As soon as you start going down that road, you start to see how they really work.

[01:00:39] David Zacharie: And there must be some idea of a basket necessary or baseline. Can it be made narrow or should it be made wide as has been done here? I hope it answers roughly productive work. The third one I came up with was production methods. This statistical analysis cannot in any sense be done for other modes of production or other modes of production related to market exchange in that case.

This specific one with prices is a bridge between prices and labor content. This is only done in market economies. But work content as a concept. We have generalized it in a text written for The World journal. It is also included in the appendix of this book, but there the answer is yes. As soon as you have an economy that allows reallocation of labor, as I described before, basically of the economy where you could be allocated. You'll have to work on this. You can work in these fields. You get to work with the pyramids. Then you can use the content of the work too. And this is what it does. We have. Formalized and generalized. But it is not the first thing to do so. He is perhaps one of the best Marxist economists of the early 1980s, and he did it for a different purpose. But the whole point was to show that exploitation is a more general category and the content of work, so to speak, as a way of measuring it, is also included in it. You can count in other contexts too.

[01:02:05] Speaker3: What I want to get to was a bit broader. How should one view the conventional conceptual apparatus of Marxist theory with exchange value, War value is there? Do you have any role to play in this as you see it from this perspective? Or is it? Do these categories need to be replaced? Or if defined in different ways to be more scientifically rigorous?

[01:02:36] David Zacharie: I personally think that the first chapters of capital are unnecessarily much from category. I understand that this is at the beginning of science, but in retrospect when you have established a basic understanding, you don't have to express things in the way it was originally done. So are almost all fields. It's not that the content of the category is wrong, it's that they spend so much time on. What is the difference between use value and say. There are much simpler terms of market prices. Much more explicit expression of exchange value. It is even more precise. It is the one you actually observe. You never see the ratio between things so I think you can. You can streamline a lot of the argument and analysis and get to the point much, much faster today. If you really focus on doing so, than trying to say. Okay, let's see what Marx is. This is not the case in the theory of evolution. Starting with Darwin. It is something you do afterwards. Once you understand the basic theory. Then you say okay. How did you come up with the ideas? It is interesting in terms of the history of ideas. But that doesn't matter for establishing the theory. And so it should be in Marxist economics. But it is unfortunately not so witness ala the capital a circles that we have.

[01:03:54] Aurora: I have a question that may require me to slightly check. I immediately understood what you were talking about. But this very thing about the stagnation of capitalism, that you see in Western countries that the population is decreasing and more work is allocated to very labor-intensive sectors, feels confident and says that it is an argument against this kind of collapse theory of capitalism, but what happens instead is that capitalism loses its dynamism. I wonder what the difference is. If I understand correctly, it is losing its dynamism, i.e. it cannot reinvest and expand production and it cannot. So, when I think about what is meant by some kind of idea of the collapse of capitalism, the argument is that overproduction, the factories, the machines come to a standstill and become mass



unemployment. So that's a good thing. I guess that's what you mean by a collapse. That sounds pretty similar. If capitalism loses its dynamism that machine just shuts down. Isn't that a collapse? Or what is the distinction?

[01:05:01] David Zacharie: This is a good question. There is a level of collapse, which is basically that the profitability, the average profitability, becomes basically negative is zero. It is a real collapse in the sense that nothing works. Whole institutions are based on positive profitability. But this means that no, it does not have to be negative. It can be stabilized at a low level that makes it like this? Actually, it's okay. I will try to make it a bit more clear. What happens is that if you're going to sustain in the other direction instead, if you're going to sustain a high level of investment, then profitability will be pushed down to a hugely low level that is not profitable anymore. So in other words, a high rate of investment. That kind of dynamic is not stable under these conditions. So to keep profitability up, you need to slow down the pace of investment. This is completely the opposite. If you think of return on capital, you cannot allow a high reinvestment, because it is not stable in terms of profitability. Then profitability drops. Okay, so this is very much more related to the profit motive. This is a refinement of the theory that says you may well have high profitability, provided you don't invest too much in China, one allows.

[01:06:13] David Zacharie: It is possible to have high investment rates and therefore high dynamism in the economy, because you have room for profitability and also political room, because it is not the same type of financial sector and so on. But in Western Europe and advanced countries not so. So the question is, do you envision a kind of return to the golden age with much higher 30%, closer to 40% reinvestment to build infrastructure or renewal? Is it compatible with high profitability? This analysis would suggest that it probably is not because the source of the labor is gone. And if now is more concentrated in these service sectors. So the question is, if it's not rationalized, how will this be built up? So that's how it is. I would not say that this is the case. It's a certain kind of stagnation in the sense that you can't maintain high investment rates, but you can still maintain high profitability. This is what is the inverse that is interesting. That high investment is not compatible with high profitability.

[01:07:18] Aurora: There are two factors.

[01:07:19] David Zacharie: Som.

[01:07:19] Aurora: Population and shift to labor-intensive sectors. But if you imagine something that is not outright socialism but some kind of state capitalism, elitist system where you control some, where you just politically force investors to confiscate capital and that we will build this, then regardless of population growth, you could, yes, you could force a higher dividend share. In political terms.

[01:07:46] David Zacharie: Yes, because this is exactly. It is not that the question. This is what is relevant for the private capitalist

sector, because they want a return per dollar of capital invested. But if you're asking what I can invest in a bunch of stuff in the Green Deal as a private equity owner. But if I get more about putting money in the bank I spend it. But if I politically say I shit on the bank. I want to deliver this high-speed rail service. Either way, it's break even so to speak. Then I don't give a damn about returns. Then it may well be that the non-capitalist state capitalism, can then push up investments higher than what is possible in private capitalism. Because you don't care about the same return.

[01:08:31] Aurora: But then nationalized capitalism could survive indefinitely and keep up the level of investment.

[01:08:40] David Zacharie: Unless the population collapses? Yes, it is heading there too. But yes, there is an argument. One example is China, which has a relatively high share of politically controlled investments. I don't know about the alternatives, but at least it is not a negative example of what has been claimed for almost 30 years. China is close to collapse all the time, but it's always the analysts' fault.

[01:09:08] Speaker4: I have a question about that, if you say 8 billion working hours in Sweden in 2004 and that is the working hours that can be consumed, then the total consumption capacity in Sweden was 8 billion working hours. But do you not take into account that you are importing? Yes, we simply import most of it, where there is probably an even lower proportion of hours worked. But we are actually consuming even more labor than if we buy cheap, cheap raw materials from poorer countries. So I see, it is possible to analyze the whole capitalist system, everyone. But to do it only in Sweden on these eight billion. That's the way it has to be because we import so much of what we consume.

[01:10:13] David Zacharie: It is great to open up further research into how to understand the global whole economy in terms of compartmentalization. The economy is interconnected, but there is still a flow between them. A certain form of restriction. It is not arbitrary between them how to see it best. It is the next project to try to best formulate it. But one thing you miss is that Sweden as a region in the world economy also delivers exports, which you have to see in relation to these two things. What is net import export in man-hours? But then I think it can be as you say, that you can think of very favorable in Sweden, but some smaller countries may well think that they are net. The whole economy, like say Luxembourg, is net using the labor content of other countries or other regions. It is a very interesting analysis because it would be. It would take a step closer to the old ideas that the ideas around exactly. It becomes an empirical question then, instead of just a claim that Swedish workers exploit all H&M workers. It is an empirical question to analyze. I would guess that this will not be the case because there are huge exports being made at the same time from Sweden. But I think that should be the next research thing.

[01:11:31] Speaker4: You can only look at the services sector in isolation. You can only eat in cafés. You can get a haircut. Just look

at how many services you can consume. Well, maybe not.

[01:11:45] David Zacharie: It becomes more limited. One way to see. Another way to see if you should do it a little more, is to look at what is processed in Sweden. Because that's the equivalent of eight working hours, 8 billion workplaces really. But then you have to look at the lost part of each thing. That would be merit, but products get trickier than I think. This is the big thing that you want to take forward and try to understand. You start with two economies in a world economy. How should I understand this connection? Is there any kind of asymmetry between them here? And it can be done with this type of analysis. But I haven't gotten anywhere yet. In statistical mechanics, which is the original idea behind it, this is where you have a gas that is moving a lot of distributions. However, if you have two compartments that are stuck together, but have some kind of opening between them, you still get some kind of distribution between them and overall. But I haven't brought that analogy here and look, how do you do it? However, I can calculate the labor content for the whole economy. There are more global input outputs that do that, but how to link it to prices and location, I don't know how to do that. But extremely interesting question that we discussed with the authors with me for a very long time. How should we do it?

[01:13:01] Speaker5: Any other questions?

[01:13:04] Speaker3: Yes, I know a little if we don't have any. But I think a little more. I am not technical with green card but the labor intensive sectors. If you look at how the discussion has been, and perhaps especially after financialization, I have roughly outlined. It is very worthwhile to have faith in so-called high-productivity sectors, high high-tech technology and that this is where we see the really big productive achievements. Now I'm talking from a conventional perspective with IT technology, which means that the most productive jobs that are often labor-intensive, that create new products, and those are the ones that are being moved to the West, while manufacturing is becoming more and more prevalent. Is it like this. If you look at the relationship between different national economies. They say that the labor-intensive sectors like IT development or whatever it's called, have a part and that's what it is, where you see the growth and that has created these entrepreneurial contributions with technological innovations and so on. What creates value. How should a critique be viewed from this perspective? They mean that yes, sure, they get a higher salary and so on. They create intangible products. But they are very valuable. Look at Spotify and similar types of like.

[01:14:35] David Zacharie: There is a robot that says that everywhere in the economy you see what is the computer revolution data and the IT revolution. Except in the statistics. So it is. What is interesting is that if this were the case, we would have seen an acceleration of the decline in labor content in many sectors. But we don't see it. It's rather that it's the other way around. This pace of shrinking or halving the work content every five years is rather something that increases, slows down and slows down. Seems to be, especially because what is included in this basket are many of these services that are

starting to emerge, which cannot be rationalized. Så. It may well be that. The jobs help to reduce the labor content of Samsung. That is the case. That's why you get a lot of products that shrink very quickly. Samsung TV today is very different from what it was 10:20 years ago. But it's not that it's still the case that a larger part of the economy is now consuming more services that are not being rationalized at the same pace, so you don't get that one. If we had just kept running Samsung TVs and mobiles, you would have seen that matching productivity growth. But we are doing it at the same time. Shifting over to the other sectors that I mentioned, hotels and all sorts of things like cafes.

[01:15:52] David Zacharie: It is almost the same work content. It has not changed dramatically at all. And as long as there are certain jobs one can think that it will probably be rationalized away this kind of clerical work. If you have a computer that does everything. It has already happened and it is still happening. But many of those things are physical work. There is no substitute, there is no robot that can fold clothes even though it was tried for about 25 years in a cliff. The hair in a safe way. I have seen video on Youtube and tried by machine. It turned out that there is no technical solution for that, and as long as we keep consuming them, it will have a stagnating effect on labor content. Declining rate of decline. But if you see a criticism of those arguments that those people deserve higher wages. There is no real normative argument around this. It's just that it could be that they earn more than they produce in labor content. It is an empirical question. The contribution here is just working time, unlike Clark or all the others. There is no mysterious wealth being produced. The contribution is a lot of working time you deliver and then it takes different material forms.

[01:17:06] Aurora: If you go back to the slide I talked about before, this with population growth and so of that model, you could easily think that if you have a class that controls the means of production so that they can continue to hoard and keep a low rate of investment, to be able to keep someone up at all, to not create total stagnation, then they would be needed in a massively continuously increasing population.

[01:17:32] David Zacharie: Yes, yes, precis. Or help to raise this space for profitability correctly?

[01:17:38] Aurora: Yes, exactly, so it's a bit interesting that you have kind of an aspect of a big shift to labor-intensive sectors in Sweden with a service economy, while at the same time you have had a very high degree of immigration to Sweden in recent years as a consequence of geopolitics and the invasion of Iraq and other things. But the question is that there may be a capitalist interest in very massive immigration. Can there be any room for that interpretation?

[01:18:05] David Zacharie: Absolutely. I think this shows a strategic dilemma within Western Europe at least. Namely. Capital owners are not interested in building the infrastructure that would contribute to domestic population growth. It is much cheaper to let other countries pay for education, childcare and everything else. Then transfer these

people here. It is politically cheaper solution in every possible way and economic solution so to speak. Short-term on the part of capital owners, but on a large scale destabilizes everything the whole basis to be able to. Building long-term infrastructure and cohesion and all possible aspects. But they don't seem to have that calculation, so to speak. Not the way a classic manager thinks. But I definitely think so. I would guess that this is a strategic dilemma. It seems to be almost exclusively in Germany during the refugee crisis. What exactly are we going to do about the population issue, so to speak?

[01:19:07] Speaker3: I sit on sensible rock and practice man on a wide scale. When we looked at it, there was a deficit. The economy had started to experience labor shortages in the post-war period. And if you look at all economies in any way, it doesn't in any way use one than a labor import. And Sweden was a country that had not. But if you look at Switzerland or Germany. They have not built a system and have a lot of different ways to solve that. There have been attempts to create a labor force in any place, working on worse and worse conditions, with conditions of citizenship and so on, which would be like a buffer. I guess it's to save in that way it's compatible I think.

[01:19:52] Aurora: But that is certainly not true. When we interviewed Wolfgang Streck and spoke briefly about the refugee crisis in 2015. Then it is as if the Obama government punished Germany and France, and thus the entire EU, for not wanting to support the Iraq invasion earlier by saying that now you have to take care of this surplus population we produce with this invasion. But it seemed like an appealing explanation in a way that it is American imperialism is behind it so. But on the other hand, it is a punishment that necessarily creates many social problems. But it can also be quite beneficial to force by very violent means a huge labor reserve that is very, very mobile because their home no longer exists. So is it a penalty or is it? It may become more of a political sociological issue, a question of interests and boundaries.

[01:20:40] David Zacharie: But it is a question of the elite's ability to calculate. Calculations are not calculations. It is not a consequence. Now this situation stands. How can we use it? Not everything is a plane forward. They will have to adapt. The situation is okay with this population that has now been left. What can we do? situations? Or maybe they can work in the low-paid service sector? I think there is a side to this. Take it in Sweden. It's not that there was no post-war build-up of Italian work coming into Yugoslav work coming in. After all, there were phases of even if controlled form, but there still are. That kind of. External labor needs were also present in well-established welfare states. So it is. It's all about the context in which this population increase comes. Actually, it is in terms of labor-intensive sectors and relative stagnation. 18. Or is it an expansion and a mass industry? There will be a completely different observation of the people entering the country, and it creates a completely different dynamic. But it is. That is the understanding that the social democratic left had for a long, long time. But the liberal right has a completely different view.

[01:22:07] Aurora: Excuse me for hanging up. We have a reservation so we have to get there instead. But one last question. Thanks to you! You have been listening to the Aurora Podcast, a podcast of the Aurora Association. The Aurora Association conducts studies and research in a historical materialist tradition. If you would like to learn more about this tradition or be part of developing it, please contact the association on our website [www.wforeningenaurora.com](http://www.wforeningenaurora.com). Contact details can be found under the Contact and Membership tab. Introduction. The vignette was designed by Victor Tower Strid. Follow Victor, Gaming Companies and Interactive on Twitter and his personal Twitter account. Ett. Never make fun of papi. My name is Anders William Berg and, as President of the Association, I would like to thank you for listening. Listening again!

[01:22:57] Speaker6: Men vad? Who says he wrote you up? Haha.