Chapter XXIX

The ‘Value’ of Knowledge:
Reappraising Labour in the
Post-Industrial Economy

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ABSTRACT

Knowledge is implicitly assumed to form an increasingly important, or even the dominant source of values for today’s knowledge based organizations. It is rare, however, to encounter writings questioning what is ‘value’, enquiring into its provenance, or examining its distribution amongst organization’s stakeholders. This chapter asks these very questions, focusing on Marx’s (1976) formulation of value theory. Divided into four parts, it begins by giving a basic overview of the labour theory of value, as developed by Marx in mid 19th century, industrialised England. The second part examines Roy Jacques’ (2000) critique of Marx, his rejection of the adequacy of ‘labour’ as a concept for analysing contemporary value production, and his call for a ‘knowledge theory of value’. The third section focuses on labour process theorist Paul Thompson (2005) and his challenge to the idea that labour and knowledge are fundamentally different. The fourth part extends this concern with ‘other’ forms of contemporary labour to a more global level by examining De Angelis’ (2006) and Retort’s (2005) suggestion that the global economy today is driven by acts of enclosure and ‘primitive accumulation.’
INTRODUCTION

For writings on knowledge management, knowledge based organizations, the knowledge economy and knowledge intensive firms, it is an implicit assumption that knowledge is an increasingly important, perhaps even the dominant, source of value for organizations today (Drucker, 1968; Leadbeater, 1999; Tapscott, 1996; Wenger et al, 2002). Knowledge, it is assumed, can create value in a number of ways: increasing access to cheaper resources or to new markets; fostering technical and organizational innovation; enhancing awareness of, and responsiveness to, the demands of customers; reducing the inefficiencies of repeatedly reinventing the wheel, especially in large, multi-national, distributed organizations. The list goes on. What is rare, however, is for such writings to ask exactly what ‘value’ is, to enquire into its provenance, or to question its distribution amongst the various stakeholders that constitute ‘the organization’ in its broader sense. This is despite value-creation being one of the key objectives of management, at least within capitalist enterprises (Jacques, 2000).

In this chapter we want to open up this discussion of value and knowledge by connecting with a set of well established debates over the locus of value in the economy. As we are concerned here with the substance of value – what value is and how it is created – we start not with neoclassical economics and marginalism but rather with the labour theory of value, as developed by Adam Smith, David Ricardo and Karl Marx. In this paper we focus on Marx’s (1976) formulation of value theory for three reasons. First, as he was writing after Smith and Ricardo and built upon their ideas, his formulation of the labour theory of value is arguably the most developed. Second, Marx’s critical perspective on political economy offers a critical leverage that allows us, even today, to address questions of social values alongside technical considerations of economic value. Third, and finally, Marx’s legacy has been 150 years of intense theoretical exegesis, commentary, critique and development so that lines of analysis can be followed to examine the relevance of his ideas today.

The structure of the chapter is in four parts. The first gives a basic overview of the labour theory of value, as developed by Marx (1976) in mid 19th century, industrialised England. This provides the theoretical basis for the following discussions as well as indicating some points of continued relevance in Marx’s theory today. The second part of the chapter examines Roy Jacques’ (2000) critique of Marx, his rejection of the adequacy of ‘labour’ as a concept for analysing contemporary value production, and his call for a ‘knowledge theory of value’. This is the section that is closest to conventional concerns with knowledge work and management. Jacques’ critique of Marx resonates with other writings on the knowledge economy by suggesting a recent rupture, associated with the development of Information and Communication Technologies (ICT), between industrial capitalist and post-industrial forms of organization and value production. His critique of Marx thus provides us with a basis for evaluating Marx’s theory of value, and its applicability to the world today. It also provides us with a counterpoint from which to evaluate the more contemporary Marxist perspectives examined in the third and fourth parts of the chapter. The third section examines labour process theorist Paul Thompson (2005) and his colleagues’ (e.g., Warhurst and Thompson, 1998; Thompson et al., 2001) challenge to the idea that labour and knowledge are fundamentally different. This section draws attention to the empirical realities of work for the majority of people today, including those in so-called ‘advanced’ capitalist economies. Focusing on the UK, evidence is presented that suggests knowledge work has too readily been conflated with service work in general, despite much work in this sector being highly routinised, poorly paid, and sharing little with the dominant representations of knowledge work found in mainstream managerial writings.
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