

## ON THE QUESTION OF LABOR VALUES IN COMMUNIST SOCIETY: A PRE-TEXT

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Let us first make precise the principal terms in question in the present paper. 'Labor value' is not used here in the sense of classical political economy. That is, it is not simply a certain magnitude embodied in products produced by a certain quantity of labor — living and dead — with a view to exchange. Labor value rather refers to the value form that the products of (abstract) human labor take in the exchange process between the reciprocally autonomous producers where exchange is regulated by the relative quantities of socially necessary labor time contained in the products. Commodity is the material medium of the value form.

The term 'communist society' requires a somewhat longer treatment. It basically refers to the post-capitalist society as the emancipatory alternative to capitalism where human emancipation is premised on the self-emancipation of the producing class(es). Perfectly in accord with this emancipatory premise, the economic-social formation succeeding capitalism is based on a completely new mode of production, the associated mode of production (AMP), and the new formation could be characterized alternatively (and equivalently) as communism, socialism, Association, Union, Republic of Labor (these are Marx's alternative terms for the post capitalist society).<sup>2</sup> Union or Association in this context has a double significance. It signifies a voluntary, unmediated union of individuals who are all producers (after having ceased to be proletarians), and it is based, secondly, on the union — again unconstrained and unmediated — between the producers and the conditions of production, their own creation. This union thus constitutes a double negation of the individual's alienation: from the other individuals in society as well as from oneself (through the alienation of one's own product).

The union, the exact opposite of capitalism's separation and based on unmediated communal collective appropriation of the conditions of production, is, of course, not the restitution of the earlier 'union' in either of its versions — either constrained as in slavery/serfdom or voluntary as in 'natural communism' (including its patriarchal version) inasmuch as neither of them is apt for developing labor as social labor or for developing the productive powers of labor. Toward this end society had to go through a painful process of separation which alone allowed — through antagonism and enormous social cost — both the socialization of labor and the universal development of productive powers. Thus the new union is built on the basis of the acquisitions of the capitalist era. In this profoundly dialectical sense capitalism, indeed, constitutes the transition to communism (Marx 1962b: 419; 1969: 88; 1976: 327).

The individuals in the Association are free in the sense that in their relations of production there is no longer any "personal dependence" as in pre-capitalism nor any "material dependence" as in commodity-capitalist society (Marx 1953: 75). Labor ceases to be an occupational job for the purpose of providing subsistence and is transformed into a free and conscious activity — toward the development of the individual's human essence. As opposed to the hitherto existing "false" community which was an abstraction, an autonomous power confronting and subjecting the individual, there is now a "true" community whose members are universally developed "social individuals" subjecting their social relations to their own control (Marx 1966a: 252-53; 1953: 593; 1962a: 92). Quite appropriately Marx considers communism (socialism) as inaugurating humanity's history with its "pre-history" left behind. Would (could) labor values continue to exist in communist (socialist) society, as certain eminent scholars — Marxist and non-Marxist — assume they would (could) (See, among others, Dobb 1940: 299-300; Lange 1945: 128; Robinson 1963: 23ff; Lukacs 1971:688)? In other words, would (could) products of human labor continue to take value form in the post-capitalist society?

Now a communist society, like any other human society, would have to solve the problem of regulating production by society's available labor time through the latter's proportional distributional among different productive spheres corresponding to society's different needs. There is, however, no unique transhistorical method to solve this central problem that would be valid for all social formations. Each social formation would have its own specific method for solving this problem corresponding to its own historically specific relations of production. Proportional distribution of labor time toward regulating production through exchange of products of labor taking value from (and operationally price form) naturally corresponds to a social formation where the products are the outcome of non directly social labors executed independently of one another. In a communist society, based on collective appropriation of the conditions of production, individual labor is, by definition, directly social from the start. There is thus no occasion — no need — here

<sup>1</sup> What follows does not deal with the genesis of new fundamental social relations, i.e. of those relations which, by being the essence of society, cannot change without at the same time determining a change from a type of society to another. These, as mentioned above, are the relations of ownership.

<sup>2</sup> It should be stressed that Marx makes no distinction between 'socialism' and 'communism.' The same "non-capitalist society" or "the socialist constitution of (hu)mankind" — to use Marx's other terms — is supposed to pass through (at least) two phases. The distinction between socialism and communism and the (strange) characterization of the former as the "transition" to the latter are of later vintage and is foreign to Marx who, indeed, specifically mentions the "bourgeois mode of production" as the "transition to the new society" (1962b: 426) — which is of course as it should be.

for the products of labor to go through exchange in order to be social. Labor values, therefore, cease to exist in communism (socialism).

Let us, however, for argument's sake, imagine the unimaginable. Let us make the 'heroic' assumption that the communist society finds it convenient to (re)introduce labor values as a mode of allocating social labor. What would be the consequence?

## II

We first note that positing labor values — equivalent to positing exchange of products of human labor as commodities — would necessarily entail the existence of money which is the necessary result of the commodity's being, that is, of the double contradiction inherent in a commodity - contradiction between use value and exchange value as well as the contradiction that the private labor of the individual has to appear as social labor. However, in the first form of commodity circulation, selling for buying, where commodity is both the starting point and the terminus of the process ending in the consumption of use value, money serves simply as a measure of value and instrument of circulation and is merely the fugitive mediation facilitating exchange. Thus even though value form exists in this process, first as price of the commodity to be sold, then as realized exchange value in money and finally, again, as price of the commodity bought, the value form here "appears only to disappear." Here is a contradiction. In simple circulation exchange value is not realized as exchange value. Exchange value — money — is realized only in its disappearance. If commodity is exchanged against money — the form of exchange value — money remains as long as it is outside of exchange, that is, in a negative determination in relation to circulation. Exchange value, which has become autonomous in money, finds its absolute mode of existence by going out of exchange. However, money's self-realization is at the same time, its self-negation. By going out of the exchange process money negates itself inasmuch as, disconnected with commodities, prices and the process of circulation, money ceases to be money (Marx 1976: 12, 29, 31).

Naturally, the first form of commodity circulation — selling for buying — which is really only a mediated form of barter and where money acts only as a measure of value and instrument of exchange cannot be the general form of commodity exchange where all or most products are commodities (which is what is implied by the existence of labor values in general). This first form could rather correspond to a society which is only partially commodified, where the main aim of production is to create use values and where what is exchanged is at best the surplus above the immediate self-satisfaction of the producers. Contrariwise, corresponding to a society where exchange value and not use value is the principal aim of production, we encounter a different kind of circuit, that of buying for selling. Here exchange value does not disappear in the consumption of the commodity, the vanishing character of exchange value vanishes and exchange value becomes simply the means of producing and reproducing exchange value (Marx 1953: 932, 933). Here money re-enters the circulation process not, however, as a simple measure of value or medium of exchange, but in its third determination, as money as such, as the autonomised exchange value and, as such, means of payment. Here money, arising from the simple circulation process, becomes both the initial and the terminal point of the circuit. Here money as autonomous, -adequate exchange value must conserve itself in circulation and in this new positing cease to be money which as such does not go beyond negative determination — and becomes value in process, money in process, in which function alone exchange value could be multiplied to make any sense of the second form of circuit. However, under the assumption of equivalent exchange this additional value cannot be generated in circulation though it can be realized only in circulation. Nor is money itself capable of generating this additional value if one excludes merchant capital and usury capital — the so-called ante-diluvian forms of capital.<sup>3</sup> On the other hand, creation of additional values is impossible outside the reciprocal contacts of the commodity producers, given the assumption that the individuals can relate to one another only as independent possessors of commodities in a society where all or most products of human labor are commodities, which excludes individual's subjective dependence through extraeconomic relations like slavery or serfdom. In the circulation process money has to buy a commodity whose use value has the unique property of producing more value than it costs to reproduce it, and this commodity is living labor power the possessor of which is obliged to sell it, being unable to exchange labor in the form of objectified labor in another use value. The consumption of labour power, like the consumption of any other commodity, takes place outside the circulation process. We should note that in the exchange process, the second type of circuit of the possessors of money necessarily implies its opposite — the first type of circuit, commodity — money — commodity, which is the circuit of the possessors of living labor power, and where, as in any such transaction, the commodity that the laborers sell is use value to the buyer and exchange value to the seller. It is only the specificity of the use value of the commodity acquired by exchange which tends to transgress the bounds of simple circulation. (An apparently paradoxical result follows from the

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3.It should be observed that the circulation of commodities does not contain within itself elements of its own renewal. "Commodities have to be continuously thrown from outside into circulation in order that it continues like fire which would be extinguished unless continuously fed by combustibles from outside" (Marx 1953: 920).

labourer's circuit of commodity — money — commodity. Whereas the laborer buys the exchange value and the possessor of money the use value, the possessor of money obtains wealth while what the laborer receives vanishes in consumption. This appears as a dialectic turning what was expected into its opposite. The result is, however, natural inasmuch as if in the circulation the point of departure is commodity, that is, the use value as the principle of exchange, one necessarily arrives again at commodity where money appearing as means of circulation serves only as the vanishing mediation.)

The selling and buying of living labor power as a commodity would of course necessarily imply that the possessors of the living labor power have already been separated from the conditions of production where the separation has been brought about by the transformation of the law of appropriation of the simple commodity production into its opposite. In other words, the second commodity circuit, money — commodity — money, implies the transformation of money into money in process, value in process, that is, capital. The necessary trajectory of simple commodity into money and of money into capital should now be clear. As Marx observed in a letter to Engels: "The simple commodity form contains the whole secret of the money form and thereby, in germ, the whole secret of all the bourgeois forms of the product of labor," adding that the "economists have overlooked this simplest thing" (22.6.1867). In a significant passage of one of his manuscripts of 1861-63 Marx stresses the contradiction within the person of the simple commodity producer and remarks that "as the possessor of the means of production he is a capitalist, as a laborer he is his own wage laborer." (1956: 371). In other words, the contradiction between capital and wage labor is already present in germ in the person of the simple commodity producer, which only shows the contradiction of the commodity itself.

In the process of understanding the transformation of simple commodity production into capitalist production the most difficult thing to grasp is, as Marx observes, the necessary money form of the commodity — that is, money in itself, money as the autonomised exchange value, as the universal form of wealth, which means going beyond viewing money as simply a measure of value and a convenient medium of exchange. This popular notion of money, confined only to its first two determinations, seems to have been shared also by the classical political economy, particularly Ricardo. Indeed, Marx faulted Ricardo for his incomprehension of the nature of money — of money in itself — as it necessarily arises from the contradictions of commodity production. This was due to Ricardo's failure to investigate the specific character of labor which produces commodities, this labor which has necessarily to be represented as social labor in money. Ricardo was preoccupied with labor as the measure and magnitude of value. Ricardo regarded money as a simple sign of value and a medium of exchange. Ricardo's failure to understand the money form of value — necessarily connected with his misunderstanding of the commodity form as a specific form and by no means a natural form of the product of human labor — naturally affected his understanding of value's ultimate form, that is, the capital form of value as well (1958: 185; 1959: 500). Ricardo's concept of money would imply that commodity production remains at the stage of the first circuit which is only a mediated form of barter, thereby ignoring the first condition of capitalist production that the product as commodity has to have the necessary form of existence in money and go through the process of metamorphosis. (1959: 497; 1962b: 129; 1962c: 358). Similarly Marx faulted the left Ricardians and some socialists of his day for their failure to understand the necessary relation between commodity production and money inasmuch as these people, under the false notion that labor contained in commodities is directly social, wanted the abolition of money — substituting it with some kind of labor money — while retaining commodity production (1953: 690; 1958: 83-87).<sup>4</sup>

### III

After the evaporation of labor values, what becomes of the status of labor and of exchange relation under AMP?

Labor as such, as "creative activity" or "purposeful productive activity" toward the appropriation of natural objects in useful forms is a process between the human being and nature in which the former through her (his) own action "mediates, regulates and controls its material exchanges (Stoffwechsel) with nature" effecting thereby not only changes in nature but also in her (his) own nature. In this sense labor is, of course, a "permanent necessity" independent of all social forms (Marx 1958: 30; 1962a: 57, 192; 1969: 26) and continues to be so in the Association.<sup>5</sup>

Now labor as a pure process of material exchange between human beings and nature is a "simple and abstract" category

4. Speaking of the value form and thereby the money form already hidden in the simple value expression of barter exchange, unrecognized by the economists, Marx noted in the first edition of Capital (not reproduced in later editions) that inasmuch as, before Hegel, the professional logicians overlooked the formal content (Forminhalt) of the paradigm of judgment and conclusion, it was not surprising that the economists, under the influence of material interests, have overlooked the formal content (Formgehalt) of the expression of relative value (1966a: 274).

5. "It is precisely in the processing of the objective world that the human being's generic essence (Gattungswesen) is proven . . . The object of labor is thus the objectification of the generic essence of the human being in which the human being actively (and) really — and not simply intellectually — recreates her/himself" (Marx 1966a: 82). Referring to A. Smith's unilateral concept of labor as simple "sacrifice," Marx observes that labor as such, as the action undertaken to remove the objectacles towards attaining an end, can itself be viewed as "self-realisation (Selbstverwirklichung), (as) objectification of the subject and thus as real freedom" (1953: 505). Hegel had already noted a "moment of liberation inherent in labor" (1972: 177). "In tools," he further observed, "the subjectivity of labor is raised to the universal (zur einem Allgemeinen erheben)" (1923: 208).

and as such does not take account of the social conditions in which it operates. However, all production, considered as "appropriation of nature from the side of the individual," takes place "within and (is) mediated by definite social forms" (Marx 1958: 241, 260). When labor's social dimension is brought in, labor takes on a new meaning. The question becomes relevant as to whether the labor process operates "under the brutal lash of the slave supervisor or the anxious eye of the capitalist" (Marx 1962a: 198-99). In fact these two broad forms epitomize, by and large, the type of labor (process) that has operated in "pre-history." Traditionally labor has been a non-free activity of the laboring individual — either as (directly) forced labor under "personal dependence" in pre-capitalism or as alienated labor under "material dependence" or "servitude of the object" (*Knechtschaft des Gegenstandes*) in commodity-capitalist society (Marx 1953: 75; 1966a: 76). Such labor has reduced the laborer into a "laboring animal" (*Arbeits-tier*) (Marx 1962b: 256). Consequently the division of labor practised so far (in "pre-history") — corresponding to the "cleavage between the particular and the common interest" — has been absolutely involuntary, and has kept the laboring individual under its "servile subordination" where the "human being's own activity dominates the human being as an alien, objective power" (Marx 1973: 33; 1966b: 179-80). It goes without saying that such labor is totally incompatible with the human being's "free individuality" under the Association. With the extinction of the individual's personal and material dependence, labor, in the sense of "traditional mode of activity" (*bisherige Art der Tätigkeit*), also ceases to exist in the Association, it is "abolished" (1973: 54, 70).<sup>6</sup>

Labor, freed from its hitherto existing mode, would, of course, continue to be the "creative substance of wealth" just as labor time would continue to remain the "measure of cost required by (wealth's) production" in the new society (Marx 1962b: 255). In the same way the division of labor (of a completely different kind) would be equally possible" (*ebensowohl möglich*) when the "conditions of labor would belong to the associated laborers and they would relate to them as they are in nature, as their own products and the objective elements of their own activity" (*ditto*: 271).

The need for regulating production by appropriate allocation of society's labor time among different productive spheres would continue to hold in the Association. However, this regulation is effected without the need for social relations of individuals to appear as social relations of things. Under "communitarian production" the consideration of labor time as the creative substance of wealth and as the measure of production cost is "essentially different from the measure of exchange value (of labor or labor products) through labor time" (Marx 1953: 89).

Similarly a central economic law of all societies — the law of the economy of time — would continue to operate in the Union. However, here again, this law takes on a completely new character. There is a need for economizing society's global time for production not only indicating greater productive efficiency but also in order to release more (free) time for the "social individuals." Given social appropriation of the conditions of production, the earlier distinction between necessary and surplus labor time loses its meaning. Surplus product, the result of surplus labor, itself appears as necessary (Marx 1953: 506).<sup>7</sup> From now on necessary labor time would be measured in terms of needs of the "social individual," not in terms of needs of valorization. Similarly the surplus labor time far from signifying non-labor time for the few would mean free time for all social individuals. It is now society's free time and no longer labor time that increasingly becomes the true measure of society's wealth. And this in a double sense. First, its increase indicates that labor time produces more and more wealth due to an immense increase in productive powers, unconstrained by earlier contradictions. Secondly, free time itself signifies wealth in an unusual sense because it means the enjoyment of different kinds of creation and because it means free activity which unlike labor time is not determined by any external finality that has to be satisfied either as a natural necessity or as a social obligation.<sup>8</sup>

On the other hand, labor time itself, the basis of free time, takes on a new significance. Labor now is directly social, unmediated hierarchically or by the value form of its products and, bereft of its "pre-historic" antagonistic character, has a completely different quality compared with the one that is shown by the "beast of labor." However, the time of labor, given its determination by external finality, remains within the realm of necessity, it does not belong to the kingdom of liberty which lies beyond the sphere of material production and hence is accessible only by going beyond the labor time,

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6. In an important note M. Rubel observes that "Marx might have had in mind the etymological origin of the term 'Arbeit' (labor) which is derived from 'orbho' which in the Indogermanic languages means 'small,' 'poor,' 'low,' 'serf.' The same root is found in the French 'labeur' from Latin 'labor,' as well as in English 'labour.'" (Marx 1982: 1823).

7. Capitalism itself already prepares this ground objectively. Capital's "historic determination/destination (*Bestimmung*) is achieved as soon as the needs are developed to the extent where surplus labor over what is necessary is itself a universal need arising out of individual needs themselves" (Marx 1953: 231).

8. Marx writes: "Labor time as the measure of wealth posits wealth itself on poverty and posits the disposable time as existing in and through the opposition to surplus labor time. This is positing the individual's totality of time as labor time and degrading the individual to the unique role of laborer, completely subsumed under labor" (1953: 596; our emphasis). Again: "Free time, disposable time, is wealth itself . . . which unlike labor is not determined by the compulsion of an external finality" (1962b: 255; emphasis in the text. 'Free time,' 'disposable time,' 'labor' appear in English in the original). See also Marx (1976: 167ff).

though the kingdom of liberty can develop only on the basis of the kingdom of necessity (Marx 1964: 828)

As regards exchange, after the products of labor cease to take value form and labor is uniquely bestowed on creating useful objects and thereby becomes "real labor" (Marx 1958: 49), exchange relations as such do not disappear; material exchanges between individuals and nature — referred to earlier — as well as social exchanges among individuals continue to operate in the Association. However, like labor itself these two types of exchange undergo a profound transformation corresponding to the revolutionized social relations of production.

As to the first type of exchange, while the capitalist mode of production seriously damages the natural environment by undermining the natural powers of the earth along with those of the human producer, the "twin fountains of all wealth," under AMP the social individuals not only free themselves from subjugation by nature's blind force through a rational regulation of their material exchanges with nature but also carry on these exchanges in conditions most worthy of and in fullest conformity with their human nature (Marx 1962a: 529-30; 1964: 821, 828; 1976: 327). As regards the second type of exchange, after the cessation of all exchange of labor either directly — under personal dependence — or through value form — under material dependence (including objectified as well as living labor) — there appears, under AMP, "free exchange" among the social individuals, that is, exchange of activities determined by their collective needs and aims on the basis of the social appropriation and control of the conditions of production (Marx 1953: 77, 88).<sup>9</sup>

Let us conclude. Once labor values (operationally through the price form of the products of human labor) become the basic means of allocating society's labor time in communist society, there is no way one could avoid the inversion of the associated mode of production to the capitalist mode of production. We should understand that allocation through value (price) form of the products of human labor is not the only way of rationally (if at all) allocating resources (and income). This is only "a particular social manner of counting the labor employed in the production of an object" precisely in a society in which "the process of production dominates individuals, individuals do not dominate the process of production." (Marx 1962a: 95; 1965: 617).<sup>10</sup> Only the "routine of daily life" makes us accept as "trivial and self-evident" that a social relation of production takes the form of an object (Marx 1958: 28).

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9. Here "community is posited before production." Here the "individual's participation in the world of collective products is not mediated by independent labor or products of labor. It is mediated by the social conditions (themselves) within which the individual's activity is inserted (Marx 1953: 89; 1958: 27).

10. The term "counting" (compter) was substituted in the French version for the term "expressing" (ausdrücken) of the original version. Similarly Marx writes: "Where labor is common, the relations of individuals in their social production do not show themselves (darstellen) as 'values' of 'things.' Exchange of products as commodities is a certain method of exchanging labor, and of the dependence of labor of each upon the labor of the others a certain mode of social labor or social production" (1962b: 127-28; 'values,' 'things,' and the whole of the last sentence are in English in the text).