



MARX, ENGELS, AND MARXISMS

# Socialism in Marx's *Capital*

Towards a Dealienated World

Pareesh Chattopadhyay

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## PROLOGUE

In the European musical tradition, there are two compositions standing opposite to each other in spirit. The first is Hayden's so-called "Farewell" symphony in which the composer arranges things in such a way that the orchestral players come to the end of their music one by one, and, putting out the candles on their music-stands, steal away from the scene. Ultimately, only Hayden and Luigi Tomassini remained with their instruments. This was a gentle remainder to the Prince that the musicians were overdue for their holiday. In other words, things begin in a big way and then decrease gradually till nothing notable remains.

The opposite is Ravel's "Bolero" which the composer created for a famous dancer to dance to. Ravel wanted some music that got louder and more exciting right from the beginning to end. So, he wrote a long tune and repeated it over and over against a background of the "bolero" rhythm played on a side drum. As the piece goes on, the tune and the rhythm are hammered relentlessly into our ears until they become almost unbearable. All the while we can hear the tune on more and more instruments until the whole orchestra is hard at work.

The lessons of these two exercises are that Hayden's music reflects the quick beginning and equally quick end of what happened with the early twentieth-century revolution(s). This cannot be the pattern of the future popular revolutions, whereas Ravel's work represents, in Marx's expression, "a revolution in permanence."

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# Introduction

**Abstract** This introductory chapter begins with a discussion of the uniqueness of Marx’s economic work and situates his work with regard to political economy, emphasizing that Marx’s was a critique of what he considered as a bourgeois science. The chapter then outlines the theme and the main argument of the book, after clarifying the term “socialism.” It concludes by providing a short overview of the basic features of the new society and the many different names that Marx used to refer to it, such as “Association” or “communism,” touching upon major themes that are studied throughout the rest of the book.

**Keywords** Association · Communism · Socialism · Political economy

## 1 UNIQUENESS OF MARX’S ECONOMIC WORK

Before we embark on our subject, it is very important to understand what kind of economic work Marx produced, even when it is admitted that he was, in Schumpeter’s (1997) words, one of the “great economists.” Not many readers of Marx dealt with this question. One of them was Karl Korsch who treated this in his 1932 “Introduction” to his edition of Marx’s *Capital*. After citing Marx’s words that the “ultimate objective of

the book was to reveal the economic laws of motion of modern society” (1971, p. 40), Korsch went on to add that these words of Marx:

already implied that *Capital* was not meant to be simply a contribution to the traditional academic study of economics. *Capital* was also, as its subtitle declared, a ‘critique of political economy,’ and this rubric signifies much more than the adoption of a critical attitude towards the individual doctrines advanced by this or that academic theorist, a critique of political economy as such. (1971, p. 40)

Korsch’s words, undoubtedly important, however, in our view, remain insufficient as an explanation of the very important term “critique” in this connection. This involves Marx’s entire attitude to political economy as a “bourgeois science” to which Marx’s critique stands in opposition.

First of all, political economy was always considered by Marx as “bourgeois science.” This opposition started with his 1844 Parisian *Manuscripts*. Marx wrote there that “the mediating movement of the exchanging individuals is *not a human relation*. It is an *abstract relation between private property and private property*” (Marx, 1966, p. 248—emphasis in original). The self-attributed term “economist” in Marx’s (1847) opening salvo against Proudhon, if not read with (pre)caution, would appear to contradict clearly what he himself wrote in the body of the same text: “The economists are the scientific representatives of the bourgeois class just as the socialists and communists are the theoreticians of the proletarian class” (Marx, 1963c, p. 92). The most explicit opposition between political economy and its critique comes out in the “Afterword” to the second edition of *Capital* Vol. 1 (unfortunately passed over even by most of Marx’s followers including the great Marx readers such as Korsch).

After observing that the peculiar historical development of the German society excluded all original work in bourgeois economy in Germany (unlike in England and France), Marx stressed that this did not prevent the rise of the “critique.” “In so far as this *critique* represents a class it can only represent that class whose historical mission/profession [*Beruf*] is to revolutionise the capitalist mode of production and, finally to abolish classes” (Marx, 1954, pp. 25, 26). Marx’s earlier pronouncement on the “victory of the political economy of labour over the political economy of property” (in his own German version “property” replaced by “capital”) made in the famous 1864 “Inaugural Address” is to be understood in



the same sense of opposition. It is worth noting what Engels wrote in his first (1867) review of *Capital* Vol. 1, characterizing the book as the “political economy of the working class reduced to its scientific expression.” He added: “Who has eyes to see, sees here clearly expressed the demand for a *social revolution*. Here is a question not of workers’ association with state capital *à la* Lassalle but of the abolition of capital itself” (1973, p. 216—emphasis added).

There is also another misrepresentation of Marx’s economic work: Marx has been placed among the classical political economists in the line of Adam Smith and particularly David Ricardo. The great economist and Marx sympathizer J. Schumpeter remarked along this line that Marx was the only “great follower of Ricardo” (Schumpeter, 1994, pp. 390, 396). Similarly, the so-called “surplus school” around the legacy of P. Sraffa has placed Marx among the classical political economists, as a follower of Ricardo’s value theory, one of the most eminent being the late Pierangelo Garegnani. Recently, the well-known Left economist Anwar Shaikh in his voluminous work *Capitalism: Competition, Conflict, Crisis* (2016) has also placed Marx among the classics.

Let us remark *en passant* the very fact that Marx always considered political economy as a bourgeois science to which he opposed his *critique*. Does not this itself negate the affirmation that Marx was also a “classical” economist? Let us proceed a little further with the argument why Marx cannot be considered as just another representative of the classical political economy. Some of these arguments will be further elaborated in the text below. First, there is a fundamental difference between the way the very term “capital” is considered by the classics (indeed, by the whole of the bourgeois political economy) and the way Marx considers it. Thus, for the former “capital” is a *thing*—“stock,” “machines and instruments,” “implements,” “accumulated labour”—while for Marx, “capital” is a specific social relation of production represented in a thing and appearing at a particular phase of human history (Marx, 1992, p. 843).<sup>1</sup>

<sup>1</sup>The eminent Russian economist V. P. Shkredov wrote that Marx’s “discovery of the difference as well as the connection” between capital as a social relation and capital as a (material) thing “constituted a revolutionary upheaval [*revolyusionnogo perevorota*]” (1973, p. 165) in political economy. In this connection, let us remind the readers of a very interesting and significant remark made by Rosa Luxemburg: “Marx’s economic doctrine is the offspring of the bourgeois political economy, a child whose birth would cost the mother’s life” (1981, p. 591).

Again, in order to emphasize his distinction from “political economy,” Marx (1847) wrote in an early text, his polemic against Proudhon:

The economists take the bourgeois relations of production, the division of labour, credit, money, etc. as fixed, immutable categories. The economists explain to us how one produces in the given relations, but what they do not explain to us is how these relations themselves are produced, that is the historical movement which creates them. (1963c: 74)

Years later, he returned to this crucial distinction between him and the whole of the bourgeois political economy in his so-called “sixth chapter”<sup>2</sup> of *Capital*:

The conception expounded here differs essentially from the bourgeois economists, victims of the capitalist ideas, who of course understand how production is carried on inside the capitalist relation, but not how this relation itself is produced and at the same time, within it the material conditions of its dissolution are produced and simultaneously how the *historical justification* of the system evaporates as the *necessary form* of economic development, the production of social wealth. Contrariwise we have seen how capital produces, but also how it is itself produced. (1988, p. 129—emphasis in original)

Again, while the classical political economy in general considers the capitalist mode of production as a natural and everlasting mode of production, Marx considers this mode as a “transitional point” for the new society (1953, p. 438).<sup>3</sup>

Marx himself in different places of his writings mentioned his singularity as compared with the political economy. Thus speaking of the dual character of labour (use value and exchange value) in a commodity, he pointed out that he was the first to observe this particular aspect, adding that the understanding of political economy pivots around this point (1963, p. 168; 1987a, p. 75). Similarly, in a letter to Engels (August

<sup>2</sup>This chapter named “Results of the immediate process of production” Marx wrote in 1864 as the last chapter of *Capital* Vol. 1, serving at the same time the passage to the book’s second volume. The original plan could not be realized. It could not be a part of the book. However, it offered a short resumé of the book. See Irina Antonowa (1982).

<sup>3</sup>See also Marx’s comments on Johann Most’s 1876 *Kapital und Arbeit* in Marx (1989).

24, 1867), Marx wrote (about *Capital* Vol. 1): “The best points in my book are: 1. (this is fundamental to all understanding of the *facts*) the *two-fold character of labour* according to whether it is expressed in use-value or exchange-value, which is brought out in the very *First Chapter*” (Marx, 1987b, p. 407). With this he also added in the same letter (to differentiate himself from the bourgeois political economy), “2. the treatment of *surplus-value regardless of its particular forms* as profit, interest, ground rent, etc.” (Marx, 1987b, p. 407). In a letter to Kugelmann dated December 28, 1862, Marx was fully conscious that what he was doing was “attempting to revolutionise science” (Marx, 1985, p. 435). Later in the French version of *Capital*, Marx wrote, “the method which I have employed has not yet been applied to economic subjects” (1963a, p. 543).

Marx’s qualitative differences with the classical political economy appear in Garegnani’s work on the so-called “surplus school” in which the author clearly places Marx’s work. He writes that the “surplus” approach to the theory of distribution and prices began with Petty and continued through Quesnay, Smith, and Ricardo and then “was taken over and developed by Marx” (1960, p. vii). Now, as a matter of fact, Marx’s concept of surplus is qualitatively different from that of all his classical bourgeois predecessors. True, as Marx observes:

The real science of political economy began only when the (classical) economists, in order to explain the origin of surplus, turned their theoretical reflections on the production process away from the circulation process in which the first interpreters of capital – the mercantilists and the monetarists – thought its origin lay. (1992, p. 410)

However, even though the classics correctly thought that the surplus originated in the production process, the real creator of surplus, that is, surplus labour, is absent in their presentation. In the French version of *Capital* Vol. 1, Marx wrote “the notion of surplus labour is not explicitly found in bourgeois political economy” (1954, p. 497; 1963b, p. 1024). He observed, “Ricardo never bothers about the origin of surplus value” and “treats it as a thing inherent in the capitalist mode of production which in his eyes is the natural form of social production” (1954, p. 483; 1963b, p. 1009).

Even if we assume that the idea of surplus labour is at least implicit in the classics, their whole approach on surplus is ahistorical. Now, capital

has not discovered surplus labour. Wherever a part of society possesses a monopoly of the means of production, the labourer has to add surplus labour time to the labour time necessary for the self-sustenance in order to create a surplus for the subsistence for the possessor(s) of the means of production (Marx, 1954, p. 219; 1963b, p. 770; 1987a, p. 241). “It is only the form in which the surplus labour is extorted from the immediate producer, the labourer, that distinguishes the economic-social formations [from one another]” (Marx, 1954, p. 209; 1963b, p. 770; 1987a, p. 226).

Concerning the creation of surplus under capitalism, Marx goes into its specificity in a remarkable passage in the manuscript for volume three of *Capital* (Trinity Formula):

It is one of the civilizing aspects of capital that it extorts this surplus labour in a manner and in conditions that are more advantageous to social relations and to the creation of the elements for a new and higher formation than was the case under the earlier forms of slavery, serfdom, etc. Thus, on the one hand it leads towards a stage at which compulsion and monopolization of social development with its material and intellectual advantages by one section of society at the expense of another disappears; on the other hand it creates the material means and nucleus for relations that permit the *surplus labour* to be combined in a higher form of society with a greater reduction of the overall time devoted to material labour. (1992, p. 837)

After having discussed the question of “surplus,” let us now turn to Garegnani’s presentation of value theory in Marx and its relation to the classics, particularly Ricardo. He writes: “The analytical schema at the basis of Marx’s theory remained Ricardian. The theory of labour value played the same analytical role in Ricardo and Marx” (Garegnani, 1985, p. 324). He further adds, “the basic analytical role of the labour theory of value leaves no room for its use in expressing exploitation” (Garegnani, 1984, p. 323). However, he does not clearly state what he means by the term exploitation. On the contrary, Marx makes the meaning of labourer’s exploitation precise. Marx holds that “the rate of surplus value is the exact expression of the degree of exploitation of labour power by capital or of the labourer by the capitalist” (1954, p. 209; 1963b, p. 770; 1987a, pp. 226–227).

Let us now turn to two key concepts in Marx’s value theory: “Alienation” and “fetishism.” Garegnani stresses, “to clarify the characteristics of the economic system to which Marx referred by his concept of commodity

fetishism basically amounts to explaining the phenomena of the system in a coherent way. This is not the special task of the theory of labour value as such” (1985, p. 336).

The “economic system” under consideration here is of course the commodity-capitalist system. So Garegnani’s assertion amounts to “explaining the phenomena” of this system without any reference to value and its forms of expression. However, Marx’s discussion of commodity fetishism directly contradicts any such assertion. In fact, Marx shows how commodity fetishism arises from the value form of the product of labour which is an integral part of Marx’s value theory. Value form and commodity fetishism associated with it clearly distinguish Marx’s theory from the classical theory of value which completely ignored this dimension of (labour) value. Lacking this dimension and preoccupied with value as a magnitude, the classical (Ricardian) theory of value had no idea of commodity fetishism.

There is nothing mysterious about the products as use values created by concrete labour. [...] The enigmatic character of the products of labour arises from their value or commodity form. The mysterious character of the commodity form lies simply in that the social character of the humans’ own labour appears to them as the objective character of the products of labour themselves, as the natural attributes of these things and thus also the social relation of the producers to the totality of labour appears to them as the social relation outside of them. (Marx, 1987a, p. 103)

This is the situation where a definite social relation of the human beings themselves assumes in their eyes the “phantasmagoric form” of a relation between things. This inversion of relation between persons and things—this “fetishism”—is glued on the products of labour as soon as they are produced as commodities and are inseparable from commodity production. This inversion—this “fetishism”—is not confined only to commodity production as such. All social forms to the extent that they involve commodity production and monetary circulation participate in this inversion. However, “in the capitalist mode of production, and in capital which is its dominant category, and which forms its determining relation of production this enchanted and inverted [*verzauberte und verkehrte*] world develops much further” (Marx, 1992, pp. 848–849).

The theory of value of the classical political economy—including its perfected form in Ricardo—was incapable of understanding commodity

fetishism inasmuch as it did not understand the *value form* of the product of labour. In his manuscript for volume three of *Capital*, Marx remarks that though the great merit of classical political economy has been to see through much of the mystification of commodity production, “even the best of its spokespersons remain prisoners of the phenomenal world as it could not be otherwise from a bourgeois point of view, and thus all fall more or less into inconsistencies, half-truths and unresolved contradictions” (1992, p. 852). In the first volume of his great work, Marx notes that while the classical political economy has emphasized—very imperfectly though—value and its quantity, and discovered the hidden content in value, it never asked why this content takes this form, why labour is represented in value and the measure of labour by its duration is represented in magnitude of value of the product of labour. “That these formulae which palpably [*denen es auf der Stern geschrieben*] belong to a social formation where the process of production dominates human beings instead of being dominated by them, appears to its bourgeois consciousness as a necessity as natural as the productive labour itself” (1954, p. 85; 1963b, pp. 615–616; 1987a, pp. 110–111). Only Marx’s theory could show that the peculiar inversion characterizing capitalist production, this craziness of relation between the dead and the living labour, between value and value creating power, is not only “reflected in the consciousness of the capitalists” (1987a: 309) but as Marx underlines, “this inversion between persons and things [...] is also in the imagination of the political economist” (1988, p. 82). In this connection, Marx refers to Ricardo who, when characterizing the material elements of capital, “uses as self-evident without further thought or remarks the expressions ‘capital as the means of employing labour’, ‘quantity of labour employed by capital’, ‘the fund which is to employ the labourers’, etc.” (1988, p. 82). Marx qualifies Ricardo’s above-cited expressions as “economically correct,” which could only mean “correct” from the point of view of capital inasmuch as with such “phrases passed into everyday life” Ricardo “expresses the nature of capital” (1959, p. 418).

## 2 THE THEME

When discussing socialism in Marx’s writings, people generally refer to his 1875 “Marginal Notes to the Programme of the German Workers’ Party,” generally known as the *Critique of the Gotha Programme* (*Gotha-critique* for short). As an outstanding example, one could cite Lenin’s

famous 1917 brochure *State and Revolution* where the discussion of socialism in Marx takes place almost wholly within the framework of the *Gothacritique*.<sup>4</sup> This is in spite of the fact that the *Gothacritique*, a purely occasional paper, was, according to its own author in a letter to his friend Bracke (May 5, 1875), only a “long scrap of paper” written momentarily for a specific purpose, though it should be added that writing this “scrap of paper” (Marx, 1991, p. 69—translation modified) allowed Marx the opportunity to systematize some of the specific aspects of how he envisaged the society after capital.

Contrariwise in discussions on Marx’s socialism, his great work *Capital* is generally left aside presumably on the ground that the latter work is concerned only with the analysis and critique of capitalism, or as Marx himself puts it in his 1867 “Preface” to the first volume of the book, lays bare the “economic law of motion” of the capitalist society, and not with the society that he envisages will succeed the capitalist society. But that is a mistake. Marx’s preoccupation with the analysis and critique of capital(ism) does not hinder him from throwing important light on the society to come, precisely generated by capitalism itself. Unfortunately, we cannot also agree with some scholars according to whom, while Marx’s work on capitalism is unparalleled, he did not have much to say on the society after capital.<sup>5</sup> True, Marx famously stressed in the “Afterword” to his masterwork that he was not writing “recipes for cook-shops of the future,” and had guarded himself from offering any full-bodied description of the society, which he thought would succeed the existing one, in a single finished work, in order not to appear as a “utopian.” Nevertheless, he had left numerous suggestions and affirmations spread over his writings on capital sufficient to form a broad picture of the post-capitalist society. A careful perusal of *Capital* indeed should disprove this contention. That this cannot be otherwise is shown by Marx’s own statement in the “Afterword” to his masterwork that as opposed to the political economy, representing the capitalist class, his book *Capital* represented the proletariat, the class whose historical mission/profession (*Beruf*) was to overthrow the capitalist mode of production and abolish

<sup>4</sup>A recent example, among others, of the same limitation is found in a book by the contemporary German scholar Michael Heinrich (2011) titled *Die Wissenschaft vom Wert*.

<sup>5</sup>Thus, the eminent libertarian intellectual Noam Chomsky observes: “Marx was too cautious in keeping only to a few general words about post capitalist society” (Horgan, 2018).

classes. What else is this but an invocation to the future “Association” built on the ruins of the capitalist society! It is remarkable that even the simple portrait of the society after capital which Marx drew toward the end of the very first chapter of the first volume of *Capital* has quasi-totally been left aside by writers writing on Marx’s discussion on socialism, including even Lenin in his *State and Revolution*.

Let us specify what we mean by the book *Capital* in this work. In the “Preface” to the first edition of the first volume of his great work, Marx himself indicates what *Capital* includes. This work includes not only the first “Book” concerned with the process of production of capital but also “Book” two dealing with circulation of capital, “Book” three discussing varied forms assumed by capital in the course of its development, and finally, “Book” four exposing the history of the theory (see Marx, 1954, p. 21; 1963b, p. 551; 1987a, p. 68). It is also very pertinent that we include here what is generally considered as the first variant of *Capital*, namely the immense 1857–1858 manuscripts, the so-called *Grundrisse*, and, following it, the 1859 *Contribution to the Critique of Political Economy*. The final year for this gigantic endeavor was 1881, the last year for the last manuscript for volume two of *Capital*. Thus, the total time frame of all these writings is the period 1857–1881, twenty-four years. In other words, the material for our work will be drawn from all of Marx’s economic writings *including* the manuscripts in his different notebooks as well as the relevant correspondence he had maintained on the subject with different people during almost a quarter century. We should not also forget that this material is the logical sequel of Marx’s own writings on economic matters beginning at least with his 1844 Parisian *Manuscripts*, the so-called *Economic and Philosophical Manuscripts*.<sup>6</sup> It should be clear that given the very nature of our subject the reader should be prepared to “tolerate” sometimes long textual citations from Marx.

### 3 SOCIALISM IN MARX

The term “Socialism” has no unique meaning. People have used this term with different connotations: Guild socialism, market socialism, national socialism, Fabian socialism, socialism with Chinese characteristics, etc. However, these are not relevant for the present study. Socialism is used

<sup>6</sup>Very justly, in our view, Karl Korsch (1938) has observed: “Contentwise the 1844 *Manuscripts* anticipate all the critical-revolutionary propositions of *Capital*” (p. 43).



here as it appears in Marx's own work, and only this sense is in harmony with his writings in *Capital*. For Marx, socialism and communism are simply equivalent and alternative terms for the same society that he envisages for the post-capitalist epoch which he calls, in different texts, equivalently: Communism, socialism, Republic of Labour, Association of free and equal individuals, Cooperative Society, (re)Union of free individuals, or, more frequently, simply Association. To drive home our point that socialism and communism in Marx mean the same social formation, and thereby to refute the uncritically accepted idea—a sequel to the Bolshevik tradition—of socialism being only the transition to communism, we can mention at least four of Marx's texts where, referring to the future society after capital, Marx speaks exclusively of “socialism” and does not mention “communism”<sup>7</sup>:

Generally a revolution – overthrow of the existing power and the dissolution of the old relations – is a political act. Without revolution socialism cannot be viable. It needs this political act to the extent that it needs destruction and dissolution. However, where its organizing activity begins, where its aim and soul stand out, socialism throws away its political cover. (Marx, 1975b, p. 420)

The second and third texts are almost identical, appearing respectively in his 1861–1863 notebooks (second notebook of the 23 notebooks) and in the so-called “main manuscript” for *Capital* Vol. 3. Here is the 1861–1863 text, in Marx's own English:

Capitalist production [...] is a greater spendthrift than any other mode of production of man, of living labour, spendthrift not only of flesh and blood and muscles, but of brains and nerves. It is, in fact, at [the cost of] the greatest waste of individual development that the development of general men [general development of human beings] is secured in those epochs of history which prelude to [which presage] a socialist constitution of mankind”. (1976, p. 327—our bracketed insertions)

<sup>7</sup>In this regard, we may be allowed to point out that even a well-known historian like Isaac Deutscher clearly misread Marx (*à la* Lenin) when he spoke of the “familiar distinction, drawn by Marx in his *Critique of the Gotha Programme*, between the ‘two phases’ of communism, the ‘lower’ or the socialist and the ‘higher’ or the communist proper” (1957, p. 152).

This text is repeated almost word for word in the “main manuscript” for the third volume of *Capital*. Finally, in the course of correcting and improving the text of a book by a worker (Johann Most), meant for popularizing *Capital*, Marx inserted: “The capitalist mode of production is really a transitional form which by its own organism must lead to a higher, to a co-operative mode of production, to socialism” (Marx, 1989, p. 783).

#### 4 OVERVIEW OF THE NEW SOCIETY

Capitalism is a historical society and not a society produced by nature. It is a provisional, transitory society just as all pre-capitalist societies had been, and it too will cease to exist when the material and subjective conditions for its disappearance reach a certain stage where the forces of production—the most important of which are the working people themselves—come into conflict with the existing production relations (production relation under capitalism is essentially wage labour relation). It is capital(ism) which itself creates both the material conditions and the subjective agents of its own disappearance. Capitalism, more than any other social system in the past, has destroyed all fixed and frozen relations, broken down all barriers to the expansion of the productive forces which it tends to revolutionize constantly. The subjective condition is embodied in the working people—capitalism’s “grave diggers”—which capitalism itself has created. The most important is this subjective condition. Even if the material forces of production are fully developed, after which they start declining, capital as a relation of production could somehow continue. Here comes the active role of the greatest productive force—the working people. It is their own task to free themselves from the wage chains of capital. The necessity to change their own situation arises in their consciousness through the experience of their own daily struggle with their “Bosses” in the workplace. And self-emancipation of the lowest strata of society would naturally imply humanity’s emancipation in general.

As opposed to the capitalist method of production based on antagonism in the very process of production—the *separation* of the producers from the conditions of production—socialism, the cooperative society, is founded on the *union* of the working people with the conditions of production. The individuals in the cooperative society are *free* in the sense that in the relations of production there is no longer any personal dependence as in pre-capitalism. There is also another kind of freedom for the

individual. This concerns the products taking commodity form on which the capitalist relations of production are based. In this relation based on commodity exchange, there is no direct relation between individuals. Here, social relations of individuals appear in the perverted form of social relations between things (products). With the disappearance of capital, this perverted relation also ceases to exist, and this material dependence of the individuals becomes extinct. Now, labour loses its earlier significance. It is no longer an occupational job for the purpose of providing subsistence but is transformed into a free and conscious *activity* mediated by the *de-alienation* of the individuals from both their own kind and their own material creations.

With the transformation of the relations of production, the *ownership* relation of the means of production is also transformed arising as they do from the relations of production. Ownership of the conditions of production in socialism is of course *collective* at the level of society. Indeed, one of the beginning measures taken by the workers after winning political power is the juridical elimination of individual capitalist property (of the means of production) as mentioned above. However, inasmuch as the installation of workers' power does not *ipso facto* mean "victory of socialism," in the same way workers' immediate measure of bringing the means of production under the control of their own rule does not mean straightaway "social ownership" of the means of production. It is the transformation of the capitalist production relations that determines the transformation of capitalist ownership relations and the establishment of "social ownership" over the conditions of production in the new society. It should be emphasized that whereas all the earlier forms of appropriation had naturally a limited character, social appropriation has a universal, total character. This is so first because of the total character of deprivation of the workers in the old society and second because the development of the forces which are now appropriated has already reached a universal character under capitalism and can be appropriated only collectively, only by *society* of free and equal individuals as producers.

Needless to stress, the goal of material production in the new society is completely different from that under the rule of capital. The aim of capitalist enterprise is maximization of profit mediated by exchange value, whereas the aim of socialist production is to satisfy the needs of society's members mediated by use value. Under capitalism, people's day-to-day needs are satisfied—if at all—through the market where products dominate the producers. But, first of all, how do we know people's needs!

For this, surveys of household requirements could be conducted periodically. This was proposed (independently of each other) by two eminent European socialists: Otto Neurath (2004) and Anton Pannekoek (2003). The units of production could be managed by workers as cooperatives, absolutely democratically.

Like the ownership relation, *exchange* relation also undergoes transformation corresponding to the transformation of the social relations of production. This concerns both the material exchange of individuals with nature and social exchange among individuals themselves. As to the material exchanges of individuals with nature, while capitalism—compared with earlier systems—renders the humans less dependent on the powers of nature by progressively subjecting these powers to human intelligence through an unprecedented increase in the material forces of production, its technology, at the same time, seriously damages the natural environment by undermining the natural powers of the earth along with the human producer. In sharp contrast, in the new society, the social individuals not only free themselves from subjugation by nature's blind forces 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.

As to the exchange relations among individuals, all exchange of labour regulated either hierarchically (as in pre-capitalism) or through the form of commodities ceases. There is no need of the social relations of individuals to appear in the perverted form of the social relations of *things*. For that is what exchange of commodities amounts to. Exchange of commodities completely hides the relation between persons. Instead, there is now free exchange among social individuals, that is, exchange of their activities determined by their collective needs and aims on the basis of the social appropriation and control of the conditions of production. Whereas in the commodity (capitalist) society the social character of production is posited *post festum* (after the event, after sale, indicating society's approval), in the new society the social character of production is posited right at the beginning of the production process, even before production starts. Here, community is *posited before* production.

Finally, the question of *distribution*. Now, distribution (in the economic sense) in a society can be viewed as the distribution both of conditions of production (i.e., instruments and other means of production) and of products where the first distribution determines the second. The distribution of conditions of production, again, includes not only the

means of production, but also the distribution of the working members of society among different spheres of production. In fact, the distribution of the conditions of production is the distribution of total social labour time, dead and living, across the economy. We first discuss the distribution of the conditions of production and then the distribution of products.

Social labour time refers to society's time available for production. The regulation of production by a proper distribution of society's available labour time among society's different spheres is common to all societies. On the other hand, another issue concerns the total magnitude of society's available labour time itself. 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 time at the disposal of society's individuals for their enjoyment and personal development. Thus, all economy is finally reduced to the economy of time. Particularly in a society based on collective production whose aim is, contrary to that of capitalism, not maximizing profit but satisfaction of human needs, economy of time takes an altogether different character.

Interbranch allocation of society's labour time is a question of the latter's alternative uses in suitable proportions. More time is bestowed on some branches of production, less time remains for the rest. This allocation problem is solved differently in different societies. Thus, whereas under capitalism the distribution of society's labour time is mediated by the commodity form of the products of labour, the new society solves the problem in a conscious, planned way without the need for social relations to appear as relations between things.

Then, there is the problem of temporal lag between the employment of resources and obtaining the use values therefrom. This lag is naturally longer in some lines of production, shorter in others. This is a situation independent of any specific mode of production. While under capitalism the problem of allocating resources to the production lines with a longer temporal lag, compared with others with a shorter lag, is solved *post festum* (after the event) and at the cost of abiding disturbances, under socialism society would consciously calculate and plan in advance the scale of operation and allocate the resources.

Not only is the allocation of labour time as between different lines of production effected in a different way under socialism compared to capitalism, the saving of society's global time itself, devoted to material production, takes on a different character in the new society. The creation of disposable time by minimizing the global labour time signifies for

all class societies, non-labour time for the non-producing few. However, unlike all earlier (pre-capitalist) societies, capitalism continuously strives to increase, beyond the necessary labour time of the producers, their *surplus labour* time, the appropriation of which as “surplus value” is considered as society’s wealth, given exchange value and not use value as its objective. Surplus labour is the labour of the worker beyond her/his needs. This in fact is the labour for society which under capitalism, the capitalist appropriates in the name of society. This surplus labour is the basis of society’s free time and simultaneously, the material basis of society’s many-sided development. However, since capitalism, on the one hand, creates disposable time while, on the other hand, it converts this disposable time into surplus labour time leading ultimately to the crisis of overproduction and non-valorization of surplus labour, the process is contradictory. This contradiction is overcome in the new society.

First of all, in the conditions of social appropriation of the conditions of production, the earlier distinction between necessary and surplus labour time loses its meaning. From now on, necessary labour time will be measured in terms of needs of the social individual, not, as in capitalism, in terms of valorization with a view to gaining maximum profit. Similarly, increase in disposable time will no longer signify non-labour time for the few. It is free time for *society* as a whole and it becomes the measure of society’s wealth. And this in a double sense. First, its increase indicates that labour time produces more and more wealth due to immense increase in productive forces, unconstrained by earlier contradictions—wealth toward the enrichment of all social individuals. Second, 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 labour time, is not determined by any external finality that has to be satisfied either as a natural necessity or as a social obligation.

In fact, the true wealth is the developed productive power of all individuals. It is then no more the labour time, but the disposable time that becomes the measure of wealth. Labour 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 labour time. This signifies the positing of the individual’s totality of time as labour time and degrading the individual to the unique role of labourer, completely subsumed under labour. On the other hand, labour time itself, the basis of free time, takes on a new meaning. Labour now is directly social, unmediated hierarchically or by the exchange value form of its products (having lost the profit

dimension of production) and bereft of its earlier antagonistic character. It is now truly *social* labour.

We now turn to another important aspect of distribution under socialism, that concerning the division of social product between production needs and consumption needs as well as the distribution of the means of consumption among the “social individuals.” As to the first problem, one part of the social product serves as common funds that include replacement and extension of the means of production as well as society’s insurance and reserve funds against uncertainty. The rest serves as means of collective consumption—mainly society’s health, housing and educational needs, and provisions for those unable to work—and personal consumption.

As regards the mode of distribution of the means of consumption among the individuals who are all producers (here all able-bodied persons are producers; “no drones amongst us,” to use the saying of the great French literary figure Romain Rolland), this totally follows from the way in which the conditions of production are distributed. As producers are united with the conditions of production in socialism, they are no longer wage/salaried labourers, no longer sellers of their labour capacities, and the system of wage/salary labour ceases. We assume the absence of inter-country war after the end of the rule of capital (there being no rational reason for this). Consequently, we suppose the absence of immense waste caused by the military-repressive machinery, commercial advertisement, etc., which are the inseparable parts of the existence of capital. We also legitimately take into consideration the existence of the vast development of science and technology. Given these factors into consideration, we see no reason why the members of the new society cannot satisfy all their needs.

Before we terminate, let us say a few more words on socialist accounting which are generally neglected in literature. In the absence of money as the unit of calculation which goes out of existence with the disappearance of (generalized) commodity production, there are only two ways of distributing society’s products: By labour time, which we just discussed, and distribution in kind. This latter method was made famous by Otto Neurath in the early twentieth century. In-kind method of calculation is the natural method of calculation. In contrast to capitalism’s money reckoning—which does not tell us anything about real wealth of a people—a socialist economy is concerned with usefulness, people’s needs with regard to food, clothing, housing, health, education,

and entertainment. To this end, society seeks to employ raw materials, extant machinery, labour capacity in the best possible way giving due consideration to environment and non-wasteful exploitation of resources. All this is best done by in-kind calculation, in terms of use values.<sup>8</sup>

Let us conclude. There has been no socialism in the world till now. Far from being socialist, the regimes claiming to be socialist have been, as a matter of fact, in the strict sense, *state capitalist*, as their socio-economic foundation has been generalized commodity production and wage labour under the direction of Party-State. As regards *democracy*, there was none of it in these minority regimes resorting necessarily to generalized repression. Here, we may be permitted to refer to the debate between Lenin and Julius Martov, one of the unduly neglected heroes of the 1917 Russian Revolution. We are citing this from a great authority on the Russian Revolution, E. H. Carr: Martov attacked the violations of the Soviet constitution, diagnosed an apathy of the masses nourished and strengthened by centuries of slavery under Tsars and serf-owners, a paralysis of civic consciousness, readiness to throw all responsibility for one's fate on the shoulders of the government. Martov then read a declaration demanding the restoration of the working of the constitution, freedom of the press, of association and of assembly, inviolability of the person, abolition of executions without trial, of administrative arrests, and of official terror. Lenin replied that Martov's declaration meant "back to bourgeois democracy and nothing else," and continued: "When we hear such declarations from people who announce their sympathy with us, we say to ourselves: 'No, both terror and Cheka are absolutely indispensable'" (Carr, 1985, p. 174).

Indeed, socialism is an Association of free and equal individuals and, as such, organically democratic. Precisely in this Association, the free development of each would be the condition for the free development of all.

<sup>8</sup>Leontief's famous input-output analysis is of great help here. In this analysis, inter-industry transactions that go into the production of the output of an economic system are arrayed in the form of a matrix, with the outputs of each industrial sector displayed along its row and the inputs it draws from other industries in its column. The ratio of each input to the output of the sector reflects the technological requirement for the input, which although it is usually expressed in monetary value, is "best visualized in the physical units appropriate to it, whether tons, bushels, barrels, kilowatts or (hu)man hours" (Leontief, 1986, p. 375).



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## CHAPTER 2

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# Labour, Alienation, Accumulation in Capitalism

**Abstract** This chapter is an overview of society under capitalism. Building on the discussion on Marx’s critique of political economy, the author provides a detailed analysis of Marx’s writings on different phenomena ranging from capital to wages, from surplus labour to accumulation. The chapter’s focus is on labour, alienation, and accumulation and their relations within capitalism. It shows how capitalist production develops with contradictions which are constantly surmounted but are also constantly posited. The discussions in this chapter lay the theoretical and conceptual groundwork for the chapters that follow.

**Keywords** Capitalism · Wage labour · Alienation · Accumulation · Surplus value · Capital

### 1 WHAT IS CAPITAL?

There is a basic difference if not opposition between Marx and what is called “political economy” regarding the meaning of “capital.” For the political economy in general, “capital” is a “thing,” implements, “accumulated labour,” machines and instruments of production, etc., whereas for Marx, capital is considered not as a mere produced means of production, a thing, but as a specific social relation of production represented in

a thing appearing at a particular phase of human history. This Marx states clearly in his manuscript for volume three of *Capital*:

Capital is not a thing. It is a social system of production, well determined, belonging to a particular historical type of society, a system which manifests itself in an object on which it imprints a particular social character. Capital is not sum of fabricated material means of production. These are the means of production transformed in capital which is in itself no more capital than gold or silver is itself money. They are the means of production monopolized by a particular section of the society, the products and the conditions of activity of the labour power rendered autonomous confronting this labour power, personified in capital as a result of this opposition. These are not merely the products of the labourers transformed into independent power, products which dominate and buy up their producers, these are equally the forces and social relations which confront the producers as the manifestation of their product. In brief we are in the presence of a certain form, mysterious at first sight, of social factors of a process of production historically determined. Capital signifies the means of production monopolized by a definite section of society, the products and conditions of activity of the labour power, rendered autonomous, facing this living power and personified in capital. (Marx, 1992, p. 843)

Again, in the same manuscript, we read:

The capitalist mode of production is distinguished by two characteristics. First, its products are commodities. But what differentiates it from other mode of production is not the fact of producing commodities, but the fact of the commodity being the dominant and determining [*beherrschende und bestimmende*] character. This implies first of all that the labourer her/himself appears uniquely as the seller of commodity, that is, as free wage labourer. As regards the principal agents of this mode of production – capitalist and wage labourer – they are the simple incarnations, personifications of capitalist and wage labourer. The character no. 1 of the product as commodity and no. 2 of the commodity as the product of capital already imply the totality of the relations of circulation. It implies equally the particular relations of the agents of production on which depends the valorization of the product and its reconversion into means of subsistence or means of production. It is from these two characters – product as commodity or commodity as capitalist product – that we have the whole determination of value and the regulation of the totality of production by value. Furthermore it is from the nature of commodity and even more from the commodity as product of capital that the reification [*Verdinglichung*]

of the social determinations of production and the subjectification of the material foundations of production which characterize the whole capitalist mode of production take place.

The second characteristic that marks the capitalist mode of production is the production of surplus value as the direct aim and determining motive of production. Capital produces essentially capital and it does this only in so far as it produces surplus value. (Marx, 1992, pp. 897–989)

The account given here, it is interesting to note, is only a variation on the theme given in Marx's another text of the same period (1863–1867) in the so-called "sixth chapter" of *Capital* Vol. 1, "Results of the immediate process of production." There we read:

Commodity, the elementary form of bourgeois wealth, is the point of departure, the condition of the genesis of capital. It is also, at the same time, a product of capital. Both commodity and money are the elementary presuppositions of capital but they develop into capital under specific conditions. Production and circulation of commodities in no way presuppose capitalist mode of production: they belong equally to pre-bourgeois social forms. They constitute the historical condition of the capitalist mode of production. It is only on the basis of capitalist production that commodity becomes the general form of product, that sale and purchase embrace not only the excess product [*Ueberfluss*] but also the substance itself. [...] In the earlier stages of production products take the form of commodity only partially. [...] It is only when the laboring population has ceased to form a part of the objective conditions of labour, or belonging to the market as the producers of commodities, it is only when it sells, instead of the product of its labour, its labour itself or more exactly, its labour power, that production becomes in all its amplitude, in all its depth, *commodity production*. It is only on the basis of capitalist production that commodity becomes the elementary and universal form of the bourgeois wealth. [...] On the other hand, the real, specific function of capital as capital is the production of surplus value which is nothing but the production of surplus labour, appropriation of *unpaid labour* in the real process of production objectified as *surplus value*. (Marx, 1988, Sects. 1 and 2)

As we mentioned above, by treating capital as a thing and capitalist form of production as natural and eternal, political economy succeeded only in showing how production is carried on within capitalist relations but was unable to explain how these relations are themselves produced

and simultaneously how it produces the material conditions of its dissolution and thereby the removal of its historical justification as a necessary form of economic development (Marx, 1988, p. 129). Even earlier, in his *Anti-Proudhon* (1847), Marx had already observed:

The economists explain the bourgeois relations of production, division of labour, credit, money, etc. Proudhon who has all these categories in front of him wants to explain the act of formation, the generation of these categories, principles, laws, ideas, thoughts. The economists explain to us how production goes on within these given relations, but what they do not explain is how these relations are produced, that is, the historical movement which has generated them. (Marx, 1963b, p. 74)

In his 1857–1858 *Grundrisse*, Marx emphasizes the “necessity of an exact development of the concept of capital since it is the fundamental concept of the modern economy; and capital itself – whose abstract mirror image is its concept – is the basis of the bourgeois society with all its contradictions, and at the same time shows the limit where the bourgeois relation is driven to supersede itself” (1953b, p. 237). “For developing the concept of capital,” Marx observed in the first notebook of 1861–1863 manuscripts, “it is necessary to start not from labour, but from value, more precisely, from value already developed in the circulation. It is as impossible to pass directly from labour to capital as it is to pass directly from different human races to the banker or from nature to the steam machine” (1976, p. 28). Earlier, in a discourse to the workers (1847), to which we referred above, Marx dealt with the question how an amount of exchange values becomes capital. He observed:

An amount of exchange values becomes capital by multiplying itself as an autonomous social power, that is, as the power of a *portion of society*, by means of its exchange for direct, living labour power. The existence of a class which possess nothing but its capacity to labour is a necessary pre-requisite of capital. It is only the domination of accumulated past, materialized labour over direct living labour that turns accumulated labour into capital. Capital does not consist in accumulated labour serving living labour as a means for new production. It consists in living labour serving accumulated labour as a means for maintaining and multiplying the exchange value of the latter. In the exchange between capitalist and wage worker the worker receives means of subsistence in exchange for

labour power, but the capitalist receives in exchange for her/his subsistence labour, the productive activity of the labourer, the creative power whereby the worker not only replaces what s/he consumes but *gives to the accumulated labour a greater value than it previously possessed*. (Marx, 1970, p. 81—emphasis in text)

Years later, in his sixth notebook of 1861–1863 manuscripts, Marx wrote:

Commodities or money become capital being directly exchanged for labour power, exchanged in order to be replaced by more labour than they themselves contain. For the use-value of labour power to the capitalist as a capitalist does not consist in its actual [*wirklichen*] use-value, in the usefulness of this particular concrete labour – that is spinning labour, weaving labour, and so on. S/he is as little concerned with this as with the use-value of the product of this labour as such, since for the capitalist the product is a commodity, not an article of consumption. What interests her [him] in the commodity is that it has more exchange value than s/he has paid for it, and therefore the use-value of the labour is for her [him] that s/he gets back a greater quantity of labour-time than s/he has paid out in wage. (Marx, 1956, p. 119)

In his 1859 *Contribution to the Critique of Political Economy*, Marx showed how exchange led to the formation of money and the process of circulation (this he would elaborate in *Capital* Vol.1):

The exchange of commodities is the process in which the social metabolism [*Stoffwechsel*], in other words, the exchange of products of particular individuals, simultaneously gives rise to definite social relations of production into which individuals enter in the course of this metabolism. As they develop, the inter-relations of commodities crystallise into distinct aspects of this universal equivalent and thus the exchange process becomes at the same time the process of formation of money. This process as a whole, which comprises several processes, constitute circulation. (Marx, 1980, p. 130)

Before we proceed further, it is necessary to be clear about the term “commodity.” Marx gives a precise definition in first chapter of the first volume of his master work:

In general useful objects become commodities only because they are the products of private labours executed independently of one another. The totality of private labours constitutes the social form. Since the producers come into contact socially only through the exchange of their products it is only within the limits of exchange that the social character of their private products is first affirmed, or, rather, the private labours manifest themselves in reality as social divisions of labour only by the relations established by the products of labour and indirectly between the producers. It follows that for these latter the relations connecting the labour of one individual with that of the rest appear not as direct social relations between individuals at work, but as what they really *are*, material relations between persons and *social relations between things*. (Marx, 1963a, pp. 606–607—emphasis in the original)

Already, a few years earlier, in his primitive version (*Urtext*) of 1859 *Contribution to the Critique of Political Economy*, Marx had observed, referring to commodity production:

Individuals get in touch with one another only as proprietors of exchange value and assume mutually a material existence through their product, the commodity. Without this objective mediation they have no relation with one another. In fact each one has only an objective existence in relation to others, and their community is an external object and is therefore contingent, inasmuch as this is founded on monetary relation. The resulting social relation confronts them as an objective and contingent necessity. This is precisely what produces their autonomy. Life in society is certainly a necessity, but this is only a means whence this appears in the eyes of the individuals themselves as something external and even – in money – as an object to manipulate. Individuals having a social existence produce in and for the society. But it appears to them that it is only a simple means to materialize their individuality. As they are neither under the rule of a natural community nor they themselves constitute consciously and collectively the community, the community that actually exists, has to be autonomous and contingent. This is precisely why they could maintain their social relations as private individuals. (Marx, 1980, pp. 53–54)

In the finished text of the *Contribution*, we read:

It is the community posited before production which prevents the labour of the (singular) individual from being private labour, the individual's product being private product, and, rather, makes the individual labour



appear as the direct function of a member of the social organism. The labour which is represented in exchange value is presupposed as the labour of the singularized individual. It becomes social by taking the form of its direct opposite, the form of abstract generality. (Marx, 1980, p. 113)

Now, the labor which forms the substance of the value of commodities is the labor which is equal and indistinct, the expenditure of the same power. The labor power of the whole society, which is manifested in the totality of values, counts as a unique power, even though it is composed of innumerable individual powers. It employs in the production of the commodity only the time necessary on the average, “socially necessary labour time.” “Socially necessary labour time for the production of commodities is the labour time which is required to produce a commodity under normal conditions of production with the average degree of skill and intensity” (Marx, 1963a, p. 566).<sup>1</sup> This category “socially necessary labour time” (SNLT for short) is quasi-absent in the classical political economy and is effectively a Marxian concept. It is found in Marx’s different texts beginning with his 1847 *Anti-Proudhon*:

That which determines value is not the time within which a thing has been produced but the *minimum* of time within which it can be produced, and this minimum is established by competition. Competition realizes the law according to which the relative value of the product is determined by *the time socially necessary* for the product. (1963b, pp. 39–40—emphasis in text)

Elsewhere in the same book we read: “In a society of the future where class antagonism has ceased to exist, where there would be no classes, the use (of a thing) will no longer be determined by the *minimum* time for production, but the time used for (producing) different articles will be determined by their degree of social utility” (1963b, p. 37—emphasis in original). In his 1859 *Contribution*, Marx cites Sismondi as holding “the social character of exchange value created by *necessary* labour time as well as the relation between the *needs of the whole society and the quantity of value sufficient to satisfy them*” (1980, p. 138—emphasis added). In one

<sup>1</sup>The term use value (*Gebrauchwert*) of the original (German) edition was replaced by commodity (*merchandise*) in the French version.

of his early 1860s manuscripts, Marx observed, while elaborating on sale and purchase of commodities:

Just as the condition for commodities to be sold at their value is that they contain only the *socially necessary labour time*, in the same way, for a whole production sphere of capital, of the totality labour time only the part necessary for the particular sphere is applied, the labour time needed to satisfy the social need. If it is more, a part of their use value is lost. (1959, p. 517)

Marx faults Ricardo for being uniquely occupied with:

The *magnitude of relative value* which the different commodities represent and which are incarnated in them. But the labour contained in them must necessarily be represented as *social* labour, as alienated individual labour. In price is this representation ideal; only in sale is this realized. This transformation [*Verwandlung*] in *socially equal* labours of private individuals, contained in commodities, therefore representable in all use values, with all exchange able labour, this *qualitative* side of the thing which is contained in the representation of exchange value in money, is not developed by Ricardo. This circumstance – the necessity of *representing* the labour contained in it as *equal social labour*, that is, as money, Ricardo overlooks. (Marx, 1962, p. 129)

In the manuscript for volume three of *Capital*, Marx elaborates further the category SNLT:

In order for the commodity to be sold at its market price, that is, proportionately to the *socially necessary* labour contained in it, the total amount of social labour used for the total quantity of this type of commodity has to correspond to the quantity of needs that the society has – of course effective [*zahlungsfähigen*] social needs. Competition, the fluctuations, the existing prices corresponding to the supply and demand tend constantly to bring to this level the total quantity of labour applied to each category of commodity. (1992, p. 267—emphasis in text)

In a further clarification, Marx indicates that:

Even though each particular article or a definite category of commodities contains only the social labour necessary for its production, it remains true that if the commodity has been produced excessively beyond the existing

needs of society, a part of the labour time has been wasted, and in the market the amount of commodities represents a quantity of social labour very much inferior to what it contains in reality.<sup>2</sup> (1992, p. 267)

The conversion of a sum of money into means of production and labor power is the first step taken by the quantum of value that is going to function as capital. This conversion takes place in the market, within the sphere of circulation. The second step, the process of production, is completed so soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and therefore contains the capital originally advanced, plus a surplus value.

These commodities then must be thrown into circulation. These commodities must be sold, their value realized in money. This money is again converted into capital, and so over and over again. This circular movement in which the same phases are continually gone through in succession, forms the circulation of capital. (1963a, p. 1065)

The point of departure of this form of circulation is itself already a product of circulation of commodities, since only in circulation and by circulation that the commodity takes the form of money, that it is transformed into money and develops into exchange value. The money that goes through this movement is capital. “The value which becomes autonomous [*verselbständigte*] in money, which goes through this process, is the form in which money presents itself as capital” (Marx, 1976, p. 9). As soon as money is posited as exchange value which not only becomes autonomous in relation to circulation, but also is preserved in itself, it is no longer money, it is capital. That is why money is the first form in which exchange value progresses toward the determination of capital and, historically, is the first form in which capital appears and is confounded historically with capital properly speaking. Contrariwise in the case of simple circulation, the exchange value is not realized as such:

<sup>2</sup>It is only where production is under the *à priori* (*vorherbestimmender*) control by society that the latter establishes the relation between the volume of social labor time employed to produce the particular articles and the volume of the social needs which these articles are meant to satisfy.

It is realized only at the moment of its disappearance. If the commodity becomes money and the money again becomes commodity the determination of exchange value disappears. If commodity is exchanged against money, the form of exchange value, money remains only as long as it is outside of exchange, a negative relation with circulation. (Marx, 1976, p. 29)

An increase of value simply means the increase of objectified labor, and it is only through living labor that the objectified labor can be preserved or increased. Now, the value of objectified labor existing under the form of money can increase only through an exchange against a commodity whose use value itself consists in the enlargement of exchange value whose consumption would be synonymous with the creation of value or objectification of labor. And “only the living labour power possesses such a use value. Therefore the money can be transformed in capital only through the exchange with the living labour power” (Marx, 1976, p. 32). In the original text of the 1859 *Contribution (Urtext)*, Marx wrote:

The only element opposing the objective labour is the non objective labour, that is, subjective labour. In other words, to the labour which is past, and present in space, is opposed the living labour present in time as possibility, the labour power. To capital – labour materialized, autonomous and existing for itself – only the living labour power can stand in opposition. The only exchange thanks to which money can become capital is that which is effected by the possessor of capital with the possessor of the living labour power, that is, the labourer. (Marx, 1980, p. 86)

In the second notebook of his 1861–1863 *Manuscripts*, Marx portrays the laborer as opposed to money offering her/his labor power as a commodity to sell (1976, p. 116):

1. The conditions of labour, the objective conditions of labour confront the labourer as alien power (*fremde Mächte*), property of others. *Simple labour power*.
2. S/he as a person as such as well as in relation to conditions of labour which have become alien to her/him including her/his own labour power; that s/he disposes as the owner of her/his own labour power and does not [her/himself] form a part of the objective conditions of labour, in other words not owned by others. *Free labourer (Freier Arbeiter)*.

3. Opposed to her/him stand the objective conditions of her/his own labour as simple *objectified labour*, that is, as value, as money and commodities; as objectified labour which is exchanged against living labour in order to conserve and increase, valorize, to become more money against which the labourer exchanges her/his labour power in order to seize a part of this labour to the extent that it consists of her/his means of subsistence. Thus in this relation the objective conditions of labour appear only as value *becoming autonomous* which maintains itself and is oriented uniquely towards its own enlargement. The whole content of this relation as well as the mode of appearance which has become alien to labour are therefore in their pure economic form without any political, religious and other embellishment (*Verbrämung*). It is purely a money relation. Capitalist and Labourer. Objectified labour and living labour power. No lord and vassal, no master and slave. All these relations are distinct from capital to the extent that this relation is embellished as master and slave, superior and inferior [as person]. It is only in capital that such relations are absent. The relation here is reduced—in the conscience of the two parties—to the simple relation of buying and selling. The relation therefore appears in all its purity: a purely economic relation.

A few years later, in *Capital* Vol. 1, Marx elaborates this argument further in the chapter “Buying and selling of labour power.” Here, Marx observes:

The enlargement of value by which money is transformed into capital cannot come from this money itself, since in its function of means of payment it does nothing but realise the price of the commodity it buys and pays for. If it remains as it is, it remains only a petrified value. Therefore the change of value as it is expressed by M-C-M, [conversion of money into commodity and reconversion of the same commodity into more money] cannot take place in the second act: M-M' – the resale where the commodity simply passes from its natural form to money form. (1987, p. 187)

The change must therefore take place in the commodity bought by the first act M-C, but not in its value, for equivalents are exchanged and the commodity is paid for at its full value. We therefore have to conclude that

the change proceeds from the use value of the commodity. In order to be able to extract exchange value from the use value of the commodity, the possessor of money (*Geldbesitzer*) must have to be so lucky as to discover *within the circulation* in the market itself a commodity whose use value possesses the particular quality of being the source of exchange value.

The transformation of money in capital requires that the possessor of money finds in the market *free labourer*, *free* in a double sense: as a free individual s/he can dispose of her/his labour power as the person's own commodity, and that, on the other hand, s/he has no other commodity for sale, in other words, bereft of things necessary to realise her/his labour power. (1987, p. 187)

Marx adds:

Why this labourer appears in the sphere of circulation? In any case one thing is very clear: nature does not produce on the one side the possessors of money or commodities and on the other side individuals possessing only their own labour power purely and simply. Such a relation has no natural basis, and neither is this a social relation common to all periods of history. Evidently it is the result of a preliminary historical development, the product of a large number economic revolutions resulting from the destruction of a whole series of ancient forms of social production. (1987, p. 185)

Elaborating further the commodity “labour power,” Marx goes on:

The *consumption of labour power is at the same time production of commodities and of surplus value*. It is done like the consumption of other commodities, outside the market or the sphere of circulation. Therefore we are going to leave this location full of noise as is also done by the possessor of money and the possessor of labour power and follow them in the secret laboratory of production on the threshold of which is inscribed: ‘No admission except on business’. Here it will be shown not only how capital produces, but also how capital is produced. The sphere of circulation or exchange values within which the buying and selling of labour power moves is in fact a true Eden of Rights of Man. What alone here rules is Freedom, Equality, Property and Bentham. (Marx, 1963a, p. 726—emphasis added)

Concerning the exchange between the owner of money and the owner of the labour power, Marx underlined, in an early notebook of his 1861–1863 manuscripts, two moments of this exchange:

First, in the exchange between capital and labour the first exchange is a *formal* process in which capital figures as money and labour power figures as *commodity*. The sale of labour power takes place ideally [*ideell*] or juridically in this first process, though the labour is paid only after its performance [*Verrichtung*]. This in no way changes the transaction in which the labour power is sold. What in this transaction is *directly* [*unmittelbar*] sold is not a commodity in which labour is already realized but the use of the labour power itself and therefore in fact the labour itself, since the use of the labour power is its action -labour. It is therefore not an exchange of labour mediated through the exchange of commodities. [...] What, therefore, takes place in a direct exchange between materialized labour and labour power, in fact, resolves itself into living labour. The wage – the value of labour power – appears as *price of labour*. [...] The labour power is only bought because the labour which it can perform is more than the labour required for the reproduction of the labour power, therefore the labour performed by it represents greater value than the value of the labour power. *Secondly*, the second phase of the exchange between capital and labour in fact has nothing to do with the first, and is not an *exchange* at all. (Marx, 1956, pp. 361–362)

In the manuscript for the second volume of *Capital*, Marx noted:

Whatever be the social form of production, the labourer and the means of production always remain its factors. However as long as they stay separated from one another they remain only as possibility. In order to produce they must be combined. The way this combination is accomplished differentiates the social structures from one another. (2008, p. 672)

Under capitalism, this combination is effected by the capitalist for the purpose of production. Marx shows how this separation between the labourer and property in the means of production results from the initial exchange of equivalents between the labourer and the capitalist.

The law of appropriation founded on the law of production and circulation of commodities or law of private property is transformed rigorously by virtue of its own immanent dialectic into its opposite. The exchange of equivalents which had appeared as the initial operation reveals itself as

a fictitious operation [*nur zum Schein ausgetauscht wird*] resulting in the separation of the labourers from property (in the means of production). The separation between property and labour becomes the necessary consequence of a law which apparently originated [*ausging*] from their identity. (1987, p. 538)

Marx wrote in the third notebook of *Grundrisse*:

In the process of production the separation of labour and its objective moments of existence – instruments and materials – is abolished. It is on this separation that the existence of capital and wage labour depends. The abolition of this separation takes place really in the real process of production for which capital does not pay. Neither does this abolition take place through the exchange with the labourer. But it is accomplished properly speaking in the process of production. However, in so far as it is real labour, it is already embodied [*einverleibt*] in capital and is a moment of the latter. This power of conservation of labour appears therefore as the power of capital's self conservation. The labourer is limited only to add new labour; the past labour in which the capital exists has an eternal [*ewige*] existence as value completely independent of the material existence of the capital. The wealth when autonomous requires slave labour or wage labour—in both cases forced labour [*Zwangsarbeit*] It is in this way that the thing appears to capital and the labourer. (Marx, 1993, p. 364—translation modified)

In the twelfth notebook of his 1861–1863 manuscripts, Marx makes clear the situation of the labourer in relation to the means of production:

The means of production, the material conditions of labour, do not appear subsumed under the labourer, but the labourer appears as subsumed to them. It is this that makes them capital. Capital *employs* labour. Already in its simple form this relation is an inversion [*Verkehrung*]: personification of things and materialization of the person. For what distinguishes this form from all previous forms is that the capitalist does not rule over the labourer through any personal qualities s/he may have, but only in so far as s/he is 'capital'; her/his domination is only that of materialized labour over the living labour, of the labourer's product over the labourer herself/himself. (Marx, 1956, p. 354)

Already in his 1844 *Manuscripts*, Marx had remarked that labour under capitalism was reduced to a commodity and to the most miserable commodity: "The labourer becomes poorer the more wealth s/he



produces. The appreciation [*Verwertung*] of the material world is in direct relation to the depreciation [*Entwertung*] of the human world” (1966c, p. 76—emphasis in original). Marx elaborates further the nature of the process of capitalist production in the so-called “sixth chapter” of *Capital* on which we draw here:

The domination of capitalist over the worker is the domination of the product over the producer. In the material production we have exactly the same relation as that which is present in the sphere of ideology, in religion: the subject transformed into object and vice versa. From a historical point of view this inversion appears as a necessary point of transition that is to obtain the creation of wealth as such that is, [the drive] for unlimited [*rücksichtslosen*] power of social labour which alone can constitute the foundation of a free human society at the cost of the majority. To pass through this antagonistic form is a necessity in the same way as it is inevitable that the human gives first a religious form to her/his spiritual forces turning it into an autonomous power. This is the *process of alienation* of her/his own labour. Here the labourer is superior to the capitalist from the start inasmuch as the latter is rooted in absolute contentment from the beginning while the labourer who is the victim is in a position of rebellion against the capitalist. The labour process appears as the means of the act of valorization like the use value of the product appears only as the carrier of exchange value. The autovalorization [*Selbstverwertung*] – the creation of surplus value—is the determinant, predominant, supreme goal of the capitalist, the impulsion and the absolute content of her/his action which places the capitalist in the same relation of servitude in relation to capital as the labourer, though at the opposite poles. (Marx, 1988, p. 65—emphasis in text)

About two decades earlier in the work *Holy Family* (1845), Marx (and Engels) had held basically the same view concerning the relation between the capitalists and the proletariat:

The proletariat and wealth are antitheses. They constitute a whole. The one and the other are the creations of the world of private property. It is not enough to proclaim that they form two faces of a whole. The private property as private property, as wealth, is forced to conserve itself in life, and, moreover, conserve in life its antithesis, the proletariat. This is the positive side of the antithesis, private property satisfied in itself. Contrariwise, the proletariat is constrained as proletariat to abolish itself and thereby to abolish its antithesis, that which conditions it as proletariat,

the private property. This is the negative side of the antithesis: private property dissolved and in the process of dissolution. The possessing class and the proletarian class represent the same human alienation. But the first is contented in this alienation considering it as its own power, and possesses in it the appearance of a human existence while the second feels itself demolished in the alienation, and sees in this its own impotence and the reality of its inhuman existence. Within the antithesis the private proprietor represents the party of *conservation* and the proletariat the party of *destruction*. (Marx and Engels, 1972, p. 37—emphasis in text)

The product of the capitalist production process is neither the simple use value nor simple commodity (having exchange value). It is *surplus value*, commodities which possess more exchange value, which represents more labour than what is advanced for their production in the form of money or commodity. In the capitalist production the labour process appears only as means, and the process of valorization or the production of surplus value as the aim. (Marx, 1988, p. 76)

Similarly, in the manuscript for the third volume of *Capital*, we read:

Two characteristic features distinguish the capitalist mode of production from the start. First, it produces its products as commodities. Commodity constitutes the dominant and determining character of its product. This first of all implies that the labourer himself appears only as the seller of commodity and thus as free wage labourer, and therefore labour appears as wage labour in general. [...] Secondly, what specially distinguishes the capitalist mode of production is the production of surplus value as the direct objective and determining motive of production. Capital produces capital and this it does only in so far as it produces surplus value. (Marx, 1992, p. 897)

Let us consider the totality of capital, that is, buyers of labour power on the one hand and the totality of sellers of labour power on the other. Instead of one commodity, the labourer is forced to sell her/his own labour power. The totality of material wealth confronting the labourer is the property of possessors of commodities. The conditions of labour of the labourer confront her/him as what Marx qualifies as *alien* property.

## 2 ALIENATION

Before we proceed further, it is important to have some elaboration on the important category of “alienation” in Marx, though we have used

the term earlier already. This concept we find in very many texts of Marx beginning with his 1844 *Economic and Philosophical Manuscripts*. It signifies separation of the product from the producer and product's domination over the producer. Marx took the concept over from Hegel according to whom human's relation with nature gives rise to "exteriorization" or "alienation" of the essence of the individual in the object created by labour. However, it is only in Hegel's *Phenomenology of Spirit* which Marx calls in his 1844 *Manuscripts* the "birthplace and secret of Hegelian philosophy," that the concept of exteriorization/alienation occupies a central place. However, as Marx remarks, "the humanity of nature and of the nature produced by history, the humanity of products of the human beings, appears (in Hegel) only as the products of the human spirit, and to that extent, as the products of the abstract spirit, entities created by thought [*Gedankenwesen*]" (Marx, 1966a, p. 66).

Let us recall *en passant* Marx develops the process of alienation already in his 1844 Parisian critique around the simple exchange process, exchange between the property owners, he wrote "the mediating movement of the exchanging individuals is not a social, not a *human* movement, not a *human* relation, it is the *abstract relation* of private property to private property, and this *abstract relation* is value." Consequently, commodity exchange is integration of human beings within private property and thereby it is an "external, alienated species act" (1966a, p. 248—emphasis in original).<sup>3</sup>

About alienation, we read in the 1857–1858 manuscripts (Notebook 4):

the autonomous-being-for-itself of value in opposition to the living labour power [indicates] its existence as capital. The objective, self-sufficient indifference of the alienated character of the objective conditions of confronting

<sup>3</sup>A point of view opposed to the one argued in the present text is seen in the work of the French philosopher Louis Althusser, who operating a total "rupture" (*coupure*) between "young" Marx and "mature" Marx, concluded that the "young" Marx did not "belong to Marxism" (1965, p. 81). The basic criterion of this judgment seems to be the supposed Hegelian spell on the "young" Marx. In a later work, Althusser shifted the cutting point three decades down Marx's trajectory observing that Marx would be *real* Marx (without any Hegelian admixture, that is) beginning only with 1975 (Althusser, 1969, p. 21)—which of course would mean the exclusion of Marx's huge manuscript *Grundrisse*, justly called *Capital's* "laboratory"—and most of the three volumes of *Capital* as belonging to real Marx.

living labour power; alienation going so far that these conditions oppose the person of the labourer and the person of the capitalist having their own will and interest. *Separation* from property, that is, objective conditions, from the living labour power. Confrontation with these conditions as *alien* property, as the reality of another juridical person, as the absolute domain of their will. Appearance of labour confronting value personified in the capitalist or the conditions of labour as *alienated labour*. Absolute separation between property and labour, between the labour power and conditions of realisation, between objectified labour and living labour, between value and value's creative activity. Also, therefore, *alienation* of the content of labour facing the labourer. Therefore, the separation itself appearing as the product of labour, materialisation, objectivation of its proper moments. The labour power has only appropriated the subjective conditions of necessary labour, that is, the indispensable subsistence for its own reproduction as labour power separated from the conditions of its own realisation, conditions which it itself has posited as objects, as values which confront it in an alien and authoritarian personification. Far from coming out enriched from this process it finds itself poorer than what it was when entering it, because the conditions of necessary labour which it has created not only belong to capital but the creative possibility of value which it contains exists also as surplus value, surplus product, in a word, as capital which dominates it as value endowed with a power and a will face to face with a living labour power spoiled in its abstract process, immaterial and purely subjective. All this is the result of the process according to which the living labour power changes a quantum of objectified labour, excepting that the external and material conditions of existence appear now as its own product, as posited, at the same time by the labour power itself simultaneously as its own objectification in an independent power to which it is subjugated. (1953b, pp. 356–357)

It is clear that an individual cannot survive without creating her/his subsistence, and he/she cannot produce it without possessing the means of production. It is evident that the labourer denuded (*entblöst*) of means of production is also denuded of means of subsistence.<sup>4</sup>

On the other hand, if s/he is denuded of means of subsistence s/he cannot create the means of production. What imprints them from the beginning – before the money or the commodity is transformed in capital

<sup>4</sup>Marx cites from Shakespeare's *Merchant of Venice* in *Capital* Vol. 1: "You take my life when you do take the means whereby I live" (Marx, 1987, p. 466).

– the character of capital is neither their nature as money or commodity nor the material use value serving as means of subsistence or means of production. It is rather the fact that this money and this commodity, these means of production and subsistence confront the labour power denuded of the whole material wealth as the autonomous power personified in their possessors: it is the fact that the material conditions necessary for the realization of labour, are alien [*entfremdet*] to the labourer and appear as the fetish endowed with a proper will, a proper soul. [...] *Commodities appear as buyers of persons*. [...] It is not the labourer who buys the means of subsistence and means of production, but it is the means of subsistence which buys the labourer in order to embody the labourer in the means of production. (1988, pp. 77–78—emphasis in text)

Let us recall that already a few years earlier, in the first notebook of 1861–1863 manuscripts, Marx had observed “labour power denuded of the means of labour and of subsistence is absolute poverty as such, the labourer as its personification. This characterizes the labourer as *pauper*. This absolute poverty signifies nothing but that the labour power is the only commodity which remains to be sold” (1976, pp. 35–36—emphasis in text). Proceeding further (in the third notebook), he added:

The separation between property and labour appears as the necessary law of exchange between capital and labour. Posited as non-capital, the non-objectified labour, the labour power appears (1) *negatively*: Non-raw materials, non-instrument of labour, non-product non-means of subsistence, non-money: Labour separated from all objectivity, as simple possibility. The labour power as absolute poverty, that is, total exclusion from objective wealth. *Positively*, labour non objectified, existence non-objective, subjective, of the labour itself. Labour not as object but as activity, as the living source of value. Confronting capital as the reality of universal wealth, labour as its universal possibility of this wealth. Labour is, on the one hand, absolute poverty as object, is, on the other hand, universal possibility of wealth as subject. Such is the labour which is presupposed by capital as its opposite, as the objective opponent of capital. (1976, pp. 147–148—emphasis in text)

Somewhat differently worded, we read in the so-called “sixth chapter” (referred to above):

Capital produces not only capital, it produces an increasing mass of labourers, the substance [*Stoff*] thanks to which it can alone function

as additional capital. Labour produces therefore not only – on an ever-increasing scale and in opposition to itself – the conditions of labour under the form of capital, but capital produces on an ever increasing scale productive wage labourers which it needs. Labour produces its conditions of production as capital, and capital produces labour as means to realise capital, as wage labour. The capitalist production is not only reproduction of the relation, it is (at the same time) reproduction at an ever-increasing scale. And to the extent that, with the capitalist mode of production, the productivity of social labour develops, there develops also the piled up wealth [*aufge thürmte Reichthum*] confronting the labourer and dominates him [her] as capital. Confronting the labourer stretches the world of wealth alien to him [her] and dominating him [her]. To the same measure extends his [her] subjective poverty. His [her] emptiness [*Entleerung*] corresponds to this fullness [on the other side] and they march together. At the same time increase these living means of production of capital- the labouring proletariat. The expansion of capital and the increase of the proletariat – even though lying in opposite poles – appear as one whole. (1988, pp. 126–127)

In the fifteenth notebook of early 1860s manuscripts, Marx observed:

The objective conditions of labour do not face the labourer, as in the primitive times, as mere natural objects (as such they are never capital) but as natural objects already transformed by human activity. But in this sense the term ‘capital’ is quite meaningless. Wheat is nourishing not because it is capital, but because it is wheat. Such things serve in the real labour process because of the relationship that exists between them is use values and not exchange values, and still less it is capital, and it is labour that sets them in motion. Their productivity in the real labour process is due to their nature as objective conditions of real labour and not due to their social existence as alienated, autonomous conditions which confront the worker and is embodied in the capitalist, the master over the living labourer [*selbständig, gegenübertretende, entfremdete Bedingungen, als im Kapitalisten verkörperter master über die lebendige Arbeit*]. [...] One can only speak of productivity of capital if one comprehends it as the embodiment of definite social relations of production. But if it is understood this way then the historically transitory character of this relation becomes at once evident and the general recognition of this fact is incompatible with the continued relationship which itself creates the means of its abolition. (1962, p. 262—emphasis in text)

However, what, in the market, faces the capitalist is not labour but the labourer. What the latter sells is her/his labour power. As soon as her/his labour really exists, this labour has ceased belonging to her/him and cannot be sold by the same person. Labour is the substance and inherent measure of value, but itself has no value. “In the expression ‘the value of labour,’ the idea of value is not only totally extinct, but this is an expression such as ‘value of the earth’. These irrational expressions have, however, their source in the relations of production themselves. These are the categories of the phenomenal forms of essential relations” (1954, p. 503; 1963a, p. 1032; 1987, pp. 499–500).

The *wage* form or the form of direct payment of labour extinguishes every trace of the division of the labouring day into necessary labour and surplus labour, paid labour and unpaid labour such that all labour of the free worker appears as paid labour. In the serf system the labour of the serf for her/himself is clearly separated from the forced labour for the lord in space and time. In slavery system even the part of the day when the slave only replaces the value of her/his subsistence, where in fact s/he works for the self, appears as the work for the master. All the work of the slave appears as unpaid labour. In wage labour, on the contrary, even simple labour, or unpaid labour, appears as paid. There the property relation conceals the slave’s labour for her/himself, here the monetary relation conceals the unrequited labour for the capitalist. (1954, pp. 505–506; 1963a, p. 1035; 1987, p. 502)

Marx wrote:

One can see now the decisive importance of the transformation of value and price of labour power into the form of wages, or into value and price of labour itself. This phenomenal form which makes invisible the real relation and rather shows its opposite, forms the basis of all juridical notions of both labourer and capitalist, all the mystifications of the capitalist mode of production, all its illusions as to liberty, of all the apologetic shifts of the vulgar economists. (1954, pp. 505–506; 1963a, pp. 1035–1036; 1987, p. 502)

Under the conditions of accumulation, most favorable to the workers, their dependence takes the most tolerable form. Instead of becoming more intensive, capitalist exploitation and domination become more extensive to the extent capital increases. A large part of their own surplus

product, always increasing and continually transformed into additional capital, comes back to them in the form of increasing payment so that they can extend the circle of their enjoyment, can make additions to their consumption funds, clothes, furniture, etc., and can have small reserve funds of money. But just as little as better clothing, food, treatment, etc., do away with exploitation of the slave, so little do they set aside that of the wage worker. A rise in the price of labour, as a consequence of accumulation of capital, only means, really, that the length and weight of the golden chain the worker has already forged for herself/himself allow of a relaxation of the tension of it. Production of surplus value is the absolute law of the capitalist mode of production. Labour power is saleable only in so far as it preserves the means of production in their capacity of capital, reproduces its own value as capital, and yields in unpaid labour a source of additional capital. The conditions of its sale, whether more or less favorable to the worker, include therefore the necessity of its constant reselling and the constantly extended reproduction of all wealth in the shape of capital.

### 3 MARX ON WAGES

The rise of *wages* is confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on a progressive scale. The law of capitalist accumulation, metamorphosed by economists into pretended law of nature, in reality, states merely that the very nature of accumulation excludes every diminution in the degree of exploitation of labour, and every rise in the price of labour, which could seriously imperil the continual reproduction on an ever-increasing scale of the capitalist relation of production. It cannot be otherwise in a mode of production where the labourer exists to satisfy the needs of self-expansion of existing values, instead of, on the contrary, material wealth existing to satisfy the needs of development on the part of the labourer. “As in religion the human is governed by the products of her/his own brain, so in capitalist production, s/he is governed by the products of her/his own hand” (Marx, 1954, p. 582; 1963a, pp. 1130–1131; 1987, pp. 567–568).

Marx’s ideas on wage went through roughly two phases in his economic writings. The first starts with his 1844 *Manuscripts* and continues for a few years, seen most distinctly in his 1847 *Poverty of Philosophy*. In the 1844 work, Marx observes that:



while according to ‘Political Economy’, the whole product originally belongs to the labourers, according to the same political economy the wage that the labourer receives as its price is the smallest part of the product, just sufficient for living as a labourer, not as a human being, sufficient to perpetuate, not the humanity, but the slave class of labourers. (1966b, p. 42)

Shortly afterward in his Anti-Proudhon polemics, he more or less followed Ricardo by quoting him: “Diminish the cost of production of subsistence of the humans by diminishing the natural price of subsistence and clothing which support life, and you will see that wage goes down” (1963b, p. 26). One year later in his discourse on free trade, he put the thing in a more condensed form: “What is the minimum wage? It is simply what is required for producing the objects to sustain the labourer such that s/he can survive and propagate the race” (1963b, pp. 152–153).

Later Marx abandoned this position. In *Capital*, he stressed the relativity of natural needs of the labourer—food, clothing, housing, heating—dictated by climate and physical conditions of a country as well as “a historical and moral element” (1996, p. 181). We mentioned earlier that during the process of extensive accumulation, the labourers have the possibility of increasing the circle of their enjoyment. In the so-called “sixth chapter” of *Capital*, we read:

The minimum wage of the slave appears as a constant magnitude, independent of her/his labour. For the free labourer this value of his [her] labour power and the corresponding average wage are not predestined by the limits determined by her/his sheer physical needs independently of her/his own labour. It is here like the value of all commodities a more or less constant *average for the class*; but it does not exist in this immediate reality for the individual labourer whose wage may stay above or below this minimum. (1988, p. 102—emphasis in text)

However, though Marx had abandoned the minimum subsistence theory of wage, he *did* speak of *absolute impoverishment* of labourers under capitalism which has an unusual significance. In the third notebook of 1857–1858 manuscript, *Grundrisse*, we read: “Separation of property from labour appears as the necessary law of exchange between capital and labour. *Absolute poverty*, not as shortage, but as *total exclusion from*

*material wealth*” (1953b, p. 203; 1993, pp. 296–297—emphasis added). In another place of the same manuscript, Marx observes:

The concept of free labourer already implies that s/he is a *pauper*, a virtual pauper. Following his [her] economic conditions s/he is a simple living labour power and subjected to the needs of life. A state of needs on all sides without the objective existence of labour power to realise them. If the capitalist is not in a position to use the labourer’s surplus labour, the labourer cannot perform the necessary labour nor produce the necessary subsistence. The labourer cannot then obtain them through exchange, can survive only from the alms thrown from the revenue. As a labourer s/he can live only through the exchange of labour power against the part of capital which constitutes the labour fund. This exchange itself is connected to conditions which, in the eyes of the labourer, are only contingent [*zufällige*] and indifferent to her/his organic existence. S/he is thus virtually a pauper. As the condition of production based on capital is that the labourers produce more and more surplus labour, there is more and more the necessary labour which is rendered free. Therefore the chances of pauperism concerning the labourers increase... It is only under the capitalist mode of production that pauperism appears as the result of labour itself, of the development of the productive power of labour. (1953b, pp. 497–498; 1993, p. 604—emphasis added)

In his 1865 discourse to the workers *Value, Price and Profit*, Marx spoke on the “struggle between capital and labour” and remarked “the value of labouring power is formed by two elements, the one mainly physical, the other historical and social” (Marx, 1985, p. 144). Then, speaking of the “general servitude involved in the wages system,” he remarked that the workers in their daily struggle with the capitalists

ought not to forget that they are fighting with effects but not with the causes of those effects. [...] They ought not to be exclusively absorbed in these unavoidable guerrilla fights, incessantly springing up from the never ceasing encroachments of capital. They ought to understand that with all the miseries it imposes upon them, the present system simultaneously engenders the *material conditions* and the *social forms* necessary for an economical reconstruction of society. Instead of the *conservative* motto ‘*A fair day’s wages for a fair day’s work*’ they ought to inscribe in their banner the revolutionary watchword: *Abolition of the wages System*. (1988, p. 432—emphasis in text)

Our discussion so far has been based on the assumption of the normal functioning of the capitalist system without any disturbance. However, Marx also underlined the contradictions inherent in the system of exchange based on the unity of opposites—buying and selling—giving rise to the possibility of crisis. Thus, he wrote while discussing circulation of commodities:

Nothing can be more childish than the dogma according to which circulation necessarily implies equilibrium of purchase and sale and reciprocally. One claims to prove that the seller brings to the market his/her own buyer. Sale and purchase constitute an identical act as the reciprocal relation of two persons belonging to two opposite poles as the act of the same person. The identity of sale and purchase involves therefore as consequence that the commodity becomes useless if, on being thrown into alchemical retort of circulation, it does not emerge [*herauskommt*] again in the money form. In other words if the one does not buy, the other cannot sell, but no one is bound to buy immediately simply because s/he has just sold. Circulation breaks down the barriers of time and place and the relations between individuals. It is true that buying is the necessary complement of selling, but it is no less true that their unity is the unity of opposites. If the separation of the two complimentary phases of the metamorphosis of the commodity is prolonged, if the separation between buying and selling is accentuated, their intimate unity breaks down and affirms itself in crisis. The contradictions contained in the commodity, use value and exchange value, concrete and abstract labour acquire in the circulation their forms of movement. These forms imply the possibility of crisis. (1954, pp. 114–115; 1963a, pp. 652–653; 1987, pp. 137–138)

The point is made sharper in what he says in one of his early 1860s manuscripts concerning the “crisis in the world market” while critically examining Ricardo’s accumulation theory:

In the crisis of the world market the antagonisms and contradictions are pushed to the extreme. Now, instead of analysing in what consist the contradictory elements breaking out in course of the catastrophe, the apologists are contented with denying the catastrophe itself. The apology consists in falsifying the simplest economic relations and in the affirmation of unity in the face of contradiction. If, for example, purchase and sale -or the movement of the metamorphosis of the commodity- represents the unity of the two processes, this movement is also essentially the separation of the two phases and their reciprocal autonomy. Now, as these

constitute a coherence, their (reciprocal) autonomy [*Verselbständigung*] can *appear* only as violent, as a destructive process. It is precisely in *crisis* in which their unity is shown, the unity of the different elements [*die Einheit der Unterschiedenen*]. The autonomy which the two moments acquire in relation to each other, which go together and complete reciprocally, is violently destroyed. The crisis therefore manifests the unity of the reciprocally autonomous moments. There would be no crisis without this unity of elements in apparently reciprocal indifference. (1959, pp. 496–497)

Regarding the crisis of *overproduction* of capital of which Marx speaks in his different texts, we mention here two fundamental texts where Marx deals with the problem: One from the (1857–1858) *Grundrisse* and the other from the (1863–1867) manuscript of *Capital* Vol. 3. First, the *Grundrisse* Notebook 4:

The economists following Ricardo conceive production as directly identical with the auto-valorisation [*Selbstwertung*] of capital; they do not bother themselves either with the limits of consumption or with the real limits of circulation itself. As they have in their view only the development of productive forces and the growth of the industrial population – supply without the relation of demand – they have understood more exactly and more profoundly the positive nature of capital than those like Sismondi who underline the limits of consumption and the existing circle of counter values. Sismondi has understood more profoundly the limited character of the production based on capital. [...] Truthfully speaking, the attempts made by the orthodox theory for denying the *general overproduction* at a particular moment are infantile. To save the production founded on capital certain economists make abstraction of all the specific particularities, all its determinants: they consider it simply as production for immediate utilization. As a matter of fact, to free it from its contradictions the theory is straight away abandoned. [...] It is forgotten that what the producing capital demands is not a definite use value, but the value as such: Money, the money not as means of circulation, but as the general form of wealth. To affirm that enough money is not produced is to acknowledge that production does not coincide with its valorisation, that is to say that there is *overproduction*.

By putting face to face production and consumption one leaves aside entirely the moment of valorisation and thereby it is supposed that production is based not on capital but on use value. [...] Thereby is rejected the labour as wage labour and capital as capital. On the one hand one accepts the results of production founded on capital, on the other hand the premises and the conditions of the results are denied. [...] To put the

matter more clearly: First of all, there is a limit not inherent to production generally but to production founded on capital. This limit is double- or rather unique, but presents itself under two angles. To reveal the foundation of *overproduction* – contradiction which is basic to developed capital – it is sufficient to demonstrate that capital contains a particular limitation of production contrasting with its general tendency to overcome all obstacles; it is enough to show, contrary to the opinion of the economists, that capital is not the absolute form of development of the forces of production and that wealth does not coincide with it absolutely. [...] Capital disciplines its forces, but at a certain stage of growth they become superfluous and a bridle. These immanent limits coincide with capital's nature. These limits are: (1) Necessary labour as the limit of exchange value of labour power; (2) surplus value as the limit of the surplus labour time; (3) transformation into money as the limit of production; (4) limitation of use value by exchange value. Hence the *Overproduction*. (1953b, pp. 314–319; 1993, pp. 410–416)

In the manuscript for volume three of *Capital*, Marx deals with the crisis of capital's "overproduction" arising from its "internal contradictions." Formulated in most general terms, the contradiction consists in that the capitalist mode of production implies a tendency of absolute development of the productive forces regardless of the value and surplus value it contains, and independently of the social conditions in which the production takes place, while, on the other hand, its aim is to preserve the capital—value that exists and promotes its self—expansion to the highest limit. Its specific character is to utilize the value of the existing capital as a means to increase this value to the maximum. The methods by which it accomplishes this include the fall of the rate of profit, the depreciation of existing capital, and the development of the productive forces of labour at the expense of the productive forces already created.

The periodical depreciation of the existing capital—one of the means inherent in capitalist production to check the fall in the rate of profit and accelerate the accumulation of capital—by the formation of new capital troubles the given conditions within which the circulation and reproduction take place and is therefore accompanied by sudden stoppages and crises in the process of production. The capitalist production constantly tries to surmount these inherent limits; it succeeds only by the means which again put up these obstacles which are even more formidable:

The veritable barrier of capitalist production is *capital* itself. Here is in what it consists: Capital and its expansion appear as the point of departure and the aim, the motive and the purpose of production; production is uniquely the production for capital instead of the instruments of production being at the service of the expansion of the life process for the society of producers. The *limits* [*schränke*] within which the preservation and the expansion of the value of capital – based on the expropriation and impoverishment of the great mass of producers – these limits come continually into conflict with the methods of production that capital has to employ for its aims and which tend to the *unlimited* [*unbeschränkte*] increase of production, to the absolute development of the social productivity of labour enter into conflict with the limited purpose, the self-expansion of the existing capital. If the capitalist mode of production is, consequently, a historical means of developing the material power of production and create an appropriate world market, it is at the same time, a permanent contradiction between this historical mission and the corresponding conditions of social relations of production. (1992, p. 324—emphasis in original)

Marx adds:

There would be *absolute* overproduction of capital as soon as the additional capital for the purposes of capitalist production. The aim of capitalist production, however, is the *valorization* of capital, that is, the appropriation of surplus value, appropriation of surplus labour, production of surplus value, profit. As soon as, therefore, in relation to the labouring population, capital has grown in such a proportion that neither the absolute labour time furnished by this population nor the relative labour time could be extended; as soon as the additional capital ceases to produce as much surplus value as it did before the increase, there would be absolute overproduction of capital. (1992, pp. 324–326—emphasis in original)

#### 4 SURPLUS LABOUR AND ACCUMULATION

The treatment of “capital” remains incomplete without a discussion of capital’s *accumulation* following from what Marx calls capital’s “ravenous appetite [*Heißhunger*] for surplus labour” (1954, p. 226; 1963a, p. 791; 1987, p. 241) to which we now turn. Employing surplus value as capital, reconverting surplus value into capital is the accumulation of capital. Accumulation resolves itself into the reproduction of capital on a progressive scale (Marx, 1954, p. 543; 1963a, pp. 1081–1082; 1987, p. 534). Marx wrote:

Accumulate, accumulate! That is Moses and the prophets. Industry furnishes the material which saving accumulates. Therefore save, save, that is, reconvert the greatest possible portion of surplus value into capital. Accumulation for accumulation's sake, production for production's sake. By this formula the classical political economy expressed the historical mission of the bourgeoisie. (Marx, 1954, p. 558; 1963a, p. 1099; 1987, p. 545)

Capital's accumulation trajectory begins with the so-called "original accumulation" which is nothing but the historical movement of separating the labourer from the conditions of labour. The extraction of surplus value from the workers starts with prolonging the working day beyond the time necessary for furnishing the equivalent of the worker's subsistence. This is the production of *absolute surplus value* which forms the general basis of the capitalist system and the point of departure of the production of *relative surplus value*. The surplus value produced by the prolongation of the working day Marx calls "absolute surplus value" while the surplus value produced by the shortening of the necessary labour time and the corresponding alteration in the relative lengths of the two parts which compose the day Marx calls "relative surplus value" (1954, p. 299; 1963a, p. 852). The production of absolute surplus value affects only the duration of labour, while the production of relative surplus value transforms entirely the technical process and social combinations. It presupposes the production of absolute surplus value and a specific mode, the capitalist mode of production, which with its methods, means, and conditions arises and develops spontaneously on the basis created by what Marx designates as the "formal subordination" of labour under capital. The formal subordination is replaced by the real subordination" (1954, pp. 477–478; 1987, pp. 479–480).<sup>5</sup>

Before we proceed further, let us consider Marx's third notebook of his 1861–1863 manuscripts where he explains the far-reaching significance of surplus labour for society. He writes:

Ever since a society exists where some people live without working (without participating in the production of use values) it is clear that the whole superstructure of the society can continue to exist only on the

<sup>5</sup>Only partially appears in the French version. In what follows, we summarize the account of these types of subordination of labour under capital given in the so-called "sixth chapter" of *Capital* Vol. 1. See Marx (1988, pp. 97–108).

surplus labour of the workers. There are two things that they receive from the surplus labour: first, the material conditions of their existence, to the extent that they take a part of the product, draw their subsistence from the product, live on the product that the labourers furnish beyond what is necessary for the reproduction of their own labour power. Secondly, the free time that they have at their disposal, either for their leisure or for the activities not immediately productive (war, state administration etc.) or for the development of human faculties in arts and sciences which do not aim at some immediate objectives, this free time presupposes surplus labour of the labouring masses. The *free time* for the members of society who do not work is based on the *surplus labour* of the part of society which works. The free development on one side is based on the fact that the labourers must utilize the whole time, that is, the whole space of their development singularly to the production of a definite type of use value; the development of the human faculties on the one side is based on the limit within which is confined the development of the other. This is the antagonism which, till now, is the basis of all civilization, and of all the development of the society.

Surplus value is present in surplus production and the latter constitutes the basis of existence of all the classes not directly involved in material production. In this way society develops thanks to the non-development of the labouring masses which constitute its material basis in the antagonistic way. The simple labour time which is undertaken by the labouring masses beyond the time necessary for the reproduction of their own labour time, is at the same time materialized in the surplus product, and it is this surplus product which is the material basis of the existence of all the classes living beyond the labouring classes. It is that which frees the time, offers the time disposable for the development of other faculties. All the human development to the extent it goes beyond the development immediately necessary for the natural existence consists uniquely in the utilization of this free time. Society's free time is thus the product of the non-free time of the workers, the prolongation of the labour time beyond the time necessary for their own subsistence. The free time on one side corresponds to the enslaved [*geknechteten*] time on the other. (Marx, 1976, p. 168—emphasis in text)

About the absolute surplus value and the relative surplus value, Marx adds:

From a certain point of view the difference between absolute surplus value and relative surplus value on the whole is illusory. The relative surplus value is absolute since it compels [*bedingt*] absolute prolongation of the



working day beyond the labour time necessary for the existence of the labourer. The absolute surplus value is relative, since it compels a development of labour productivity which allows to limit the necessary labour time to a part of the working day. But if one has in view the movement of surplus value this appearance of identity vanishes. (1954, pp. 478–479; 1987, p. 479)<sup>6</sup>

The labour process becomes the instrument of capital's valorization process: The creation of surplus value. The labour process is subordinated under capital, and the capitalist enters in the process as its director, chief. It is, for the latter, at the same time, the immediate process of exploitation of alien labour. As mentioned above, Marx calls it *formal subordination of labour under capital*. It is the general form of the whole process of capitalist production but is also a specific form by the side of capitalist production fully developed which englobes it while the latter does not necessarily involve the former (Marx, 1988, p. 91).

The former slave ceases to be an instrument of production belonging to the employer. The earlier relation between them disappears. Outside of the production process, they confront each other now as simple possessors of commodities whose only connection is money. At the same time appears the mystification inherent in capitalist relation: Labour power which conserves value appears as the power of capital which is self-conserving. On the whole and by definition, the materialized labour appears as the employer of the living labour.

Despite everything, these changes do not modify essentially the real mode of the labour process. On the contrary, the subordination of the labour process operates on the basis existing anterior to this subordination and is different from the earlier modes of production. All this contrasts greatly with the specifically capitalist mode of production which *revolutionizes* the nature and the real mode of labour. Under the formal subordination, the coercible capitalist character of extracting surplus value is shown in the prolongation of the working day, that is, by extracting absolute surplus value. This type of subordination is marked by the purely monetary relation between the one who appropriates the surplus value and the one who furnishes it. It is only as the proprietor of the conditions of labour that the purchaser can place the seller under the latter's *economic* dependence; there is no relation, politically or socially fixed, of

<sup>6</sup>Absent in the French version.

supremacy and subordination. What is inherent to the relation is that, monopolized by the buyer, the conditions of labour—objective (means of production) and subjective (means of subsistence)—stand in opposition to the labourer as *capital*.

At this stage, there is no change in the mode of production itself. From a purely *technological* point of view, the labour process continues as earlier, the only difference being that it is now subordinated to capital.

We now come to what Marx calls *real* subordination of labour under capital which arises on the basis of the formal subordination. The real subordination shows a mode of production technologically very specific which transforms the nature and the real conditions of the labour process. Only when this happens, we have the *real* subordination of labour under capital. The *real* subordination occurs in all forms which develop *relative surplus value* as opposed to absolute surplus value. With this, there happens a total revolution in the mode of production with continuous renewals in the productivity of labour and in the relation between the capitalist and the labourer. The productive forces of social labour develop on a vast scale while, at the same time, science and machinery are applied to the immediate production. Besides the development of social productivity of labour, the material result of capitalist production involves a massive increase, enlargement, and ramification of the spheres of production.

Production for production's sake—production as the end in itself—appears of course already with the *formal* subordination of labour under capital—ever since the immediate goal sought is the creation of maximum surplus value in size and magnitude. However, this tendency becomes a necessary condition only the moment when the *real* subordination of labour under capital has taken a certain development. One could note here an interesting parallel between the passage from pre-capitalism to the formal subordination of labour under capital and the passage from capitalism to communism as we see in Marx's 1875 *Critique of the Gotha Programme*. Regarding the formal subordination, at this stage there is still no change in the mode of production itself: "From a technical point of view the labour process operates like it did earlier – only now it is subordinated under capital" (1988, p. 97). As regards the passage from capitalism to communism:

What we have to deal with here is a communist society, not as it has developed on its own basis, but as it emerges from capitalist society, which

is thus in every respect economically, morally and intellectually stamped with the birth marks of the old society from whose womb it emerges. (Marx, 1953a, pp. 15–16)

An important aspect of capital's accumulation we have not touched so far is that this accumulation has a *universal* character which Marx dealt with in his immense 1857–1858 manuscript, so-called *Grundrisse*. In the fourth notebook of this manuscript, Marx took up this question at a great length of which the main points we note here:

The tendency to create a world market is given directly in the very concept of capital. All limitation appears as an obstacle to overcome. In the first place it is a question of submitting each moment of the production itself to exchange and suppress the production of use value which does not enter in the circle of exchange properly speaking. Also, it is a question of establishing capitalist production in the place of archaic modes of production which as opposed to capital have a character of natural spontaneity. Commerce does no longer appear as a function of carrying the superfluous products between the independent producers, but it becomes a moment essential to the production itself. On the other hand, the production of relative surplus value which is based on the increase and development of the productive forces requires the renewal of consumption. Also, the consuming circle within circulation must expand as did the production circle earlier. (1) Quantitative enlargement of the existing consumption; (2) creation of new needs in the sense that the already existing needs are extended in a bigger sphere; (3) production of new needs, invention and creation of new use values. In other words the accumulated surplus labour does not remain a simple quantitative surplus. Rather the sphere of qualitative differences of labour constantly increases, becomes multiform and is more and more diversified. (1993, p. 408)

In this way capital creates the bourgeois society and the universal appropriation of nature and the social relations themselves by the members of society. This is the great civilizing influence of capital; it raises the society to a level in comparison to which all the previous stages appear as merely local evolutions of humanity and idolatry of nature. Nature is no longer regarded as a power in itself, it becomes finally a pure object for the human, a simple affair of utility. The theoretical understanding of its autonomous laws becomes a ruse for subordinating it for human needs. In virtue of this tendency capital aspires to surpass the barriers and the national prejudices. It is destructive of all this. It is in permanent revolution. It destroys all the obstacles against the development of forces of production, enlargement of the productive forces, enlargement of needs. (1993, pp. 409–410)

However, if capital posits *in idea* all the limitations as an obstacle to surmount, in reality it does not succeed in surmounting them. Capitalist production develops with contradictions which are constantly surmounted but are also constantly posited. Plus, the universality towards which capital tends incessantly, confronts limits immanent to its nature which, at a certain stage of its development, appears to it as the biggest obstacle to this tendency and pushes it to its destruction (Marx, 1993, p. 410).

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## Capitalism as a Transitional Society

**Abstract** As the title suggests, this chapter looks at capitalism as a transitional society that produces within it the contradictions that give rise to the future society. It starts by looking at the double existence of capital and discusses the role of credit, stock companies, and workers' cooperatives in capitalism. Then, the author shows how the new society of the future, the Association of free and equal individuals, is a product of history that should not be mistaken as naturally given or as dependent on the arbitrary will of individuals. After a discussion of private property and the relation between the labourer and the conditions of labour in the transitional society, the chapter concludes by focusing on the process of production and exploitation as contributing to the genesis of the new society.

**Keywords** Capitalism · Transitional society · Contradictions · Future society · Cooperatives · Stock companies

## I THE ROLE OF CREDIT AND THE DOUBLE EXISTENCE OF CAPITAL

In Notebook 26 of his 1863 manuscripts, Marx speaks of the “double existence” of the capitalist:

The point of departure of capital is the commodity owner, the possessor of money, in short, capitalist. As in the capitalist the point of departure and the point of arrival coincide, the capital returns to the capitalist. Here, however, the capitalist exists *doubly*: as the owner of capital, and as the industrial capitalist who really transforms the money into capital. In fact capital flows from him/her to return to the same person, but only as the possessor [*Besitzhalter*]. The capitalist has a double existence: juridical and economic. (1962, p. 456)

And later in the same book:

Broadly speaking, interest-bearing capital and industrial capital. Now, as the commercial form and interest are older than industrial capital, the capitalist form of production which is the fundamental form of capitalist relation which dominates bourgeois society and from which all the other forms are secondary and derived, industrial capital must, in course of its development, have to submit these forms to its own law. The veritable manner for industrial capital to submit the interest-bearing capital to its law is to create a form of interest bearing capital which is its own [*eigentümlichen*] form – the *credit system*. (1962, pp. 466–467—emphasis in original)

Earlier, in the 1857–1858 *Grundrisse* (Notebook 5), Marx had connected the origin of credit under capitalism with the circulation of capital:

Circulation (through time and space) is a process essential to capital. The process of production cannot restart before the commodity has been converted to money. The permanent continuity of the process, the passage without hindrance of value from one form to another or from one phase to another is a fundamental condition of production based on capital. However, even admitting the necessity of this continuity, the phases nonetheless diverge in time and space as distinct, indifferent, one in relation to the other. The capitalist production seems to accept as a hazard the fact that this essential condition, that is to say, the continuity of diverse processes constituting a totality, is realized or not. The suppression of this element of hazard for capital, this is precisely the *credit*. That is why no

other mode of production could have credit in a developed way. Of course in the pre capitalist period there was borrowing and lending. Usury is the oldest of the antediluvian forms of capital; but just as a mere labourer is not an industrial or a free wage labourer, in the same way simple borrowing and lending do not constitute credit. As an essential and developed relation of production credit appears historically only in the circulation based on capital or wage labour. (1953b, pp. 432–434; 1993, pp. 533–535)

Let us see how Marx envisaged the role of credit in capitalist production, mainly in his manuscript for *Capital* Vol. 3, and drew *revolutionary* conclusions. We will touch on what seems to us as the most important elements in Marx's discussion.

The main functions of credit in the capitalist mode of production, following Marx, are (1) equalization of the rate of profit; (2) diminution of cost of circulation which economizes greatly the use of money; (3) formation (*Bildung*) of stock companies, through which (a) there occurs an enormous extension of the scale of production and of enterprises, something which earlier would have been achieved by the governmental initiative; (b) capital which by nature rests (*beruht*) on a social mode of production and presupposes a social concentration of means of production and labour power directly takes the form of *social* capital (capital of the directly associated individuals) in opposition to private capital, and its enterprises appear as social enterprises in opposition to private enterprises. It is *the sublimation/negation (Aufhebung) of capital as private ownership within the limits of capitalist production itself*. (c) Transformation of the really functioning capitalist into a simple manager, administrator (*Verwalter*) of other people's capital, and of the owners of capital into simple owners, simple financiers (*Geltkapitalisten*). Even if the dividends they receive englobe interest and profit of enterprise, that is, the totality of profit, this total profit is received only as interest, that is, as simple compensation (*bloße Vergütung*) for the *ownership* of capital. This latter is now totally separated from its *function* in the real process of production, just as this function in the person of the manager is divorced from the ownership of capital. The profit appears as the simple appropriation of surplus value of others, arising from the conversion of means of production into capital, that is, from their alienation vis-à-vis the real producers, from their antithesis as the ownership of others—all the individuals really active in production, from the manager to the ultimate worker. In stock companies, there is divorce between function and ownership of capital,



and the worker too is totally separated from the ownership of the means of production and surplus labour. This result of the ultimate development of capitalist production is a point of transition toward the reconversion of capital into the ownership of producers, although it will not have the form of private ownership of individual producers, but will have the form of ownership of associated producers, belonging directly to the society.

This is the sublimation/negation (*Aufhebung*) of the capitalist mode of production within the capitalist mode of production itself, and consequently, a contradiction which is self-abolishing and which represents, at first sight, a simple moment of transition toward a new type of production. As such a contradiction, it manifests itself also phenomenally. In certain spheres, it re-establishes monopoly and thereby provokes the interference of the State. This is private production without the control of private property.

Before proceeding further, we need some clarification on what Marx means by “private property” (in the means of production). In the sixth notebook of his early 1860s manuscripts, Marx, referring to the objective conditions of production in a society divided into classes, states that they are the “private property of a part of society,” “of a definite class” (1956, pp. 20, 21). This signifies, again, “means of production monopolized by a distinct part of society,” as he calls it in his manuscript of the third volume of his master work (1992, p. 843). Thus, when the *Communist Manifesto* declares that the communists can sum up their theory in a single expression “abolition of private property,” the latter is expressly used in the sense of “disappearance of class property” (*Aufhören des Klasseneigentums*) (Marx and Engels, 1966, p. 71). Private property, again, is used for class property in Marx’s famous statement: “the knell of the capitalist private property sounds” (1954, p. 715; 1963a, p. 1239). Later, in his “Address” on the *Civil War in France* (1871), Marx emphasized “the Commune intended to abolish that *class property* which makes the labour of the many the wealth of the few” (Marx, 1986, p. 335).

Let us return to the stock company. The institution of stock company allows the individual capitalist to dispose of, in an absolute way, the capital and the ownership belonging to others, and thereby the control over social labour. The capital itself finally becomes a simple basis for the organization of credit. The notions which have still a meaning at a lower stage of capitalist production lose here all significance. The success and failure taken

together lead to the centralization of capital and thereby to the expropriation at an enormous scale. This expropriation now extends from the direct producers to the small and the middle capitalists themselves. Finally it is a question of dispossessing all individuals from their means of production which, with the development of social production, cease being the instruments and products of private production in order to become necessarily the means of production in the hands of the associated producers. But within the capitalist system itself it takes on a contradictory form as the appropriation of social property by a few, and credit gives these few the character of fortune hunters [*Glücksritter*]. In the stock companies there is already opposition against the old form in which the social means of production appear as individual property; but the evolution towards the form of stock still remains within the bounds of capital; consequently instead of surmounting the antagonism between the social character and the private character of wealth the stock companies only give it a new form.

As regards the workers' co-operatives, they represent, within the old system, the first break [*Durchbrechen*] in the old form even though they reproduce, necessarily and everywhere, all the defects of the existing system. Nevertheless, *within* the co-operatives antagonism between capital and labour is overcome, even though first under the form that the labourers as association are their own capitalist, that is to say, they use the means of production to valorise their own labour. They show that at a certain level of development of the material forces of production and the corresponding social forms, a new mode of production naturally comes out of the old one. Without the factory system coming out of the capitalist mode of production could the cooperative factories develop, nor could these have developed without the credit system coming out of the same mode of production. In the same way, just as it constitutes the main element of the progressive transformation of the private capitalist enterprises in capitalist stock companies, in the same way the credit system offers the means for gradual extension of cooperative enterprises on a more or less national scale. The capitalist stock companies as well as the cooperative enterprises are to be considered as the transitional forms from the capitalist mode of production to the associated one with the sole difference that in the first the antagonism is surmounted negatively whereas in the second it is solved positively. (1992, p. 504—emphasis in original)

Marx takes up the question of capitalist property forms in his remarks on Richard Jones in his manuscripts of 1860s:

Two important facts [*Hauptfacts*] of capitalist production: First, concentration of the means of production in a few hands through which it ceases

to appear as the direct property of the individual worker but as potentialities of social production even though at first as the property of the non active capitalists; these are the trustees in the bourgeois society and enjoy all the fruits of this trusteeship. Secondly, organization of labour itself as social labour through co-operation, division of labour, and by combination of labour with the results of the social domination over the forces of nature. On both sides *the capitalist production abolishes private property and private labour* even though still in contradictory forms. (1962, p. 422—emphasis added)

In *Grundrisse*, Marx discusses two kinds of capitalists, namely financial capitalists who *carry interest* and industrial capitalists working in the sphere of material production and *earning profit*. As a particular form, interest-bearing capital stands not against labour, but against capital, bearer of profit (Marx, 1953, p. 735; 1993, p. 851). Marx continues this line of thought in his manuscript for volume three of *Capital* where the discussion around the relation between interest and enterprise profit takes considerable space. We here try to shorten the matter.

As long as capital functions in the process of production, it belongs to the process of reproduction as well for exploiting labour. In the same way, as long as the financial (moneyed) capitalist lends money, it continues to receive interest which is really a part of profit. The question is to know how the division, purely *quantitative*, of gross profit in net profit and interest changes in a *qualitative* division. How is it that the whole capital, lent or otherwise, is differentiated according as it brings interest or net profit? To answer this question, we have to know the veritable point of departure of the formation of interest. Our starting hypothesis has to be that the financial capitalist and the productive capitalist stand opposed to each other not only as juridically distinct individuals but also as playing totally different roles in the reproduction process. We have to suppose that in their hands the same capital plays two distinct roles: The one is only lent while the other is employed only in the productive way.

For the productive capitalist who works with borrowed capital, the gross profit is divided into two parts, interest which he/she has to pay to the lender and the surplus above the interest constituting her or his share of profit. The active capitalist is not the owner of capital. The ownership of capital belongs to the lender of capital, the financial capitalist. Contrariwise the share of profit which goes to the active capitalist taking the form of entrepreneurial profit which is the unique result of

the operations and functions which he/she accomplishes with the capital in the process of reproduction, in particular the functions accomplished in industry or commerce. In her/his eyes, the interest appears as the simple fruit of the ownership of capital, independently of the reproduction, to the extent that he/she does not “work,” does not function; while the profit of the enterprise appears to her/him as the exclusive function accomplished by the capital. In this process, he/she considers her/his own activity in opposition to the non-activity of the financial capitalist who does not participate in the act of production. This qualitative distinction between the two parts—that is, the interest, the product of capital as such, independently of the process of production, and the profit of enterprise, the fruit of the process of production—is not at all a purely subjective conception of the financial capitalist. It is based on an objective fact: The interest goes to the financial capitalist, who is simply the owner of capital while the enterprise profit goes to the non-proprietor, the functioning capitalist. Historically, the interest-bearing capital has existed over a period longer than the period of the capitalist mode of production itself. That is why in people’s mind, the interest-bearing capital still counts as the true capital. If the totality of capital had belonged to the industrial capitalist, there would not have existed any interest. It is only the autonomous form adopted by quantitative division of gross profit that creates the qualitative division. These two forms—interest and the enterprise profit—exist in their reciprocal opposition. Profit here refers only to the average profit, leaving aside its different variations.

The confrontation with the wage labour is effaced here in the form of interest since the interest-bearing capital is opposed not to the wage labour but to the capital which functions. The lending capitalist confronts directly the capitalist really active in the process of production, not the wage labourer. The interest-bearing capitalist is the capital as *property* in opposition to the capital as *function*. But as long as capital does not fulfill its function, it does not exploit the labourers and does not enter into any opposition with labour. Also, the enterprise profit is opposed not to the wage labour but uniquely to interest.

On the basis of capitalist production, the capitalist directs simultaneously the process of production and the process of circulation. Whether he/she exploits the productive labour or somebody else does it in the latter’s name, this exploitation requires *an effort*. That is why, contrary to interest, the profit issuing from enterprise appears to the capitalist as being independent of property over capital and above all as the fruit of

her/his activity as the activity of a *worker*. Consequently, in the capitalist's brain arises the idea that the enterprise profit, far from being opposed to the wage labour, constitutes, rather, a *wage of superintendence of labour*, a wage superior to that of the ordinary labourer, because this labour is more complicated and because he/she pays her/himself this wage. One forgets completely that the function of the capitalist is to produce surplus value, that is, the unpaid labour, in the most economical conditions; what one finds, on the contrary, is that interest comes back to the capitalist even if the latter does not accomplish the function of capitalist, being simply the proprietor of capital, whereas the enterprise profit comes back to the active capitalist even if the latter is not the owner of capital with which he/she operates. Faced with the anti-thesis presented by the two parts resulting from the division of profit, it is forgotten that this division in no way can modify the nature, the origin, and the conditions of existence of the surplus value.

In the process of reproduction, the active capitalist represents, faced with the wage labourers, capital as the property of the third party, and the finance capitalist, represented by the active capitalist, participates in the exploitation of labour. This fact is forgotten faced with the contrast between the function of capital in the process of reproduction and the simple ownership of capital outside of this process.

In reality, the form that the two parts of profit, that is, surplus value, take as interest and enterprise profit in no way expresses a relation with labour, since such relation exists only between labour and surplus value as a sum, unity of these two parts. The proportion according to which this partition of profit is done and the different juridical titles which sanction it suppose pre-existing profit. Consequently, if the capitalist is the owner of capital with which he/she operates, he/she pockets the totality of profit; whether he/she acts in this way or abandons a part of this profit to a third party, the juridical owner has little importance for the labourer. Separated from capital, the process of production becomes the simple labour process in general. The industrial capitalist in so far as he/she is different from the owner of capital does not appear as the capital in function, but rather as a functionary without any link with capital, as an agent of the labour process in general, as a labourer, more exactly as a wage labourer.

The alienated character of capital, its contrast with labour—projected outside the veritable process of exploitation, that is, interest-bearing capital—this exploitation itself seems to be reduced to a simple process of labour where the active capitalist only executes a work different from

that of the labourer such that the labour of exploiter and the labour of exploited are identical. On the one hand, in all activities where a large number of individuals cooperate, the link and the unity of operations are reflected necessarily in a will which commands. This is a productive work which has to be executed in all systems of coordinated production. On the other hand, this work of supervision has to be imposed in all the modes of production founded on antagonism between the labourer, the direct producer, and the owner of the means of production. More this opposition is profound more important is this role of supervision. Just as the slave, the wage labourer has to have a master in order for the wage labourer to work under the direction of the master. The work of direction and management arising from the antagonistic relations of capital's domination on labour is common to all modes of production based on class opposition. In this regard, the capitalist system is no exception. The wage/salary of the manager is wholly separated from profit and takes the form of wage of a qualified worker.

The capitalist production has now reached a point where the work of direction is totally separated from the ownership of capital, such that henceforth the capitalist her/himself has no need to undertake this function. The conductor of the orchestra has no need to own the musical instruments. The wage of administration both for the commercial director and for the industrial director is entirely different in the workers' cooperatives as it is in the capitalist share company. In the cooperative of production, the contradictory character of the labour of direction disappears since its director is paid by the labourers instead of capital counterposed to them. In a general way, the stock companies which develop along with credit the monetary capital take on a social character. It is concentrated in banks and lent by them and no longer by its owners. On the other hand, the director in no way possessing the capital fulfills all the functions pertaining to the active capitalist as such. It is then the capitalist, as a superfluous person, disappears from the process of production. Only the functionary remains.<sup>1</sup>

<sup>1</sup>We have summarized the account given here from Marx (1992, pp. 441–459).

## 2 CAPITALISM AS A TRANSITIONAL SOCIETY

Whatever be the social form that the process of production takes, it must have to be continued. Considered not as an isolated event but being in the course of incessant innovation, all process of social production is also at the same time a process of reproduction (Marx, 1954, p. 531; 1963a, p. 1066; 1987, p. 523). In the “Preface” to the first edition of his masterwork, Marx wrote:

Here it is not a question of persons but of the personification of economic categories, the supports of interest and the relations of determined interests. According to my point of view the development of the economic formation of society is viewed as a march of natural history. [...] The present society is not a solid crystal [*fester Krystal*] but is an organism capable to change and is always on the road of transformation. (1954, p. 21; 1963a, p. 550; 1987, p. 40)

Socialism is a product of history, not of nature, or arbitrary will of individuals. “Individuals cannot bring their own social relations under their own control before having created them” (Marx, 1953, p. 79; 1993, p. 77).

We read in the 1857–1858 *Grundrisse*, in Marx’s discussion of the falling tendency of the rate of profit, considered as the most important among all the laws of the modern political economy:

Beyond a certain point the development of the forces of production constitutes a barrier for capital. In other words, the capitalist system becomes an obstacle for the expansion of the productive forces of labour. Arrived at this point, capital, that is, wage labour, enters in the same relation towards the development of social wealth and of development of the productive forces as the guild system, serfdom, slavery and is necessarily thrown off as an obstacle. The last form of servitude which the human activity assumes – wage labour on one side and capital on the other – is thereby cast off as a skin and this casting off itself is the result of the mode of production which corresponds to capital. Themselves the negation of the earlier forms of unfree social production, wage labour and capital are in their turn negated by the material and spiritual conditions, the result of their own process of production. It is through sharp contradictions, crisis, convulsions that the increasing incompatibility between the productive development of society and the hitherto existing relations of production is expressed. The violent destruction of capital not by the external relations but by the condition of its self-preservation [*Bedingung seiner Selbsterhaltung*] the advice is given

to be gone and to give room to a higher state of social production. (1953, pp. 635–636; 1993, p. 749)<sup>2</sup>

Marx's overall framework of thought in this regard is very well stated in his two 1861–1863 manuscripts, 13 and 18. In the first, we read, “the whole objective world, the world of goods, vanishes here as merely disappearing and always reappearing activity of the socially producing individuals” (1962, p. 265). In the second, Marx writes:

The autonomous material form of wealth vanishes and shows itself simply more as the activity of individuals. All that is not the result of human activity, labour, is nature and as such is not social wealth. The phantom of the world of goods melts away and they appear only continually disappearing and continually reborn objectivization of the human labour. [...] From the moment the bourgeois mode of production and the corresponding processes of production and distribution are recognized as *historical* there ceases the illusion of considering them as the natural law of creation and there opens the perspective of a new society, a new economic social formation of which this mode constitutes only the transition. (1962, p. 426—emphasis in text)

In the manuscript for the third volume of *Capital*, we read:

Scientific analysis of the *capitalist mode of production* shows the following result: It is a particular economic system having a specific character like any other mode of production it presupposes a certain level of social productive forces and their forms of development: historical condition which itself is the result and historical product of an earlier process, the point of departure and foundation of the mode of production; *relations of production* corresponding to this mode of production which is specific and historically determined, relations which the humans establish in the process of creating their social life having a historical and transitory character. (1992, p. 895 – emphasis in manuscript)

Again, the “present society is no solid crystal but an organism capable of change and is constantly changing” (1954, p. 21; 1963a, p. 351; 1987, p. 68), he wrote in the “Preface” to the first edition of his masterwork. In the 1873 “Afterword” to the second edition, Marx sharply

<sup>2</sup>The expression “advice [...] production” in Marx's English.



distinguished his own standpoint from the standpoint of the “Political Economy remaining within the bounds of the bourgeois horizon looking upon the capitalist régime as the absolutely final form of social production, instead of as a passing historical phase of its evolution” (1954, p. 24; 1987, p. 701). Also in the “Afterword,” he asserted that, bereft of its mystified form, the “rational form of dialectic while recognising the existing state of things, also recognizes the negation of that state, of its inevitable breaking-up; because it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature” (1954, p. 29; 1987, p. 709).<sup>3</sup>

We read in what is considered as *Capital*'s first variant, the *Grundrisse*:

As the bourgeois economy develops little by little, so also develops its negation itself which is its ultimate result. If we consider the bourgeois society as a whole there always appears as the final result of the process of production, society itself. All that has a fixed form, as product etc., appears only as a moment, a disappearing moment in this movement. The immediate process of production itself appears only as a moment. The conditions and objectifications [*Vergegenständlichungen*] of the process are uniformly [*gleichmässig*] the moments of this process, and as the subjects of this process, the individuals, but the individuals in relations to one another which they both reproduce and newly produce. Their own perpetual process of movement they renew themselves as they renew themselves as much as they renew the world of wealth which they create. (1953, p. 600; 1993, p. 712)

A few years later, in what Marx considered as Book four of *Capital*—dealing with the “history of the theory”—he emphasized again the provisional character of the capitalist society. Paraphrasing and commenting on Richard Jones, Marx observed:

Capitalist mode of production is only a transitional phase in the development of social production, a phase which in contrast with all the earlier forms of production makes immense progress when one considers the development of the productive forces of social labour, which is by no means the end result, but rather in its antagonistic form between the owners of accumulated wealth and actual labourers includes the necessity of its downfall. (1962, p. 419)

<sup>3</sup>Absent in the French version.

Marx added:

From the moment the bourgeois mode of production and the conditions of production and distribution which correspond to it are recognized as *historical*, the delusion of regarding them as natural laws of production vanishes and the prospect opens up of a *new society*, a new economic formation to which it is only the transition. (1962, p. 426)<sup>4</sup>

### 3 CAPITALISM THE PROGENITOR OF SOCIALISM

The future society arises from the contradictions of the present society itself. This process is best understood by recalling the two principles, derived respectively from Spinoza and Hegel, which inform Marx's *Critique of Political Economy*. In his first manuscript for *Capital* Vol. 2, Marx completed Spinoza's famous saying "all determination is negation" by adding "and all negation is determination" (1988, p. 216). Years earlier, in his 1844 Parisian *Manuscripts*, while critically commenting on Hegel's *Phenomenology of Spirit*, Marx had observed that the latter's "greatness" lay in the "dialectic of negativity as the moving and creating principle" (1975, p. 386).<sup>5</sup> In an early work, his 1847 critique of Proudhon, Marx stressed that "it is always the bad side that in the end triumphs over the good side. [...] It is the bad side that produces the movement which makes history by producing struggle" (1963b, p. 89). Marx shows how capital creates the objective and the subjective conditions of its own negation and, simultaneously, the elements of the new society destined to supersede it.

As mentioned earlier, the new society as the Association of free and equal individuals is not something that is naturally given. It is a product of history. And if the material conditions of production and the corresponding relations of circulation for a classless society do not exist in a latent form in the society as it is, then "all attempts at exploding the society would be Don Quixotism" (1953, p. 77; 1993, p. 159). In fact, the whole process of production and exploitation under capital

<sup>4</sup>Note that here again Marx shows clearly that he has in view the "new society" coming after capital.

<sup>5</sup>In the "Afterword" to the second edition of *Capital* Vol. 1, Marx underlined that as opposed to the "mystified form" of the dialectic, "in its rational form, the dialectic includes in its positive understanding of the existing things at the same time their negation and their necessary downfall" (1954, p. 29; 1987, p. 709).

contributes to the genesis of the new society. This idea we find affirmed in different places in Marx's work on *Capital*, in the sense given above as his economic work written between 1857 and 1881. Here, we refer to some of the relevant passages. Thus, in the *Grundrisse*, he admiringly refers to one of his teachers, Robert Owen, who held that the development of capital was the necessary condition for the recreation of the society. Referring to the hopelessness, misery and degradation of workers under the capitalists Owen opined that "these proceed in the regular order of nature and are the preparatory and necessary stages for the great and important social revolution which is in progress" (1953, p. 602; 1993, p. 714).<sup>6</sup> Elsewhere in the same work, we read:

The extreme form of alienation in which appear the relation of capital and labour, labour, the productive activity, to their own conditions and their own product is a necessary point of transition and thereby in itself [...] already contains the dissolution of all the limited presuppositions of production, and rather creates the indispensable [*unbedingt*] preconditions of production and therewith the full material conditions for the total, universal development of the productive powers of the individual. (1953, p. 387; 1993, p. 487)

In the first volume of *Capital*, we read:

Fanatically bent on making value expand itself, he [the capitalist] ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society, and creates those material conditions which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle. (1954, p. 555; 1963a, p. 1096; 1987, p. 543)<sup>7</sup>

In the so-called "sixth chapter" of *Capital* Vol. 1,<sup>8</sup> while analyzing the capital-labour relation, where capital dominates labour, product dominates the producer, Marx underlined:

<sup>6</sup>Cited by Marx.

<sup>7</sup>Readers will notice that this last sentence is simply a paraphrase of the last sentence of the second section of the 1848 *Communist Manifesto*.

<sup>8</sup>As mentioned earlier, originally intended to be the last chapter of *Capital* Vol. 1 and passage to *Capital* Vol. 2, it could not be included in the printed book.

Historically considered, this inversion [*Verkehrung*] appears as the *necessary point* of the passage for creating ruthlessly wealth as such, that is, the productive powers of the social labour which alone can build the material basis of a free human society at the cost of the majority. To go through this antagonistic form is a *necessity* just as the humans at first have to give their spiritual powers an independent religious form confronting them. (1988, p. 65—emphasis added)

Similarly, in the fourth Book of *Capital, History of the Theory* (1861–1863), second notebook, we read (in Marx’s own English):

The capitalistic production is most economical of realized labour, labour realized in commodities. It is a greater spendthrift than any other mode of production of man, of living labour, spendthrift not only of flesh, blood and muscles, but of brain and nerves. It is in fact only at the greatest waste of individual development that the development of general men is secured in the epochs of history which preclude to a socialist constitution of mankind. (1976, pp. 324–327)

In the third notebook of the same “fourth Book,” Marx noted:

To the extent, in the capitalist production, capital forces the worker to work beyond her/his necessary labour, it creates, as the domination of the past labour over the present labour, surplus labour, thus the surplus value. [...] Surplus labour is in fact the labour for the society, even though it is the capitalist who at first cashes it in the name of society. This surplus labour is on the one hand the material basis of society’s development, the basis of the general culture. To the extent that it is capital’s constraint which forces the masses of society to work beyond their immediate needs, capital creates the culture, fulfils a socio-historic task. (1976, pp. 172–173)

Again in the 1861–1863 manuscripts (notebook 11) referring to Ricardo’s insistence on production for the sake of production, Marx defended Ricardo against the latter’s sentimental adversaries who upheld that production for production’s sake was not the goal, saying that the upholders of this argument forgot that

Production for the sake of production signified nothing but the development of the productive powers of the humans, therefore the development of the wealth of the human nature. If one opposes this to the good of the individual this would mean that the development of the species should be

stopped [*aufgehalten werden*] in order to guarantee the welfare of the individual. Such a view reveals a failure to understand that this development of the capacities of the human species, though at first taking place at the cost of the majority of the human individuals and even of classes, finally surmounts [*durchbricht*] this antagonism and coincides with the development of the particular individuals, and therefore the higher development of the individuality is bought only at the price of a historical process in which individuals are sacrificed. (1959, p. 107)

The negativity of the social process through union-separation-reunion is again stressed by Marx in notebook 18 (of 1861–1863 manuscripts) of the *History of the Theory*:

The original union between labourer and the conditions of labour (leaving aside slavery where the labourer her/himself belongs to the objective conditions of labour) has two principal forms: The Asiatic community and the small family agriculture, in one or the other form. Both are embryonic forms [*Kinderformen*] and equally little suited to develop as social labour and the productive power of social labour. Hence the necessity of separation and of tearing apart [*Zerreissung*], opposition, between labour and property. The extreme form of this rupture in which the productive forces of social labour are most powerfully developed is capital. Only on the material basis that it creates and by means of the revolutions which in the process of this creation the working class and the whole society undergo, can the original unity be re-established. (1962, p. 419)

In the first “Book,” that is, the first volume of *Capital*, in the chapter on large-scale industry, we read that however terrible, however disgusting the role of the big industry in the dissolution of the traditional family be, by the role that it assigns to the women and children, it creates nevertheless the new economic basis for a superior form of the family and the relation between sexes. Even the composition of the collective labourer of the individuals of the two sexes and of different ages, this source of corruption and slavery under the capitalist regime carries in itself the germ of a more humane evolution. “In history as in nature putrefaction is the laboratory of life” (1954, p. 469; 1963a, p. 994; 1987, p. 468).<sup>9</sup> Marx emphasized that the development of contradictions of a historical form of production was the only historical way of its dissolution and a new configuration.

<sup>9</sup>The last sentence appears in the French version only.

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## Socialism and Democracy

**Abstract** This chapter lays out what socialism is not, by contrasting Marx's idea of social revolution with that of Lenin's through the case of October 1917. The absence of democracy, the side-lining of the proletariat, and the role of the party are discussed to substantiate the author's claim that the revolution of October 1917 was not a socialist revolution in Marx's terms. Along with the works of Marx, the author surveys the works of other scholars of the Russian Revolution and focuses on the relationship between the proletariat, the state, democracy, and socialism. As such, the chapter provides an extended critique of state "socialisms" of the twentieth century.

**Keywords** Capitalist mode of production · Associated mode of production · Bolsheviks · October Revolution · Twentieth-century socialism · State socialism

Marx's starting point in his critical analysis of capitalism is that capitalism is a class divided society when the class which possesses the means of production exploits the workers who, not possessing the material means of production, have only their capacity (power, physical, and mental) to sell in order to survive. As opposed to what Marx called the Capitalist Mode of Production (CMP), the mode of production succeeding

CMP Marx called Associated Mode of Production (AMP), following from the term “Association.” By definition, this “Association,” also called by Marx “socialism” (“communism”), is a *democratic* body, inasmuch as the builders of this Association, the new society, the *immense majority* of society, the proletariat, are the waged and salaried persons. The 1848 *Communist Manifesto* (Marx and Engels, but mainly Marx) qualifies the victory of this great majority over the minority naturally as the “victory of democracy.” It so happened, however, that all the twentieth-century regimes under the “self-anointed” disciples of Marx (borrowing P. M. Sweezy’s term) calling themselves “socialist” have been marked by the absence of democracy. Indeed, all these regimes turned out to be minority regimes under basically a single-party rule (communist mostly). The tradition of single-party rule within the professedly Marxian framework arose notably with the Bolsheviks under the leadership of Lenin.

## 1 THE CASE OF RUSSIA IN 1917

While for Marx the active agents of socialist revolution are the working class, for Lenin the duty of the working class is simply to follow the party. Contrariwise, according to Marx (see the “Afterword” to *Capital*’s second edition), the working class is such that its historical vocation itself is the overthrow of capitalism. E. H. Carr cites Lenin’s claim that “the dictatorship of the working class is carried into effect by the party of the Bolsheviks which since 1905 or earlier has been united with the whole revolutionary proletariat” (Carr, 1985, p. 230).

Contrariwise, we hold that the regime issued from the Bolshevik seizure of power in 1917 was not a proletarian regime, and that hence, the seizure of power did not inaugurate a socialist revolution in Russia in the sense of Marx. For Marx, the instrument of the socialist revolution is “working class constituting itself into a political party” (Marx and Engels, 1988, p. 243), while for Lenin (1972, pp. 87–136) it is a group of (mainly middle-class intelligentsia) “professional revolutionaries,” a self-anointed “vanguard,” completely outside the control of the labouring masses, bringing revolutionary consciousness to the working masses from outside and guiding it in the struggle for socialism. Even before the seizure of power, Lenin had already treated the Bolshevik power and the proletarian power as equivalent, and in justification of the Bolshevik rule pointed out that if Russia since 1905 could be ruled by 130,000 landowners it was wrong to hold 240,000 members of the



Bolshevik party will not be able to rule Russia in the interest of the poor and against the rich.

Here, we find it useful to examine an argument offered by the eminent historian of Bolshevism E. H. Carr. Carr discerned a difference between the “earlier Marx” and the “mature Marx” of the First International and held that Lenin was a “disciple of the earlier rather than of the later Marx” (1985, p. 19). Carr’s contention, we submit, is based on rather a superficial reading of Marx. Again, Carr, in consonance with a widespread view (including the official “soviet” view) holds that the First “International” was “sponsored” by Marx (and Engels). This is completely untrue. It was the English and the French workers who on their own initiative founded the International. Marx was simply a member of the audience, in his own words, a mute figure on the platform (*als stumme Figur auf der Plattform*). Later, he was accepted as a representative of the German workers and designated as a member of the sub-committee in charge of drafting the International’s provisional rules. Eventually, he was asked to draft the provisional rules. A firm believer in workers’ self-emancipation, Marx would never claim to guide the workers.

It is true that Lenin’s position of a vanguard party bringing revolutionary consciousness to the workers from outside by the revolutionary intelligentsia is the exact opposite to Marx’s. Here, it is very pertinent to recall one of the resolutions of the First Congress of the First International: The work of the International Association is to generalize and unify the *spontaneous* movements of the working class but not to *prescribe or to impose* a doctrinaire system. We have to remember that Lenin’s position is also directly opposite to that of the International’s “Provisional Rules” drafted by Marx himself, “the emancipation of the working classes must be conquered by the working classes themselves” (Marx, 1985, p. 332). Remarkably, Marx’s Inaugural Address to the International ends with well-known last lines of the Communist Manifesto. In addition, we also read in the 1848 *Manifesto* something which can in no way be reconciled with the Leninist position: “All previous historical movements were movements of minorities or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority in the interest of the immense majority” (Marx and Engels, 1976, p. 495).

It is also notable that Marx had even earlier emphasized the self-liberating role of the working class. In *The Holy Family*, we read, “the proletariat can and must liberate itself, and (directly opposing Lenin) and

it is from this class itself that the communist consciousness, the consciousness of the necessity of a profound revolution arises” (1972, p. 38). This is perfectly in line with the 1848 *Manifesto*. More than a decade later, in the notebook four of his massive 1857–1858 manuscript, Marx noted:

The recognition of the product as her/his own and the judgement of its separation from the conditions of its realisation as something improper, imposed by force, is an enormous consciousness, itself the mode of production based on capital, and as much the knell to its doom, as with the consciousness of the slave that s/he cannot be the property of another with her/his awareness as a person, the existence of slavery becomes merely an artificial, vegetative existence and ceases to be able to continue as a foundation of production. (Marx, 1993, p. 463)

In the well-known 1879 *Circular Letter* by Marx and Engels, stressing that the singular duty of the intellectuals trying to help the *movement* is to bring science to the workers, bring the educative elements. Should there be any reason to tolerate them for a while, care must be taken to see that they do not bring with them the remnants of bourgeois and petty bourgeois prejudices. Moreover, these intellectuals must not be allowed to occupy any leading position in the workers’ movement. In that same circular letter were quoted the well-known words of the International: “the emancipation of the workers is the task of the workers themselves” (Marx and Engels, 1989, p. 269). We cannot co-operate with those who say that the workers are too uneducated to emancipate themselves and must first be emancipated from above by the philanthropic members of the upper and lower middle classes.

Lenin played a huge role in the conceptualization of socialism by his epigones worldwide, but had played an even greater role due to his whole set of ideas concerning socialist revolution and socialism which have little in common with Marx’s emancipatory, immensely democratic vision of society after capital (i.e., Marx’s emancipatory ideas beginning with the assertion that the gaining of power by the working class was a “victory of *democracy*”). It is this set of ideas that became the breeding ground of minority rule and minority revolution which followed the victorious Russian party, repeating the history of class societies that Engels had so pertinently analyzed in his 1895 “Introduction” to Marx’s 1850 *Class Struggles in France*, in which he had opined that the era of such minority revolution and minority rule would end with the bourgeois rule, since a

proletarian revolution is a revolution of the immense majority. This had far-reaching consequences. Minority rule, on the other hand, in its turn necessarily meant that the regime could not afford to be democratic and had to be repressive in order to survive.

Lenin's starting position is the possibility of proletarian/socialist revolution breaking out in a backward region as opposed to Marx's position of such an event taking place only in a capitalistically advanced region. Marx believed that it was capitalist development itself which prepared the necessary conditions for such a revolution. It is remarkable how a single individual, Lenin, first won over his party and then practically imposed his own idea on the whole land defeating all resistance. Where is *democracy* there? Carr quotes Lenin when he writes: "Later he [Lenin] described the attempt to distinguish between the dictatorship of the class and the dictatorship of the party is a proof of 'an unbelievable and inextricable confusion of thought'" (Carr, 1985, pp. 230–231).

His reason for a socialist revolution in Russia he justified not in terms of the materialist conception of history, that is, not in terms of a change in the relations of production in the society, but in terms of change in the government personnel. He maintained that the state power in Russia has passed into the hands of a new class, namely the bourgeoisie and landlords who had become bourgeois. To this extent, the bourgeois-democratic revolution is completed. About one month later, he repeated the same argument. About two months later, he contended that the "workers" socialist revolution had begun in Russia. It should be stressed that it is not because of a change in material base, but purely on the basis of a perceived change in the superstructure of society that Lenin sought a socialist revolution, purely on the basis of a perceived change in the superstructure, thus totally reversing Marx's position as stated in his 1859 preface to the *Contribution to the Critique of Political Economy*. Totally in opposition to Lenin, we find in Marx the active agents of the socialist revolution are the workers whose mission is to revolutionize the capitalist mode of production. As he wrote to his friend Schweitzer, "the working class is revolutionary or it is nothing" (Marx, 1987b, p. 96). There could be no greater *democratic* declaration.

At the same time, under Lenin, the opposite trend—*bureaucracy*—started to rise fast. Before the seizure of power, Lenin, consistently with Marx's thought, had stressed the need to destroy the old state apparatus with its bureaucracy, police and the standing army and their replacement with a new type of state with freely elected and revocable officials

at all levels, the police and the standing army being replaced by a new type of state following the example of the 1871 Paris Commune. In his different polemical writings, he had accused the Plekhanovs and the Kautskys as well as the Mensheviks and Social Revolutionaries of having “forgotten and perverted this essence of the Paris Commune” (Lenin, 1964, pp. 381–492). However, the reality of the regime completely contradicted Lenin’s words. In fact, he had to admit later that the Bolsheviks had effectively taken over the old state apparatus from the Tsar and the Bourgeoisie. Thus, instead of all officers being elected and subject to recall *à la* Commune, the body of appointed officials organically linked with the new central establishments and hierarchically organized from top downwards—responsible only to their superiors—increased in gigantic strides.

Similarly, there appeared a special police apparatus, the security police, installed within a few weeks after the seizure of power, which grew over a quarter million by 1921. As to the army, with the creation of the Red Army, a first breach in the soviet system occurred in 1918, as the great historian of the soviets Oskar Anweiler (1974) underlined. The principle of election of officers—this specific mark of the consequent soviet principles—was abolished, the rights of the soldiers’ committees were clipped, and the erstwhile Tsarist officers replaced in responsible positions in growing numbers. In turn, industry was organized on the principle of direction from above as opposed to the direct administration in the factories exercised by the elected factory committees. Lenin now discovered that the Russian is a bad worker compared with the workers of the advanced nations.

In her brochure (1906) “Mass strike, party and revolution” speaking of the need for destruction of Russia’s absolutism, Rosa Luxemburg observed that to achieve this the proletariat needs a high degree of political education, class consciousness, and organization, conditions which can be satisfied not through brochures and pamphlets, but simply by the living political school, from the struggle, from the progressive course of revolution.

On the question of the rise of bureaucracy under Lenin to which we referred above, in which Kautsky the “renegade” among others was castigated by Lenin, the “renegade” counterattacked Lenin in kind:

The Commune and Marx prescribed the abolition of the old army and its replacement with a militia. The Soviet government has started by dissolving

the old army. But it has created the red army a permanent army, one of the strongest in Europe. The Commune and Marx prescribed the dissolution of State police. The Soviet Republic has dissolved the old police in order to build the police apparatus of Tcheka, a political police provided with power, more extensive, more unlimited and more discretionary than what the French Bonapartism and the Tsarist bureaucracy had at their disposal. The Paris Commune and Marx had prescribed the substitution of the State bureaucracy by the functionaries elected by the people through universal suffrage. The Soviet Republic has destroyed the old Tsarist bureaucracy, but at its place has installed a new bureaucracy as centralised as the old and having at its disposal powers much more extensive than the precedent, since it serves to control not only the liberty but also people's subsistence. (Kautsky, 1921)

The policy of monopolizing power for the Bolsheviks and thereby exercising a minority power over the majority in the country is again seen in Lenin's treatment of the question of the Constituent Assembly. This was an institution for which the Russian people had fought and died over a hundred-year period in their struggle for freedom from the monarchical and feudal-ecclesiastical regime. All the different sections of the population were involved in this struggle for a national democratic parliament. Days before the October events, the Bolsheviks had attacked the Provisional Government for its delay in opening it and claimed that only they could open it. But after the seizure of power when the issue could no longer be used against the opponents, it became a rallying cry against the Bolshevik dictatorship. Among the Bolsheviks, some held that the elections should not be postponed, but Lenin was for postponement. On the plea that the situation had changed since October, Lenin held that "to consider the question of the Constituent Assembly from a formal, legal point of view would be a betrayal of the proletariat's cause and the adoption of the bourgeois point of view" (Lenin, 1982, p. 458). Fearing that Kadets, Mensheviks, and Socialist Revolutionaries might gain a majority, Lenin did not want an election. In fact, he told the central committee, he held that "it is senseless to wait for the Assembly that will not be on our side."

Lenin was fully aware that the majority of the country was not on his side. In any event, the Bolsheviks permitted the elections to be held. In fact, when constituent assembly was called in January 1918, it appeared that the Bolsheviks had a little less than a quarter of the total number of the elected representatives. It was dissolved the next day on spurious

grounds by a decree of the Soviet of People's Commissars. On the day the Assembly opened, there was a popular, entirely peaceful demonstration in honor of the opening of the Assembly. As the crowd approached the Tauride Palace, with the slogan "all power to the Constituent Assembly," armed soldiers and the red guards appeared and demanded that the crowd disperse. When the crowd paid no attention, they were fired on and a number was killed. Maxim Gorky wrote in his organ *New Life*: "What are you doing, whom are you killing? They are your brothers and without arms. They are not demanding, but only petitioning the Tsar to look into their needs." The soldiers replied that they had orders, they did not know anything. On January 5, 1918, the unarmed Petersburg democracy workers and employees came out to celebrate in honor of the Constituent Assembly. For nearly a century, the best of the Russians have dreamt of this day. They visualized the Constituent Assembly as a political organ capable of giving the Russian democracy an opportunity of freely expressing its will. Thousands of the intelligentsia, tens of thousands of the workers and peasants have died in prison and exile, have been shot and killed for the dream. And now that the dream has been reached and democracy has come out to rejoice, the "People's Commissar" has given orders to shoot. The *Pravda* lies when it says that these democrats were the bourgeoisie and Bankers. Just as on January 5, 1918, there are people who ask those who fired: Idiots, what are you doing? They are your brothers. Can't you see the red banners?" Now, just as then the soldiers reply: "We have orders to shoot." Thus ended the first attempt at free election in Russia never to be repeated again. And also the last, as it became the norm in other "socialist" lands: quasi-total absence of free elections.<sup>1</sup>

Generally, Stalin is blamed mainly by the Trotskyists for all the grave injustices in Russia (and beyond), and "Stalinism" is the sole target of attack for all "deviations" in "socialism" in Russia. But while quite justifiably denouncing Stalin's terrible misdeeds, one must not blame him for every misdeed the Bolsheviks committed. For example, in the terrible Kronstadt massacre, Stalin had no significant role such as what was played by Lenin, Trotsky, and some other Bolshevik leaders. Isaac Deutscher (1967) in his biography of Stalin stated:

<sup>1</sup>The account given here is a summary of that given in Bunyan and Fisher (1934, pp. 387-388).

The General Secretary knew how to justify each act of repression against malcontent Bolsheviks in the light of the party statutes as they had *on Lenin's initiative* and with *Trotsky's support* been amended by the tenth and eleventh congresses [our emphasis]. He was careful to explain every step he made as an inevitable consequence of decisions previously adopted by common consent. (Deutscher, 1967, p. 236)

As regards the infamous show trials under Stalin, we must not forget its predecessor: The Moscow show trial of the Socialist Revolutionaries (June 8–August 7, 1922) under Lenin to which the great democrat Martov (the Menshevik Internationalist), to his credit, opposed. This chapter concerns social revolution and class power particularly in the 1917 Russian events.

## 2 THE OCTOBER REVOLUTION

To paraphrase Keynes's well-known statement about Ricardo, Lenin conquered not only the subsequent (Marxian) revolutionary movement, but also some eminent intellectuals almost as completely as the Inquisition had conquered Spain. Among the intellectual-scholars, we here refer to three outstanding cases: E. H. Carr, I. Deutscher, and P. M. Sweezy. Carr (1985) held that the Marxist scheme of things was bound to break-down when the proletarian revolution occurred in an extremely backward capitalist land, which thus shows an error of prognostication in the original Marxist scheme (pp. 43–44). Carr is joined here by Deutscher (1957) according to whom it was the Russian Marxists, and not Marx and Engels whom the events in Russia proved right (p. 184). P. M. Sweezy (1993) in his turn expressed the same idea: "The revolution that put socialism in history's agenda not in economically developed countries where Marx and Engels thought they would, but in countries where capitalism was still at an early stage" (p. 6). These scholars seem to accept Lenin's argument axiomatically.

As a thorough-going materialist, Marx of course did not leave any specific blueprint for the future society. In the same way, there is no unique model of socialist revolution in Marx's work. However, even allowing for the very specific situation in Russia of October 1917, the statements in question could be taken to be true only if it could be shown that the October 1917 really amounted to the inauguration of a proletarian/socialist revolution in the strict sense of Marx.

Now, by a social revolution, Marx means dissolution of society's old relations, or, as he wrote in his 1859 *Contribution*, a change in the society's economic basis constituted by the relations of production. A social revolution is not a momentary event coinciding with the seizure of power. It is epochal. It begins with the installation of the proletariat as the ruling class. This proletarian rule continues to exist throughout the long transformation period until the inauguration of the first phase of the "Association."

As is well known, it is not the proletariat who seized power in October 1917 in Russia. As the great German historian of the soviet movement, Oskar Anweiler (1958) wrote: "The October revolution was prepared and accomplished by the Bolsheviks under the slogan, 'all power to the soviets.' However, only a fraction of the workers', soldiers' and peasants' deputies themselves wanted the seizure of power. Of course, the majority greeted the fall of the Provisional government, but refused to have a Bolshevik hegemony" (author's translation from German). Thus, the Bolshevik practice of seizure of power had nothing to do with the Marxian principle of conquest of political power as the great duty of the proletariat as the General Council of the First International proclaimed. In Marx's words, the "working class is revolutionary or it is nothing" (Marx, 1987b, p. 96).

Sweezy claims that the Russian Revolution was a "genuine socialist revolution" because of the "well established fact" that the regime that came to power was "clearly socialist in character." In support of his position, he argues (1990, pp. 5–9) that the "mission of life" of the parties and their leaders, the "seasoned Marxists," was to overthrow an unjust and exploitative system and replace it with one based on principles of socialism as expounded by Marx and Engels. We submit this cannot be a materialist way of judging a regime. There is no a priori reason to accept what Lenin and the Bolsheviks were *subjectively* claiming what the October seizure of power to be and the regime that emerged from it. Judgment has to be based on what Marx's well-known 1859 *Contribution to the Critique of Political Economy* says about the objective, materialist conditions of life under the regime. Could we say that the regime in question was, indeed, a proletarian regime in the sense of Marx, as its rulers claimed it to be on the basis of objective criteria? Having identified the proletarian power with the Bolshevik power Lenin asserted six months after the seizure of power: "We the party of the Bolsheviks conquered [*otvoevali*] Russia from the rich for the poor. We must now consolidate



what we ourselves have decreed, legislated, charted. This was natural because till now we have not reached the stage where the labouring masses could participate in government” (Lenin 1982, pp. 596, 620). Thus, as Carr noted, “well before Lenin’s death central soviet organ and local executive both ultimately recognized an *authority outside the soviet system*” (1985, p. 219—our emphasis). Similarly, the authority of the party “over every aspect of policy and every branch of administration had been openly recognized and proclaimed” (1985, p. 229), and it was the Bolshevik party which “gave life and direction and motive power to every form of public activity in the USSR, and whose decisions were binding on every organization of a public or semi-public character” (1985, p. 232). Needless to add, the ruling party, far from being the “working class constituting itself into a party” as the Communist Manifesto would have it, was a self-recruiting, self-proclaimed vanguard. This was indeed a dictatorship, a *dictatorship over the proletariat*.

Given this backwardness, as Lenin saw it, instead of collectively administering the affairs of the workplaces through their own elected organs—a practice earlier championed by the Bolsheviks, but now denounced as petty bourgeois spontaneity—the masses must show *unquestioning obedience to the single will* of the leader of the labour process and must accept the unquestioning subordination to the one-person decisions of the soviet directors elected or nominated by the soviet institutions (see Brinton, 1970, p. 41). As Anweiler (1958) noted, “while the Bolsheviks set about disciplining the spontaneous sovereignty of the soviets, they simultaneously removed the premises of the soviet democracy” (author’s translation).

As a distinguished American historian of Russia remarked, “all power to the soviets appeared to be a reality on the 26th of October, 1917, but it was mostly power to the Bolsheviks in those soviets, by July, 1918 the locus of decision making shifted from the soviets to the communist party. The whole system of soviets and the executive committees was reduced to an administrative and propaganda auxiliary of the party. Deprived of power in the soviets and in the factories the Russian proletariat found that the triumph of the dictatorship in its name was a very shallow victory” (Daniels, 1967, pp. 223–224).

Thus, given Russia’s material backwardness and the unpreparedness of its labouring masses to emancipate themselves, we are back to Marx’s profound materialist proposition (1859): “Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will

always show that the problem itself arises only when the material conditions for its solution are already present or at least in the course of formation” (Marx, 1987a, p. 263). In the absence of such conditions, “all attempts at making the present society explode would be Don Quixotism” (1953, p. 77).

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## Socialism and Emancipation

**Abstract** This chapter delves into human emancipation in socialism through the abolition of capital and private property, and thus the abolition of alienation. The discussion revolves around associated mode of production and how “true community” is envisaged by Marx. Here, it is emphasized that the outcome of the socialist revolution is socialism conceived as an association of free individuals, individuals who are neither personally dependent as in different forms of slavery and serfdom, system of caste and race servitude, and patriarchy, not materially dependent as in capitalism. It is argued that in a free society there is collective ownership of the means of production and with no classes, there is no state and no pillars of oppression, exploitation, and alienation.

**Keywords** Associated mode of production · Community · Emancipation · Classless society

Marx’s *Grundrisse* (Foundations) has been called the “laboratory” of his great work on *Capital*. At the same time, it refers to, in a number of its places, the future society which he supposed would replace the existing one. Hence, it is worthwhile to pay some attention to what Marx wrote there on the type of society that he envisaged would replace the present one.

Society after capital for Marx is *socialism*, also called by him “Association,” “society of free and associated labour,” “Republic of Labour,” “Union of free individuals,” “cooperative society.” Of these the most frequently used term is “Association.” It should be stressed that contrary to a well-known tradition in “Marxism” held by a great number of Marxists brought up in the so-called “Bolshevik” tradition, starting with Lenin, and sympathizers of this Bolshevized Marxism, Marx does not make any distinction between socialism and communism, and the distinction between a first phase and a second phase of the communist society as it appears in the *Gothaer Kritik* could as well identically signify the distinction between a first phase and a second phase of the socialist society. It follows that considering socialism as the transition to communism, as this Bolshevized “Marxism” holds, has no place in Marx who, on the contrary, presents capitalism itself as the “simple transitional point” for the new society (see Marx, 1953, p. 438).

Socialist society in the 1857–1858 manuscripts is conceived basically as an economic organization. Already in the 1845–1856 *German Ideology*, Marx and Engels have indicated that the organization of communism was essentially *economic*.<sup>1</sup> That is why its institution is essentially economic. It is the establishment of the material conditions of this association. From the existing conditions, it makes them the conditions of the association.

Worth recalling that in the two earlier works, the Proudhon critique (1847) and in the *Manifesto* (1848), we read that the “labouring classes will substitute in course of their development, to the old civil society, an association which will exclude the classes and their antagonisms, and there will no longer be any political power really speaking” (Marx, 1976, p. 212—translation modified). What a paradox that all the recent “socialisms” claiming Marx’s heritage are *state* “socialisms” (read capitalisms).

The new society is conceived here as an Association of free and equal individuals with their collective domination over the conditions of production—basically their own creation—which in its turn implies the

<sup>1</sup>cf. *The German Ideology*: “What distinguishes communism from all the movements known so far is that it transforms the foundations of all the traditional relations of production and commerce, and for the first time it treats in a conscious manner all the natural data as the creations of the earlier generations by throwing off the earlier creations by submitting them to the power of the associated individuals” (Marx and Engels, 1973, p. 70).

mastery of the social individuals of their own social relations. However, the existence of universally developed individuals subordinating their own relations to their own control—in a word, “socialism”—is not something naturally given. It is a product of history. And if the material conditions of production and the corresponding relations of circulation for a classless society do not exist in a latent form in the society as it is, then all attempts at exploding the society would be Don Quixotism (Marx, 1953, p. 77). Precisely, it is *capital* which creates the requisite material conditions of the proletariat—and thereby human—emancipation. The material and the intellectual (*geistigen*) conditions of the negation of wage labour and capital—themselves the creation of unfree social relations—are in their turn themselves the result of its own process of production (1953, p. 635).

In an earlier text, addressed directly to the workers, Marx underlined what he called the positive side of capital: Without big industry, free competition, and world market and the corresponding means of production, there would be no material resources for the emancipation of the proletariat and the creation of the new society (1973a, p. 555). In essence, this is not very different from what was said by one of Marx’s teachers, Robert Owen, whom Marx admiringly cited in the manuscript. Owen held that the development of capital was the necessary condition for the recreation of the society. Referring to the hopelessness, misery, degradation of the workers under the capitalists, Owen commented that “these proceed in the regular order of nature and are preparatory and necessary stages for the great and important social revolution which is in progress” (Marx, 1953, p. 602). In another passage of the manuscript, we read:

The extreme form of alienation in which appear the relation of capital and labour, labour, the productive activity to their own conditions, and their own product is a necessary point of transition and thereby in itself already contains the dissolution of all the limited presuppositions of production and rather creates the indispensable [*unbedingt*] preconditions of production, and therewith the full material conditions for the total, universal development of the productive powers of the individual. (1953, pp. 414–415)

Capitalist’s limitless drive for enrichment leads to the limitless growth of the productive power of labour. The great historical side of capital is to create surplus labour beyond the simple use value, simple subsistence.

As restless striving for the general form of wealth, capital drives labour beyond the limits of natural needs and in this way creates the material elements for the development of rich individuality which is all-sided in its production as well as in consumption, and the labour of which appears, therefore, no more as labour but as full development of activity itself in which natural necessity in its immediate form disappears because a historically created need takes the place of the natural need. That is why capital is productive (1953, p. 231). However, by reducing the necessary labour time to its minimum, capital tends to create, independently of its will, disposable time for society although it tends to use it for its own exclusive advantage by converting it into surplus labour. More it succeeds more it suffers from overproduction which compels it to interrupt the necessary labour. More this contradiction develops more it becomes clear that the growth of the forces of production cannot be made captive of the appropriation of the alien surplus labour and that the labouring mass must appropriate its own surplus labour. When it succeeds in this endeavor, the disposable time by collective appropriation by social individuals begins. Then, on the one hand, the necessary labour time will have its measure in the needs of the social individual, and on the other hand, the development of the society's productive power will be so rapid that even though production will be calculated in view of the wealth of everybody, disposable time will also increase for all individuals (1953, p. 596). In the *German Ideology* earlier, we read:

In the development of productive forces there comes a stage when productive forces and means of intercourse are brought into being which, under the existing relations, only cause mischief, and are no longer productive but destructive forces (machinery and money); and connected with this a class is called forth which has to bear all the burdens of society and without enjoying its advantages, which is ousted from society and forces into the sharpest contradiction to all other classes; a class which forms the majority of all members of society, and from which emanates the consciousness of the necessity of a fundamental revolution, the communist consciousness. (Marx and Engels, 1975, p. 52)

Continuing, we read:

The conditions under which definite productive forces can be applied are the conditions of the rule of a definite class of society, whose social power, deriving from its property, has its *practical*-idealistic expression in each

case in the form of the state and, therefore, every revolutionary struggle is directed against a class which till then has been in power. (Marx and Engels, 1975, p. 52—emphasis in original)

Again, we read in the same text:

In all previous revolutions the mode of activity always remained unchanged and it was only a question of a different distribution of this activity, a new distribution of labour to other persons, whilst the communist revolution is directed against the hitherto existing *mode* of activity, does away with *labour*, and abolishes the rule of all classes with the classes themselves, because it is carried through by the class which no longer counts as a class in society, which is not recognised as a class, and is in itself the expression of the dissolution of all classes, nationalities, etc., within present society. (Marx and Engels, 1975, p. 52—emphasis in original)

Finally, to produce massively this communist conscience as well as for the victory of the cause itself, it is absolutely necessary to have a transformation which touches the mass of people, which can only be achieved by practice, in the *revolution*. Consequently, revolution is necessary not only because there is no other means to defeat the *dominant* class, but also because it is only in revolution that the old garbage can be thrown away in view of having a new foundation of society.

## I LABOUR, PRODUCTION, AND THE INDIVIDUAL AFTER CAPITAL

What are the basic characteristics of the new society? The characteristics of the new society Marx brings out in the text of the *Grundrisse* very often by emphasizing their differences with those of the existing society. The fundamental characteristic which marks the association of the free individuals is that whereas in capitalism production is the finality of the human, in the new society it is the exact opposite; that is, here, it is the human who is the finality of production, and the totality of human development is an end in itself. Once the limited bourgeois form disappears, Marx underlines, wealth is nothing but the universality of needs, of capacities, enjoyments, aptitudes (*schöperischen Anlagen*) with no other presupposition but the previous historical development which makes an end in itself the totality of development of all human powers



as such not measured by a standard previously set, but where the individual is not reproduced according to a particular determinity but creates her/his totality. In the bourgeois economy and the corresponding epoch of production, this complete elaboration of the human interiority appears as complete emptiness (1953, p. 387).

We should stress the importance Marx makes between activities in general and “labour” as a specific form of activity taken over from his earlier compositions, the neglect of which by many Marx readers has led to their misunderstanding of Marx’s call for abolition of not only of division of labour but of *labour* itself in the free association of individuals, most importantly in his *German Ideology* (together with Engels). There are two other texts of the same epoch where Marx speaks of the abolition of the division of labour and of labour itself: In his 1844 Parisian manuscripts and his manuscript on F. List (1845). In which sense? Marx in the *Manuscripts* of 1844 clarifies that it is in the sense of “labour as it has existed hitherto,” that is in the sense of labour which by nature is servile (*unfrei*), inhuman, antisocial, imposed on the individual by an “alien subject.” It is not the labourer’s freely chosen self-activity (*Selbsttätigung*). Labour is the negative form of self-activity. In the new society, this form of activity will yield place to the individual’s self-activity. Marx would return later to this profound emancipatory meaning in his *Gothakritik*.<sup>2</sup>

A point that Marx touches in the *Gothakritik* is what happens to labour, after capital has disappeared from the scene. At the initial stage, the new society cannot get rid of the legacy of the mode of *labour* of the old society. In the *German Ideology*, we already read that one of the tasks of the Revolution is the abolition of the division of labour. However, in his 1875 *Gothakritik*, there seems to be a change. Referring to “a higher phase” of the Association which will have totally transgressed the “narrow bourgeois horizon,” Marx does not say that either labour or the division of labour would be “abolished.” Instead, he stresses that in that society labour would not be simply a means of life, but instead would become “life’s first need.” Similarly, not all division of labour will be abolished, but only the division of labour which puts the individuals under its enslaving

<sup>2</sup>Here, we should refer to the great humanitarian reader of Marx, Maximilien Rubel, arguably the most informed Marx reader after Riazanov. See his important note on “labour” in volume three of his edition of Marx’s *Oeuvres* (1982, pp. 1433–1434).

subordination (*knechtende Unterordnung*).<sup>3</sup> The direct collective appropriation of the conditions of production by definition would also mean the disappearance of the wages system, which Marx later equated in his discourse to the workers (1865) with the workers' emancipation itself.

There is another important question: Given communitarian production, the determination of production time remains essential. Less time the society spends on necessities of life, more time it disposes of for other kinds of production – mental and material. As Marx wrote:

All economy is reduced to the economy of time. Society has to distribute its time appropriately with the objective of realizing production which is in conformity with society's needs. Economy of time as well as the planned distribution of labour time across different branches of production remains therefore the first economic law on the basis of collective production.

Then Marx added: 'This is of course essentially different from measuring exchange value-whether labour power or labour product through labour time. (1953, p. 89)

Finally, a vital point concerning socialism usually left aside by most readers of the *Grundrisse*: The place of the individual in the Association. Here, Marx carries over his earlier discussion, in the 1844 *Manuscripts*, the *German Ideology*, and the *Communist Manifesto*: In the Association, there will reign the rule: The "freedom of each is the condition of freedom of all." Indeed, Marx's focus throughout his adult life was the condition of the human individual in a society; in fact, his basic criterion for judging a society has been the extent to which he/she has been free here. We hold that his 1859 assertion that the whole period of human evolution had been characterized by the "pre-history of the human society" precisely refers to the inhuman situation of the human individual which has prevailed till now where the individual's subordination to an external power alien to the individual has prevented the individual from the "real appropriation of human essence by and for the individual, the complete elaboration of human interiority" (1973c, p. 536). The

<sup>3</sup>It is interesting to compare the two situations in Marx. In his 1844 *Manuscripts*, there is a distinction between two types of labour. The first is labour in the absence of private property in the means of production. Here, labour is a free manifestation of life and therefore enjoyment of life. Here, labour is true, active property. The second type of labour is labour under private property. Here, referring to this type of labour, Marx calls this activity "labour."

community facing the individual has till now been a false community, an abstraction, an independent power subjugating the individual. With the advent of the Association, the hitherto existing community vanishes.

Let us have a look at Marx's three-stage summing up in the *Grundrisse* of the development of productive activity of the human individual:

The relation of personal dependence (first wholly natural) are the first social forms in the midst of which the human productivity develops (but) only in reduced proportions and in isolated places. Personal independence based on material dependence is the second great form within which is constituted a system of general social metabolism made of universal relations, faculties and needs. Free individuality based on the universal development of the individuals and their domination of their common social productivity as their (own) social power is the third stage. The second creates the condition of the third. (1953, p. 75)

It would be interesting to have a look at what Marx has said in other places on the future Association. Thus, there is in *Capital* Vol. I itself a portrait of a free Association. Let us have a look at it. In the very first chapter of the book, Marx brings in the portrait of a "Union of free Individuals [*Verein freier Menschen*]" (1987, p. 108). Within it, the labour power of all different individuals is applied as common labour power. The total product of the community is a common social product. One portion of this product serves as additional means of production and remains social. But the other part serves as consumption of the society's members. The social relations of the individual producers with regard to both the labour and the product are in this case perfectly simple and understandable with regard to both production and distribution (1987, p. 108).

Marx's discussion on *communism* (i.e., the Association) even in his 1844 *Manuscripts* is worth looking. Here, he posits communism as the positive supersession of private property as human self-alienation, and hence the positive supersession of private property. This communism as the fully developed naturalism equals humanism; it is genuine resolution between the human and nature, and between human and human. It is the solution of riddle of history and knows itself to be the solution. The positive supersession of private property, as the appropriation of the human, is therefore positive supersession of all alienation and the return of the

human from religion, the family, the state, etc., to his human, that is, social existence.

Marx's 1875 *Critique of the Gotha Programme*, which is concerned with the society after capital, discusses at some length the question of distribution rather than the mode of production, the mode being already assumed to be the one which replaces capital. Marx here restates his two well-known materialist propositions. First, juridical relations arise from the "economic," that is, the (real) production relations and not inversely, and second, that the distribution of the means of consumption is a consequence of the distribution of the conditions of production which in turn is a character of the mode of production itself. Vulgar socialism, following the bourgeois economists, treats distribution—basically that of the means of consumption—among the members of the new society.<sup>4</sup> Marx particularly mentioned J. Stuart Mill for having treated distribution independently of production.<sup>5</sup>

What are the basic characteristics of the new society? The characteristics of the new society are brought out by Marx in the manuscript very often by emphasizing their differences with those of the existing society. The fundamental characteristic that marks the association of free individuals is that whereas in capitalism production is the finality of the human, in the new society, it is the exact opposite; that is, here it is the human who is the finality of production and the totality of the human development is an end in itself. Once the limited bourgeois form disappears, stresses Marx, wealth appears as nothing but the universality of needs, of capacities, of enjoyments, the productive powers of the individuals. These powers are the individuals' creative aptitudes (*schöpferischen Anlagen*) where the individual is not reproduced according to a particular determinity, but creates her/his totality, with no other presupposition but the previous historical development which makes an end in itself the totality of development of all human powers as such, not measured by a standard previously set. In the bourgeois economy and the corresponding epoch of production, this complete elaboration of the human interiority appears as complete emptiness (Marx, 1953, p. 387).

<sup>4</sup>It is important to stress that Marx credits Ricardo for having instinctively conceived distribution as the most definite expression of the relations of the agents of production in a given society. See Marx (1953, p. 8).

<sup>5</sup>The tendency of treating distribution in abstraction of the mode of production has continued in bourgeois political economy, as we see, for example, in Amartya Sen (1973).

The rest of the features of this society follows from this central characteristic. Thus, in contrast to capitalism where the units of production are reciprocally autonomous leading necessarily to commodity form of products and their exchange as commodities, production in the new society is collective from the start. The social character of production is not established here *post festum* when the products are raised to the position of exchange value as it is the case under capitalism but is presupposed. Labour is here directly social from the start with the consequence that there is no exchange here taking the commodity form. Exchange of values is replaced by what Marx calls exchange of activities determined by collective needs. Whereas under capitalism the individual's share in society's product is mediated by exchange value, in the new society this share is mediated by the very social conditions of production which surround the activities of the individual (1953, pp. 88–89). Here, the importance of the distinction between “activities” in general and labour as a specific form of activity should be stressed, the neglect of which by many readers of Marx have led to their misunderstanding of Marx's call for the abolition of not only the division of labour but of labour itself in the free association of individuals, most importantly in German Ideology, turning Marx into a utopian.

## 2 SOCIALISM AS EMANCIPATION

First, a word on the confusion about the term “socialism.” There is a widespread idea, particularly among those who consider themselves as Marx's followers, that socialism and communism are two successive societies, that socialism is the transition to communism and hence precedes communism. This distinction is, however, non-existent in any of Marx's extant texts. For Marx, socialism is neither the transition to communism, nor the lower phase of communism. It *is* communism *tout court*. In fact, Marx calls capitalism itself the “transitional point” or “transitional phase” to communism. For him, socialism and communism are simply equivalent and alternative terms for the same society that he envisages for the society after capital, which he calls, in different texts, equivalently: Communism, socialism, Republic of Labour, society of free and associated producers or simply Association, Cooperative Society, Reunion of free individuals. Hence, what Marx says in *Gothacritique* about the two stages of communism could as well apply to socialism undergoing the same two stages.

The usual meaning of socialism, in which there is a curious convergence of views of the Right and the Left, and which also basically corresponds to the reality of the twentieth-century regimes calling themselves socialist, is that it is a strong state system under the rule of a single party—communist party or a variant—with the means of production under “public”—mostly state—ownership associated with central(ized) planning. On the strength of this characteristic, the concerned regimes have claimed that along with the abolition of private ownership in the means of production, the exploitation of human by human has ceased to exist there. Now, the concerned regimes and their partisans claim that this socialism is fundamentally derived from the writings of Marx (and his lifelong associate Engels). We should also add that the Right also blames Marx as the fountain head of this socialism which it considers as an oppressive system.

Let us now see in light of Marx’s own texts what kind of society he considers as socialist/communist. Due to space constraint, we will mostly leave aside Engels who himself always stressed Marx’s overwhelming share in their joint endeavor, though his own contribution is by no means negligible.

Marx’s starting point is his proposition that capitalism is a historical society and not a society produced by nature. It is a provisional, transitory society just as all pre-capitalist societies were, and it too will cease to exist when the material and subjective conditions for its disappearance reach a certain stage where the forces of production—which include the working class itself—come into antagonistic contradiction with the existing production relations (production relation under capitalism is essentially wage labour relation). It is capital(ism) which itself creates both the material conditions and the subjective agents of its own disappearance. As the *Communist Manifesto* (1848) stresses, capitalism, more than any other social system in the past, has destroyed all fixed and frozen relations, and broken down all barriers to the expansion of the productive forces which it revolutionizes constantly. The subjective condition is embodied in the working class—capitalism’s “grave diggers”—which is capitalism’s own creation. The most important is the second or the subjective condition. Even if the material forces of production are fully developed, after which they start declining, capital (understood as a relation of production) could somehow continue. As Marx stressed at the beginning of 1860s, no crisis is permanent. There is no automatic breakdown of the

system. It is only the conscious task of capital's "grave diggers" to eliminate capital by revolutionizing the whole capitalist mode of production. This is their *self-emancipatory* task. In terms of Marx's clarion call of 1864: "The emancipation of the working class is the task of the workers themselves" (Marx and Engels, 1989, p. 269).<sup>6</sup>

Speaking of social(ist) revolution, Marx reminded Bakunin (early 1870s) that "a radical social revolution is bound up with certain historical conditions. It is therefore only possible where, with capitalist development, the industrial proletariat occupies at least a significant position" (Marx, 1973b, p. 633). Now, this self-emancipatory act is achieved by a social revolution in which the "first step" (*Manifesto* 1848) is seizing political power from the capitalist rulers, and "expropriate the expropriators" (*Capital* Vol. 1). Let it be emphasized that the political power seized from the ruling class (called by the *Manifesto* the "conquest of democracy") cannot be replaced by the same form of political power as that of the erstwhile ruling class. In other words, it cannot be just another state which by nature of things cannot but be an oppressive power. Marx considered state and slavery indissociable. Workers will devise their own self-governing organs of power, as was seen in Paris in 1871, and later in Russia in 1917 (before the new "red" rulers set up their own state power and destroyed the workers' and peasants' self-governing organs in the name of workers and peasants). This phenomenon also occurred in Spain in the 1930s. This political act is *not* the end of the revolution and the beginning of socialism (as is signified by such phrase as "victory" of the "October Revolution" in Russia). This process of revolutionary transformation or the revolution "transforming circumstances and the humans themselves" (Marx, 1974) continues over a long, long period till the whole bourgeois mode of production is revolutionized, classes disappear, and the new society of what Marx calls "free and associated producers," that is, socialism, is inaugurated. In *Capital* Vol. 1, Marx noted:

The life process of society does not strip off its mystical veil until it is treated as production by freely associated humans and consciously regulated by them in accordance with a settled plan. This demands for society a certain material groundwork or set of conditions of existence which in

<sup>6</sup>By workers in capitalism, Marx meant both manual and intellectual labourers selling their labour power to the owners of means of production for wages and salaries.

their turn are the spontaneous product of a long and painful process of development. (Marx, 1972, p. 223)

This new or socialist society signifies a self-emancipated society simply because it is the collective work of the lowest and the most numerous class under capitalism which by definition cannot emancipate itself from class rule without emancipating at the same time the rest of the society. This much is clearly underlined in the 1848 *Manifesto*. This revolution of the working class initiated and led entirely by the workers, growing out of the “independent movement of the immense majority in the interest of the immense majority of society” (Marx and Engels, 1976, p. 495), and not by any group or party composed of the outsiders, essentially non-workers—not freely chosen and revocable by workers—in the workers’ name. In the latter case, far from liquidating the old state power, these outsiders will only strengthen the power seized and perfected by them, and they will hold it in their iron grip against any opposition from any quarter, under the illusion that as true representatives of the working class it is preserving and strengthening the workers’ own power against “counter revolutionaries.”

This crude substitution of the working class by a particular group in the name of the working class has indeed been the case with the regimes calling themselves socialist. Now, the period between capitalism and socialism called by Marx the “revolutionary transformation period” is under the absolute political rule of the working class (proletariat). This rule is called by the apparently fearful looking name “dictatorship of the proletariat,” which of course is not a dictatorship of any single party even if it calls itself “communist.” It is the absolute rule of the labouring people. This political rule Marx also calls “state” in his *Gothacritique*. Now, by nature of things this cannot be a state as it always had been, that is, with a standing army, police, and bureaucracy. Then, the workers will not be following the road to emancipation. Engels (1970), in a letter to August Bebel (March 18, 1875), precisely calls this new “state” as really “not a state in the usual sense of the term” (p. 31) as it does not defend itself with a repressive machinery.

Marx had already written in his *Anti-Proudhon* (1847):

The laboring class will, in the course of its development, substitute, for the ancient civil society, an association which will exclude the classes and their antagonism, and there will no more be any political power politically



speaking, since political power, precisely speaking, is the official résumé of antagonism in the civil society. (1976, pp. 211–212)

The same message we find in the *Manifesto* toward the end of its second part: “When in the course of development class distinctions have disappeared and all production has been concentrated in the hands of the associated individuals the public power will have lost its political character” (Marx and Engels, 1976, p. 505).

But what is *alienation*? In the main corpus of our work, we have already dealt with this concept. In his 1844 *Manuscripts*, Marx develops the process of alienation beginning with the simple exchange process, between simple owners of commodities. Commodity relation is not a relation of human being to human being as such. It is a relation between human beings as property owners. “The mediating movement of the exchanging individuals is not a social, not a *human movement*, not a *human relation*, it is an *abstract relation* of private property to private property, and this *abstract relation* is *value*” (Marx, 1932, p. 532). Marx stresses that the exchange of human activity in production itself as well as human products among individuals is a species activity. “This is the social being which is not an abstract-general power against isolated individuals, but the essence of each individual, her/his own activity, own life, own spirit, own wealth” (1932, p. 535).

The critique of alienation brings Marx to his discussion of the abolition of alienation—through the abolition of private property that is capital and its replacement by “communism”—a completely dealienated society. Communism ushering in the “true community” is envisaged by Marx as the most conscious return of the human to oneself conserving all the wealth of earlier human development. Later in *Capital* Vol. 1, in its concluding chapter, Marx would write:

Capitalist appropriation conforming to the capitalist mode of production, constitutes the first negation of the private property which is only the corollary of the independent and individual labour. But the capitalist production engenders itself its own negation. This is the negation of negation. It reestablishes not the private property of the labourer, but the *individual* property founded on the acquisitions of the capitalist era, on the cooperation, and the common possession of all the means of production including the land. (1954, p. 715; 1963, pp. 1239–1240; 1987, p. 683)

The Commune workers also taught Marx and Engels the type of future form of workers' rule the workers themselves envisaged: Totally decentralized self-governing "cooperative" form (see 1871 *Civil War in France*). Indeed, this state of the proletarian dictatorship by the simple fact of emanating from the immense majority of the society, as opposed to a tiny minority, has to be, by nature of things, the least repressive of all hitherto existing states. The provisional retention of even this minimum repressive force Marx defended, in his critique of Bakunin, by emphasizing that even with the establishment of the proletarian rule the bourgeois relations do not immediately disappear—hence the still continuing existence of the proletariat or wage labour and the rule by the proletariat—and the need of the new power to thwart the possibility of any "slave holders' revolt." So, it is a kind of necessary evil.

To rehash, the destruction of the bourgeois political power and the installation of the proletarian political rule is not the end of the revolution, but just its beginning. Revolution is not a momentary event, revolution is "epochal" (Marx, 1977). That is why Marx calls the whole transition period between capitalism and socialism "revolutionary transformation period" (Marx, 1970, p. 319). The outcome of the socialist revolution—signifying the whole epoch beginning with the installation of workers' political power and ending with the disappearance of the old class society, necessarily implying end of the workers as proletariat—is socialism/communism conceived as an "association of free individuals," individuals neither personally dependent as in different forms of slavery and serfdom, system of caste and race servitude, and patriarchy, nor materially dependent as in capitalism, but as universally developed "social individuals" (1932, p. 536) dominating their own social relations. In other words, it is the collective self-authority of the individuals without any "boss" to dictate either in workplace or outside of it.<sup>7</sup> Now, in place of capitalist mode of production (CMP) appears the associated mode of production (AMP). Naturally, in a free society, there is collective ownership of the means of production, and with no classes, there is no state, just as there is neither commodity-money relation nor the wage system, the old pillars of oppression, exploitation, and alienation.

<sup>7</sup> Tagore the great poet and humanist from India, though very different from Marx in his world outlook, in one of his early twentieth-century essays (in *Bangla*) expressed a similar idea under the remarkable term "collective self-authority" of people.

After this portrayal, necessarily condensed, of socialism as a free association, let us have a look at socialism as conceived and practiced by Marx's "self-anointed" disciples in the last century. We will refer only to the Russian case, the prototype, the "mother," of all the "socialisms" which followed. Russia in 1917 was one of the most backward countries of Europe dominated by pre-capitalist social relations; the industrial working class did not reach even ten percent of the labouring population, most of whom lived from land in the rural areas. In other words, Russia lacked the conditions of a socialist revolution (if we accept Marx's materialist criteria). However, when Lenin arrived in Russia in April 1917, he, to the surprise of even his own party comrades, declared that as a result of the February revolution the state power had passed to the bourgeoisie and the landlords turned bourgeois. "*To this extent* bourgeois revolution is completed" (Lenin, 1982, p. 19—emphasis in original). He completely ignored the question of any change in Russia's real social relations of production, thus *revising* Marx's materialist position of a social revolution. Indeed, there is no evidence that Russia underwent a proletarian revolution. The (in)famous seizure of power—really not from the Provisional Government but from the self-governing organs of the labouring people, the soviets, themselves—on the secret decision by literally a handful of Bolshevik leaders (who had no mandate for this pre-emptive strike) took place independently of and behind the back of the Congress of Soviets, without the working class having any role in initiating or leading the event. The latter was expected only to follow the "leaders," and they did at first massively, trusting the leaders' words. While mouthing in public "all power to the soviets," Lenin in his confidential correspondence with his leading party comrades shortly before the event, later published, shows his deep distrust for the soviets bordering on disdain. In fact, within a few months of the event, the soviets and the self-administering factory committees lost all their power. By their pre-emptive strike against the soviets, the Bolsheviks successfully destroyed any possibility of the unfurling (bourgeois) democratic revolution—so magnificently started by the quasi-totality of the country's labouring people in February—from developing over time into a genuine proletarian revolution.

All the responsible positions began to be filled by party nominees, hierarchically organized, completely repudiating Lenin's earlier promise of free election and recall by labouring people of holders of administrative positions. With the evaporation of working people's self-governing

organs and bureaucratization of administration, workers had no role in government's policy making. Censorship of publications and installation of secret police shortly followed (there was no civil war yet). Within a short period, workers' opposition to the new regime began to mount and began to be repressed till the *crescendo* was reached in 1921. The Kronstadt workers and sailors rose against the "workers' state" (*after* the civil war) and was massacred *en masse* by the regime's "red" army totally on the false accusation (admitted by Lenin) that the victims were the collaborators of the Whites. Indeed, with the Bolsheviks, there was a repetition of what, in Marx's words, must not happen to a workers' revolution: "transfer of bureaucratic-military machine from one hand to the other" and not "smashing it" (Marx, 1989, p. 131). In April 1917, Lenin had declared that Russia (under the bourgeois Provisional Government) was the "freest country in the world." Under the "Marxist" Bolsheviks, it turned out to be one of the most repressive countries.

It was in 1936 that the regime proclaimed "victory of socialism" mainly on the basis of the juridical "abolition of private property" in the means of production through the "public ownership" of those means. Socialism was thus no longer considered as based on specific social relations of production, but on juridical property form. This was a complete inversion of Marx's materialist position that juridical relations arise from production relations. Second, what is meant by "private property"? It is *individual* private property. Now, this juridical concept of private property was really taken over by bourgeois jurisprudence from the Roman law, and this concept is *pre-Marxian*. Marx has a much richer concept of private property. Individual private property in capital loses its original form dictated by exigencies of accumulation. In share companies, it becomes the property of the capitalist collective. However, Marx does not deal only with individual private property (with all its changes). He also speaks of another kind of private property unnoticed by the self-anointed "Marxists." Private property in means of production refers here to property in the hands of the few making the great majority of society propertyless.<sup>8</sup> Marx calls it "private property of a part of society" (1956, p. 21), hence "class property." It follows that the existence of wage (salaried) labour is a necessary and sufficient condition of the existence of private property. This is exactly what happened in the twentieth-century

<sup>8</sup> See Marx's *Theories of Surplus Value* Vol. 1 (Marx, 2000).

socialism starting with Russia. In all of them, commodity production and wage labour developed from the start. In fact on the basis of this characteristic, all of them were “state capitalists” in the strict Marxian sense of the term<sup>9</sup> where capitalists are simply the functionaries of state capital separated from the bulk of society, the wage, and salary earners.

Many of the features of the new regime, as mentioned here, are better understood if we go back to Marx’s materialism. The Bolsheviks wanted to build socialism in a society which was too backward to permit it. Contradictions between forces of production (including the “greatest productive force,” the proletariat, as Marx calls it) and social relations of production did not and could not reach the necessary turning point where the “epoch of social revolution begins” (see his 1859 “Preface”). In the absence of the proper conditions, all attempts at “exploding the society” would be “Don Quixotism,” as Marx had warned (late 1850s manuscripts). In the event, Russia with its wage labour relation (and the state) like the rest of the new regimes could not cross the bourgeois bounds.

Very interestingly, we have a foretaste of things to come in Lenin’s *State and Revolution* (1917) wrongly supposed to be a libertarian text. In this text, Lenin, as opposed to Marx, distinguishes socialism from communism and considers socialism as the first phase as well as transition to the second phase, communism. So, there are two transitions, one between capitalism to socialism and another between socialism and communism. In Marx, socialism and communism being identical, there is only one transition, transition from capitalism to communism. The Leninist distinction, apparently terminological and innocent looking, had far-reaching consequences, far from innocent. It became a justifying rod for every act of repression of the Party-States in the name of socialism, which, it was held, was only a *transitional* stage toward communism, shelving thereby Marx’s immense emancipatory project, and metamorphosing Marx’s project of a free association into an unalloyed utopia.

Now, in Lenin’s brochure under discussion, the author by incredibly manipulating the *Gothacritique* text brought in state, this embodiment of servitude according to Marx, in socialism; whereas in Marx, along with wage labour and commodity, state naturally disappears with the

<sup>9</sup>See *Notes on Wagner* (Marx, 1996) and *Capital* Vol. 2.

start of the new classless society, yielding place to *society* of free individuals. Again, Lenin's state ownership of means of production, supposedly ending private ownership, is in sharp contrast to "collective social appropriation" of the means of production from the very beginning. Then again, Lenin envisages the economy as a "single factory" where citizens are the "hired employees of the state" earning *wages*. This is, indeed, a portrait of state capitalism in Marx's sense, mentioned earlier. *State and Revolution* turned out to be a manual of state capitalism à la Lassalle-Kautsky.

Let us conclude by highlighting a vital point left aside particularly by those brought up in the Bolshevik tradition: The place of the individual in the (future) *Association*. Here, Marx carries over his earlier discussions in the 1844 Parisian *Manuscripts*, *German Ideology*, and the 1848 *Manifesto* whose crowning point is the well-known affirmation that in the Association "the freedom of each is the condition of the freedom of all." In fact, Marx's criterion for judging a society is the extent to which the individual is free here. Marx had asserted in 1859 that the whole period of human existence till now had in fact been the *pre-history of human society* which precisely seems to refer to the inhuman situation of the human individual which had prevailed till now where the individual's subordination to an external power alien to the individual has prevented the individual from the real appropriation of the human essence by and for the individual, the complete elaboration of human interiority. The community facing the individual till now has been "false community," an abstraction, an independent power subjugating the individual. With the advent of the Association, this hitherto existing community vanishes, and there appears the true community whose members are universally developed social individuals.

In the *Grundrisse*, there is a remarkable passage concerning the productive activity of the human individuals in course of human evolution:

The relations of personal dependence (first wholly natural) are the first social forms in the midst of which the human productivity develops [but] only in reduced proportions and in isolated places. Personal independence based on material dependence is the second great form only within which is constituted a system of general social metabolism made of universal relations, faculties and needs. Free individuality based on the universal development of the individuals and of their domination of their common,

social productivity as their [own] social power is the third stage. This creates the condition of the third. (1953, p. 75)

Here, obviously, the second stage refers to capitalism and the third to socialism. A few pages later Marx writes: “within the second great form” there are already in a latent state the material conditions of production and corresponding relations of circulation propitious for a classless society. A variation of this three-stage development scheme would reappear a few years later in his 1865 discourse to the workers where Marx speaks about the changing relations of laboring individuals with the means of production through the ages. Marx brings to the fore a three-stage development: Original union then separation through original expropriation, and finally “restoration of the original union through a new and fundamental revolution in the mode of production” (1988, p. 412).

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## The New Society: Towards a Dealienated World

**Abstract** This chapter focuses on the “social individual” in the new society. It analyzes the situation of the individual in the new society, following from the three stages in the evolution of the human society according to Marx. The author brings together earlier themes such as labour, production, and alienation to fully analyze how Marx envisaged the future society, or communism, or socialism, in his master work, *Capital*. The main argument of the chapter is that through the appropriation of the “means of labour” by the collective body of the freely associated individuals, the “reunion” takes place, which, once established, allows the human to be personally and materially independent, abolishing the former, alienated, fragmented individual.

**Keywords** Socialism · Association · Social individual · Free society · Communism · Future society

In what follows, we shall try to go back to Marx’s original idea of a socialist society which, as we saw, experienced a total inversion in the hands of people who in the name of Marx(ism) called their regimes “socialist” following the Bolshevik victory in Russia in 1917. Our discussion here is focused on the place of the human individual—particularly as the labouring individual—in Marx’s vision of the future society. The

readers of the *Communist Manifesto* (1848) by Marx and Engels should be familiar with the remarkable affirmation at the end of its second section regarding the future society where “the free development of each” is emphasized as the “condition for the free development of all.” A fundamental feature of what has passed for “socialism” after 1917 was precisely the negation of this affirmation. Indeed, Marx’s focus throughout his adult life was on the condition of the human individual in society; in fact, his basic criterion for judging a society had been the extent to which the individual is free here.

Referring to the situation of the individual in society, Marx discerns broadly three stages in the evolution of the human society, which he calls (a) subjective or personal dependence, (b) personal independence but objective or material dependence, (c) free individuality with neither personal nor objective dependence (1953, p. 75). The first two stages referring to the situation of the individual in society concern the period before socialism. The third stage concerns the situation of the individual in socialist society. The discussion of the third stage—the very subject of our discourse—forms naturally an integral part of our discussion on Marx’s socialism itself and will logically be taken up within our discussion of the future society. Before we discuss socialist society, let us see what happens to the individual in societies which precede socialism—this, in order to fully appreciate what divides the socialist individual from the pre-socialist individual, mainly seen as a labouring individual—and how the latter is ultimately transformed into the former.

## 1 THE INDIVIDUAL

In what Marx calls his “critique of political economy,” he is not concerned with the unreal, isolated human individual *à la* Robinson Crusoe—a situation which Marx calls “Robinsonade” (1953, p. 1)—the familiar image of the eighteenth-century classical political economy. His point of departure is, on the contrary, the individual producing, distributing, and consuming in association with other individuals in society—as socially determined individual. Let us first elaborate upon the situation of the individual in the human’s social evolution during the period preceding socialism.

First, personal dependence, which characterizes the first stage of social evolution, refers to the situation where individuals relate to one another in their predetermined roles: Patriarchy, slavery, feudal system with vassals

and serfs, system of castes and clans. In such situations, individual's personal dependence dominates society—relations of production as well as other relations in social life. As a materialist, Marx had absolutely no romantic, idyllic image of the ancient communities. Referring to the old, traditional communities of India, Marx underlined in one of his 1850s articles in *New York Daily Tribune*:

We must not forget that these idyllic little village communities were contaminated by distinctions of caste and slavery, they subjugated the man to external circumstances instead of elevating the man to be the sovereign of circumstances, they transformed a self-developing social state into a never changing natural destiny and thus brought about a brutalizing worship of nature. (Marx, 1959, pp. 40–41)

Such societies are characterized by relatively slow development of the productive forces taking place at isolated locations only.

The next stage in social development is the stage of personal independence but material dependence of the individual. This occurs in a society where the products of human labour in general take the form of commodities. Here, the ties of personal dependence are broken and torn asunder. Here, the immediate relation between the producers and their own labour appears as a social relation not between the producers themselves but as social relations between things (1965, p. 607). Since the producers do not come into social contact with each other until they exchange their products, the specific social character of each producer's labour does not show itself except in the act of exchange. By the very reciprocity of the process of exchange, it is necessary for human beings, by a tacit understanding, to treat each other as private owners of those exchangeable objects and, by implication, as *independent individuals*. The behavior of human beings in the process of production is "purely atomic," in Marx's phrase. Hence, the relations between individuals in production assume a material character independent of their control and conscious individual action. The atomic character of behavior as between individuals generated by the exchange of products as commodities makes the individual appear as an independent, free being. However, as Marx observes, this freedom is an illusion. The independence in question is really *reciprocal indifference*. The freedom here is really the freedom to collide with one another freely. While the determining factor in the first situation of the individual—that is, personal dependence as discussed above—is

*personal limitation* of one individual by another, the determining factor in this second case under consideration seems to be built up into a *material limitation* of the individual by objective circumstances that are independent of the individual and over which the individual has no control (Marx, 1953, p. 81).

The image of the isolated hunter and fisher, the starting point of the classical political economy—particularly with Smith and Ricardo—arose in the eighteenth century as a kind of mirror image of the civil, that is, bourgeois society, which had been developing since the sixteenth century, which was a society of free competition. The individual appears here to be free from the bonds of nature and free from a definite, limited human conglomeration. Paradoxically, as Marx observes, “the period which produces this standpoint of isolated individual, is the very period when the social relations have reached the highest state of development in society” (1953, p. 6). This is in the sense that the disintegration of all products and activities into exchange values presupposes both the dissolution of all rigid, personal relationships of dependence in production and, at the same time, a universal interdependence of the producers. As Marx observes, “according to the economists each person has the own interest in mind; as a consequence he serves everyone’s private interest, that is, general interest without wishing or knowing that he is contributing to it” (1953, p. 74). As one can see, this is the famous “invisible hand” image of Adam Smith.

Now, as Marx underlines, the private interest of the individual is already a *socially determined* interest which has been achieved only within the conditions established by society. The content of private interest and the form and the means of realizing it are only given by the social conditions independently of the will or the knowledge of the individuals. The mutual and universal dependence of individuals who remain indifferent to one another constitutes the social network that binds them together. It is in exchange values that all individuality and particularity are negated and suppressed. It is abstract labour that produces commodities. Producing individuals are subordinated to social production that exists external to them as a kind of fatality. Social production is not subordinated to the producing individuals. In one of his Parisian “Excerpt Notebooks” (1844), Marx wrote, “the individual’s own power over the object appears as the power of the object over the individual; master of one’s own production, the individual appears as the slave of production” (1932, p. 536). In another passage of the same text, we read:

As human beings you have no relation with my object because I *myself* have no relation with it...Our own product has taken a hostile attitude towards us. It appears as our property whereas, in reality, we are its property. We ourselves are excluded from the *true* property because our *property* excludes other human beings. (1932, p. 545; emphasis in original)

This is what Marx calls “alienated labour” where the concept of alienation is critically taken over from Hegel who of course conceived alienation in idealist terms besides, as Marx affirms, confusing “objectification” of labour with “alienation” of labour. Alienation simply signifies that the world of objects, the creation of human labour (physical and mental), becomes independent of and beyond the control of the subject, the producing individuals, and dominates the subject.

The specific condition of the immediate producer under capitalism—which is generalized commodity production—corresponds to this alienation. In one of his Parisian manuscripts of 1844, Marx writes: “The labourer becomes poorer, the more wealth the labourer produces. The *valorization* of the material world is in direct proportion to the *devalorization* of the human world” (1973c, p. 512—emphasis in manuscript). In a later manuscript, he wrote in the same vein, “the realization process of labour is exactly its de-realization process. It posits itself objectively, but it posits its objectivity as its own non-being, or as the being of its non-being-as the being of capital” (1982, p. 2238). In his 1857–1858 manuscripts, Marx observes that the “concept of free labourer implies that he is a pauper, virtual pauper. Following his economic conditions, he is simple living labour power. In is only in the mode of production based on capital that pauperism appears as the result of labour itself, of the development of labour’s (own) productive power” (1953, p. 498). Continuing and sharpening this idea in an 1861–1863 manuscript, Marx arrived at the notion of “absolute poverty” of the labouring individual in capitalism: “Let us consider labour power itself in the form of commodity which stands in opposition to money or in opposition to objectified labour, to the value which is personified in the possessor of money or capitalist...On one side appears labour power as the *absolute poverty*, in as much as the whole world of material wealth as well as its universal form, as exchange value, as alien commodity and alien wealth, stands opposed to it; this labour power itself however is simply the possibility to labour, embodied in the living body,, a possibility which however is absolutely separated from all the objective conditions of realization and thus from

its own reality, and in the face of these conditions existing independently, bereft of these conditions.” As such, the labourer is a “pauper” (1976b, pp. 33–35—emphasis in original). In a different manuscript composed a few years later (1865–1867) and published posthumously—the so-called “sixth chapter” of *Capital*—we find echoes of basically the same idea:

With the capitalist mode of production, to the same extent as the social productivity of labour develops, grows the amassed wealth confronting the labourer as the *wealth dominating* him, as *capital*; in opposition to him the world of wealth expands as the world alien to him and dominating him. His subjective poverty, destitution and dependence increase in the same proportion in opposition. His *emptiness* and the corresponding *fullness* on the other side march together. (Marx, 1988, p. 126; emphasis in original)

The notion of “absolute poverty,” “pauper,” employed in this unusual sense, has a profound meaning which follows logically from the situation of the labourer—the seller of manual and mental labour power—in capitalism. Here, as Marx underlines, the labour power, separated from the means of labour, is, by that very fact, also separated from the means of subsistence. Hence here, as Marx affirms, “the absolute poverty of the labourer signifies nothing but the fact that his labour power is the only commodity left for him to sell, that his bare labour power stands opposed to the objectified, real wealth” (1976a, p. 36). In other words, the mere fact that a person’s (and her or his family’s) existence depends exclusively on the person’s wage or salary—irrespective of its amount or level—automatically means the situation of “absolute poverty” for the person. Such a labouring individual is a “pauper.” Apparently paradoxically, Marx underlines in a later manuscript that both the labourer and the capitalist are equally the victims of alienation. However, there is a basic difference:

From the beginning labourer is superior to the capitalist; the capitalist is rooted in the process of alienation and finds there his absolute contentment whereas the labourer who is his victim finds himself, from the beginning, in constant rebellion against the capitalist and feels the condition as an act of enslavement...The capitalist appears there in the same relation of servitude in relation to capital as the labourer, though at the opposite pole. (1988, p. 65)<sup>1</sup>

<sup>1</sup>Essentially, the same ideas had already appeared in Marx’s 1840s writings. See Marx and Engels (1972, p. 37).

Marx's principal concern was, as already emphasized, the labouring individual.

Along with alienated labour, there are other alienations facing the individual in religion, state, and family. Particularly worth emphasizing is the situation of the woman in the general framework of alienation which Marx underlines—following one of his masters, Fourier—in the *1844 Manuscripts* as well as in *Holy Family* (jointly with Engels) (1845). According to Marx, in this society, the infinite degradation of man in regard to himself is shown in the relation with respect to the woman, the “prey and handmaid of communal lust.” This is because:

The secret of this relation is manifested directly, *openly* and *unambiguously* in *man's relation to woman*. Man's relation to woman is the *most natural* relation of human being to human being. Therefore in this relation is seen how far the natural behaviour of man has become *human*, how far the human essence has become natural essence for him, how far his human nature has become *natural* for him, how far in his most individual existence he is at the same time a social being. (Marx, 1966, pp. 98–99—emphasis in original)

The individual in the third stage of social evolution where he/she is neither subjectively nor materially dependent but enjoys what Marx calls “free individuality” is an integral part of the society which is envisioned to succeed capitalism, socialist society, in the same way as the first type of the labouring individual was the individual of the pre-capitalist society and the second type is the individual of the capitalist society. This requires further discussion after we have an idea about socialism itself. So, let us first see in a nutshell how Marx envisions the society after capital.

## 2 WHAT IS SOCIALISM?

We sketch here briefly how Marx envisaged socialism as a society after capital. Marx considered his socialism “scientific,” not a creation of somebody's fertile brain.<sup>2</sup> Marx did not design it as an ideal portrait of a society. He considered his socialism “scientific” because it arises from the

<sup>2</sup>The expression “scientific socialism” as opposed to “utopian socialism” was famously used by Engels for his well-known brochure first published in French in 1880 and then in English in 1892. As for Marx, he wrote in French the preface to Engels's brochure in 1880 calling the brochure “an introduction to scientific socialism.” See the bilingual

reality itself, actual class struggle, from the historical movement going on before our eyes, not based on the ideas or principles that have been invented by this or that reformer.<sup>3</sup> In this sense, “scientific socialism” was posited against “utopian socialism” which was largely conceived as some kind of an ideal society by some great progressive thinkers like Owen, Fourier, and Saint-Simon and arose in a period when the proletariat was in its infancy, and the material conditions of the workers’ self-emancipation were largely absent.

From the fact that socialism in Marx arises from the reality of the capitalist society, which is revolutionized into a new society, it follows that his starting assumption is historically severely limited to the capitalist epoch which itself is considered as historically transitory. In particular, it is advanced capitalism in which the society has already freed itself from the pre-capitalist millennial fetters of individual’s personal unfreedom under slavery and serfdom (or the system of castes). Marx in his Bakunin critique (1874–1875) observed, “a radical social revolution is bound up with certain historical conditions of economic development. The latter are its pre-conditions. It is therefore only possible where, with capitalist development, the industrial proletariat occupies at least a significant position” (1973b, p. 633). At the same time, here the capitalist mode of production and correspondingly capitalist relations of production have sufficiently advanced to a point where the immense majority of the population is in a situation in which they are neither themselves considered as part of the means of production (as were the slaves and serfs) nor do they possess any material means of production as their own. They, on the contrary, have only their own labour power—manual or mental—to sell “freely” to the possessors of the means of production in exchange of wage/salary (high or low) in order to survive and reproduce the labour power. In fact, they are now the “wage slaves” of capital. In its turn, this society over time reaches a stage where it itself can no longer continue to exist due to the incompatibility between its relations of production and its forces of production, in the sense that the progress of the forces of production—of which the “greatest productive force is the revolutionary class

(French/German) edition of the brochure under the same name published by Éditions sociales, Paris, 1977.

<sup>3</sup>Thus, Marx wrote about the 1871 Paris Commune: “They have no ideals to realise but to set free the elements of the new society with which the old collapsing bourgeois society itself is pregnant” (Marx, 1986, p. 335).



(the proletariat) itself” (Marx, 1963b, p. 135), unwilling to accept any longer its subordinate social position in which the human is a “debased, enslaved, neglected, contemptible being” (1975a, p. 251)—is increasingly hampered by the existing relations of production. This is also the stage where capitalist development has prepared the adequate material as well as the subjective conditions—capitalism’s “grave diggers,” the “immense majority”—destined to revolutionize the society. This is precisely the situation where the “epoch of (proletarian) revolution” (1980, p. 101) begins.

Marx advances the argument that no social formation disappears before having exhausted the development of all the productive forces it contains, and no new social formation appears before the material conditions of its existence have already been created by the preceding one. It should also be emphasized that even when the requisite material elements are present, it is the working class, capitalism’s “wage slaves,” which is the active agent for eliminating capital and building the Association. For the first time, this is a revolution achieved by society’s “immense majority in the interest of the immense majority,” as the 1848 *Communist Manifesto* underlines, whereas all earlier revolutions were the revolutions of a minority in the interest of the minority. In the “Afterword” to his masterwork *Capital* Vol. 1, Marx wrote that it was the proletariat “whose historical profession [*Beruf*] is to revolutionize the capitalist mode of production and finally to abolish classes” (1987a, p. 703).<sup>4</sup> “The working class is either revolutionary or it is nothing” (Marx, 1987b, p. 96), Marx wrote to a friend, J. B. von Schweitzer, on February 13, 1865. Years earlier, speaking of the workers, Marx, in a letter to Feuerbach (August 11, 1844), wrote, “it is among these ‘barbarians’ of our civilised society that history is preparing the practical element for the emancipation of mankind” (1975c, p. 355). In other words, the self-emancipation of the proletariat automatically carries with it emancipation of the rest of society. As we read in the 1848 *Manifesto*: “The proletariat, the lowest stratum of the present society, cannot raise itself up without the whole superincumbent strata of the official society being sprung into air” (Marx and Engels, 1976, p. 495). Similarly (a little earlier) in *Holy Family*: “The proletariat can and must liberate itself. However, it cannot liberate itself without abolishing its own conditions of existence. It cannot abolish its

<sup>4</sup>In this sense, the working class is automatically “professional revolutionaries.”

own conditions of existence without abolishing all the inhuman conditions of existence of the present society which its own existence resumes” (Marx and Engels, 1972, p. 38). And this abolition is achieved by the workers’ own collective self-activity. In Marx’s famous 1864 declaration at the First International, “the emancipation of the working classes is the task of the working classes themselves.”

With the liberation of the most numerous parts of the society, the rest of the society is also liberated. This is a society in which there are no more classes or at least no more contending classes, and consequently, “public power loses political character” (1963b, p. 136). In other words, there is no state in socialism.

A fundamental distinction between Marx’s socialism and socialism as practiced and theorized by the partisans of the self-anointed “communist” regimes of the twentieth century is that the former is a society without (contending) classes, where the “public power has no political character,” therefore no state, as we read both in his 1847 *Poverty of Philosophy* and in the 1848 *Communist Manifesto* (as mentioned above) whereas a central pillar of the twentieth-century “communist” regimes—baptized “socialist”—is the state. To remind the readers, in fact Marx was anti-state almost from the beginning of his adult life. For example, in his 1844 polemic with Ruge, Marx wrote, “the existence of state and the existence of slavery are inseparable” (1975b, p. 412). In the work jointly composed by Marx and Engels (but mostly by Marx) *The German Ideology* (1845–1846), we read that “the organization [*Einrichtung*] of communism is essentially economic” (Marx and Engels, 1973, p. 70).<sup>5</sup> In fact, in no extant text by Marx dealing with the post-capitalist society from where politics has disappeared along with the contending classes is there any mention of the state.<sup>6</sup> One should also add that like the state, a

<sup>5</sup>Note that “communism” is the alternative term for “socialism” for Marx (and Engels) as was indicated earlier.

<sup>6</sup>Two eminent scholars of Marx have even underlined the similarity between the ideas of Marx and those of the anarchists in this regard. Hans Kelsen from Vienna has observed that “in the postulate of a future stateless society based on free will and solidarity Marxian socialism is in total agreement with the basic ideas of anarchism. The political theory which Marx (and Engels) have developed is pure anarchism. For various reasons people have overlooked it” (1925, p. 264). In the same way, the great Marx scholar Maximilien Rubel has emphasized, “however paradoxical it may seem, Marx posited the theoretical foundation of anarchism at a time when the latter existed only as a romantic doctrine or as a simple individualist reaction to the established power” (1957, p. 106).

second pillar of the “official” socialism—the Party—is also equally absent from Marx’s extant texts on the post-capitalist society. The regimes under the communist rule beginning with the Bolsheviks in the early twentieth century—baptized “socialist”—could indeed properly be called “Party-State socialism,” which though claiming to be Marxian has in reality little, if anything, to do with socialism as envisaged by Marx.

In complete contrast stands the “socialism” of the regimes under the communist party rule beginning with the Bolshevik rule in Russia. Here, there is a curious convergence of views between the Right and a significant Left on the meaning of socialism. For both the Right and a considerable section of the Left, “socialism” refers to a society marked by the existence of a central authority (including central planning) set up by a single party exercising political power, and the institution of “public property”—signifying the replacement of “private property”—in the means of production predominantly by state (nationalized) property. Needless to add, the Right looks at this “socialism” negatively while the Left considers it positively. Both these tendencies, again, attribute the origin of this socialism to the ideas of Karl Marx. This received notion of socialism—considered as a social system succeeding the capitalist social order—with its rationale in a particular juridical property form claimed as the “abolition of private property”—leaves largely untouched the question of what Marx calls the social relations of production—basically the relation of the direct producers to the conditions of production, leaving intact commodity production and wage labour, the hallmarks of capitalism. It is a clear inversion of Marx’s own position on the question, as seen in his own writings. Marx’s original, immensely emancipatory perspective remains suppressed and little known.

Particularly, the most neglected part of Marx’s emancipatory project has been his emphasis on the situation of the individual in society. We read both in the *Communist Manifesto* and in the first volume of *Capital* the strong emphasis on socialism as a society in which the ruling principle is the full and free development of every individual, in short, in which the free development of each is the condition of the free development of all. Exactly, the opposite has been the case with the “official” socialism. Related to this is another remarkable feature of the twentieth-century “socialism,” which should be underlined: The quasi-total absence of democracy under its rule, whereas we read in the *Communist Manifesto*: “the first step in the revolution by the working class is to raise

the proletariat to the position of the ruling class, the *conquest of democracy*" (Marx and Engels, 1970, p. 52). In the 1875 *Critique of the Gotha Programme*, Marx underlined that the last form of state of the bourgeois society will have the form of a "democratic republic" (Marx, 1970, p. 328).

Let us add that among the factors contributing to the deformation/suppression of Marx's original emancipatory perspective on socialism as the "association of free and equal individuals" the two most important ones have been first, the Bakuninists following the expulsion of the group from the International Workingmen's Association (IWA) not for their theoretical (anarchist) views but for what the IWA considered as the group's activities trying to undermine the International from within. The second contributing factor—not less important—for the deformation/suppression of Marx's original position on the post-capitalist society has been the quasi-absence of democracy and the repressive character of the twentieth-century "communist" Party-State s passing for socialism claiming Marx's heritage. Result of these two factors has been the representation of a Marx who is Statist, undemocratic, authoritarian.<sup>7</sup> Let us remind our readers that the working-class rule was qualified by the 1848 Manifesto as the "victory of democracy," representing as it did the rule of the immense majority in the interest of the immense majority of the society.

<sup>7</sup>Outside of these two principal factors, there have also been cases of huge misreading of Marx's texts with the same effect. A striking example among others is provided by the eminent scholar and libertarian Hannah Arendt who has written regarding the 1871 Paris Commune, "as an old man Marx was still revolutionary enough to welcome enthusiastically the Parisian Commune, although this outbreak contradicted all his theories and all his predictions" (1963, p. 58). She adds "Marx soon became aware to what extent this political form contradicted all notions of a 'dictatorship of the proletariat' by means of a communist party whose monopoly of power and violence was modeled upon the highly centralised governments of nation states, and he concluded that communal councils were only temporary organs of the revolution" (1963, pp. 260–261). What an astonishing *misreading* of Marx who, beginning with early 1840s till the end of his life, considered state as an enemy of human freedom and fought for a community of free and equal individuals! It seems she is reading Marx through the Leninist lenses. Second, she like many other readers of Marx totally ignores the influence precisely of the Commune which we see in the preface to the 1848 *Communist Manifesto*. In view of the experience of the Paris Commune, this programme (given in the Manifesto) has in some details become *antiquated*. In fact in the body of Marx's text *Civil War in France*, Marx qualified the Communal Constitution as "the political form at last discovered under which to work out the economical emancipation of Labour" (Marx, 1986, p. 334—emphasis ours).

As already mentioned earlier, in discussions on Marx's socialism, his great work *Capital* is generally left aside presumably on the ground that the latter work is concerned only with the analysis and critique of capitalism, or as Marx puts it in his 1867 "Preface" to the first volume of the book, lays bare the "economic law of motion" of the capitalist society, and not with the society that he envisages will succeed the disappearance of capital. But that is a mistake. Marx's preoccupation with the analysis and critique of capital(ism) does not hinder him from throwing important light on the society to come, precisely generated by capitalism itself.<sup>8</sup> Unfortunately, we cannot agree with some eminent scholars according to whom, while Marx's work on capitalism is unparalleled, he did not have much to say on society after capital. True, Marx famously stressed in the "Afterword" to his masterwork that he was not writing "recipes for cook-shops of the future," and had guarded himself from offering any full-bodied description of the society, which he thought would succeed the existing one, in a single finished work, in order not to appear as an "utopian." Nevertheless, he had left numerous suggestions and affirmations spread over his works sufficient to form a broad picture of the post-capitalist society. A careful perusal of *Capital* indeed should disprove this contention. That this cannot be otherwise is shown by Marx's own statement in the "Afterword" to his masterwork that as opposed to the political economy, representing the capitalist class, his book *Capital* represented the proletariat, the class whose historical mission was to overthrow the capitalist mode of production and abolish classes. What else is this but an invocation to the future Association built on the ruins of the capitalist society! It is remarkable that even the simple portrait of the society after capital which Marx sketched toward the end of the very first chapter of the first volume of *Capital* has quasi-totally been neglected by writers writing on socialism, including even Lenin in his *State and Revolution*.

In what follows, we shall try to give an integral idea of how Marx in his work *Capital*, principally and immediately concerned though with capitalist society and its mode of production, brings in from time to time the perspective of the future society. Indeed—given his stand that capitalism is a historical and not an everlasting social system—from time to time,

<sup>8</sup>In a telling imagery Rosa Luxemburg wrote, "Marx's [economic] doctrine is the offspring of bourgeois political economy, a child whose birth would cost the mother's life" (see Luxemburg, 1970, p. 248).

in course of his analysis and critique of some particular character of the capitalist mode of production, Marx would reflect on what he thought would be the opposite character in the future society, in the same way as when he conjectured about society after capital where the institution of state had ceased to exist (as we read it in his discourse on the 1871 Paris Commune).

Let us take up some texts in this connection. Thus, in his first variant (the huge 1857–1858 manuscripts) of *Capital*, we read in the very first notebook the contrast between the exchange process under capital and that under the alternative system after capital has disappeared. Under capital “though individuals produce in society and for society, their production is not immediately social, it is not the offspring of association which distributes the total labour among its members. Individuals remain subsumed under social production which remains outside of them as a fatality. Social production is not subordinated to individuals prepared to handle it as their collective wealth [*Vermögen*]” (Marx, 1993, p. 158). Again, in the same notebook of the same manuscript, we read, in connection with the alternative system:

The collective character of production would make the product collective and general from the beginning. Exchange would be not of values but of activities determined by collective needs and aims and this would from the start fix the share of the individual in the world of collective production. On the basis of exchange values only the exchange posits the generality of labour, in the alternative system this generality is posited before exchange, that is the exchange of products will no more be the intermediary for fixing the share of the individual in the general production. (1953, p. 88)

Such conjecture regarding the society after capital we find, again, in *Capital* Vol. 1. Thus, Marx, referring approvingly to his teacher Robert Owen, wrote:

as one can follow from Owen, the education of the *future* will find its germ in the factory system which will combine productive labour with instruction and gymnastics for children above a certain age, and which will not only provide a method for increasing social production, but will serve as the only method for producing fully developed humans. (1987a, p. 463—emphasis added)

In the same work, again, referring to the capitalist's tendency toward production for production's sake Marx stressed that the capitalist

as a fanatic of valorizing values [*Verwertung des Werts*] forces ruthlessly the humankind to production for the sake of production thereby the development of society's productive powers, and creates those material conditions which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the basic principle. (1987a, p. 543)<sup>9</sup>

Let us turn to the second volume of *Capital*. In the second manuscript, chapter three of that volume, while discussing the material character of the labour process on the basis of socialized production, Marx observed:

There is no money-capital here. Society distributes labour power and the means of production in society's various branches. The producers hold paper tokens [*Anweisungen*] enabling them to withdraw from the social stock the quantity of consumer goods corresponding to the labour time contributed. These vouchers are not money. They do not circulate. (Marx, 2008, p. 347)

Again, in the eighth manuscript of *Capital* Vol. 2, while discussing the problem of replacing fixed capital in capitalist process of production, Marx takes up the question as to what would happen in case of a similar problem once capitalist production ceases to exist. Marx observed:

If we leave out the capitalist form of reproduction, it is only a matter of the volume of the expiring portion of fixed capital varying in various successive years. If it is very large in a certain year, then it is certainly so much smaller the next year. The amount of raw materials, half finished products and auxiliary materials necessary for the annual production of the articles of consumption – other things remaining the same – do not diminish for all that. Hence the total production of the means of production should increase in one case and decrease in the other. This can only be remedied by a continual relative overproduction. This sort of over production is tantamount to *control by society* over the material [*gegenständlichen*] means of its own reproduction. But within capitalist society it is an *element of anarchy*. (2008, p. 771—emphasis in original)

<sup>9</sup>Readers should note that the last part of the statement is only a variation of the concluding sentence of section two of the 1848 *Communist Manifesto*.

Let us turn to the manuscript of the third volume of the same book in which reference to the society beyond capital occurs in more than one place. Thus, while discussing the striving of the capitalist for economizing on the employment of the means of production combined with the rigorous discipline enforced on the labourers, Marx underlines that “this discipline will be superfluous under a social system in which the labourers work for their own account” (1992, pp. 117–118). In the manuscript of the same book, speaking of agriculture, Marx notes that “the moral of history is that rational agriculture is incompatible with the capitalist system and needs either small independent peasants or the control of the associated producers” (1992, p. 191). Again, in the same manuscript, we read with reference to the rise of share capital:

It is the result of capitalist production in its development at the highest level, a necessary transitional point towards the reconversion [*Rückverwandlung*] of capital into the ownership of the producers, however, no longer as the ownership of the individual producers, but of the associated producers, as the direct social ownership. (1992, p. 504)

Of course, Marx himself unambiguously indicated this in the “Afterword” to the second edition of the first volume of *Capital* while indicating the “historical mission” of the working class which we have mentioned above.

A definitive indication of Marx’s objective is spelled out in two early texts preceding *Capital*, *Poverty of Philosophy* (1847) and the *Manifesto of the Communist Party* (1848). In the 1847 book, we read:

In the course of its development the laboring class will replace the old civil society with an association without classes and their antagonism, and there will no longer be a political power properly speaking since the political power is precisely the official summing up (*résumé*) of the antagonism of the civil society. (1963b, p. 136)

Similarly, we read in the *Manifesto*:

When in course of development the class distinctions have disappeared, and all production is concentrated in the hands of the associated individuals, the public power loses its political character. The political power in the real



sense is the organized power of a class for suppressing another. (Marx and Engels, 1970, p. 53—translation modified)<sup>10</sup>

There is a widespread idea that socialism and communism are two successive societies, that socialism is the transition to communism and hence precedes communism. This idea has been widespread, particularly after the Bolshevik victory in 1917. For Marx, this distinction is non-existent. For Marx, socialism is neither the transition to communism, nor the lower phase of communism. It *is* communism *tout court*. In fact, Marx calls capitalism itself the “transitional point” or “transitional phase” to communism (Marx, 1953, p. 438; 1963a, pp. 425–426). For him, socialism and communism are simply equivalent and alternative terms for the same society that he envisages for the post-capitalist epoch which he calls, in different texts, equivalently: Communism, socialism, Republic of Labour, society of free and associated producers or simply Association, Cooperative Society, (re)union of free individuals. Hence, what Marx says in one of his famous texts—*Critique of the Gotha Programme*—about the two stages of communism<sup>11</sup> could as well apply to socialism having the same two stages.

Socialism or communism appears in two different senses in Marx (and Engels). First, as a theoretical expression. In this sense, the term does not mean a state of things which should be established or an ideal to which reality should conform. It is rather the “real movement which abolishes the present state of things. The movement arises from today’s (pre)conditions” (Marx and Engels, 1973, p. 35). Engels says of socialism/communism: “to the extent that it is theoretical, it is the theoretical expression of the place of the proletariat in the class struggle between the proletariat and the bourgeoisie, the résumé of the conditions of the emancipation of the proletariat” (in Marx and Engels, 1972, p. 357). Again (in the *Communist Manifesto*), “the theoretical principles of the communists...are only the general expressions of the real relations

<sup>10</sup>The importance of the two brochures lies in the way how Marx himself considered them. As regards the first, Marx observed that “it contains the germs of the theories developed in *Capital* after twenty years’ work.” Then linking the two works, Marx observed that a reading of these two works “could serve as introduction to the study of *Capital*” (Marx, 1962, p. 229).

<sup>11</sup>This text appears to be the only place in Marx’s writings where this two-phase temporal division of the future society is found, excepting for a rather vague suggestion to this effect in his 1844 Parisian manuscripts.

of the existing class struggle, of a historical movement that is going on before our eyes” (Marx and Engels, 1966, p. 70). In the second sense, socialism/communism refers to the society which is envisaged as arising after the demise of capitalism.

The conditions for the rise of socialism are not given by nature. Socialism is a product of history. “Individuals build a new world from the historical acquisitions of their foundering world. They must themselves in course of their development first produce the *material conditions* of a new society, and no effort of spirit or will can free them from this destiny” (Marx, 1972a, p. 339—emphasis in original). It is capital which creates the material or objective conditions and the subjective agents for transforming the present society into a society of free and associated producers. “The material and the spiritual conditions of the negation of wage labor and capital – themselves the negation of the earlier forms of unfree social production – are in turn the result of its [capital’s] (own) process of production” (Marx, 1953, p. 635). Even capital’s extraction of surplus value from the labouring individual plays, paradoxically, a positive role in preparing the conditions of a much richer individuality of the future society.

As restless striving for the general form of wealth capital drives labour beyond the limits of its natural needs, and in this way, creates the material elements for the development of a rich individuality which is all-sided in production as well as in consumption, and the labour of which appears no more as labour but as full development of activity itself in which the natural necessity in its immediate form disappears because a historically created need takes the place of the natural need. This is why capital is productive (Marx, 1953, p. 231).

The fact of alienated labour itself under capital contributes contradictorily to the creation of the material conditions for the rise of the communist society. In an 1857–1858 manuscript, we read:

The extreme form of alienation in which the relation of capital and labour, labour, the productive activity, to their own conditions and their own product is a necessary point of transition and thereby in itself ...already contains the dissolution of all the limited presuppositions of production, and rather creates the indispensable preconditions of production and therewith the full material conditions for the total, universal development of the productive powers of the individual. (1953, pp. 414–415)

By reducing the necessary labour time to its minimum capital contributes to create, independently of its will, disposable time for society though it tends to use it to its own exclusive advantage by converting it into surplus labour. More it succeeds, more it suffers from overproduction which compels it to interrupt the necessary labour.

The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labour, but that the mass of workers must themselves appropriate their own surplus labour. Once they have done so – and disposable time thereby ceases to have an antithetical existence. (1973a, p. 708)

And that is the turning point where the social collective appropriation by social individuals begins. Then, on the one hand, the “necessary labour time will have its measure in the needs of the social individual and on the other hand the development of society’s productive power will be so rapid that even though from now on production will be calculated for the wealth of everybody, disposable time also will increase for all because the real wealth is the developed productive power for all individuals” (Marx, 1953, p. 596). In brief, the material conditions are created by capital’s inherent tendency toward universal development of the productive forces and by the socialization of labor and production. As regards the subjective condition, it is provided by capital’s “grave diggers”—the proletariat—begotten by capital itself. Even with the strongest will and greatest subjective effort, if the material conditions of production and the corresponding relations of circulation for a classless society do not exist in a latent form, “all attempts to explode the society would be Don Quixotism” (Marx, 1953, p. 77).

More than two decades later, in his polemic with Bakunin, Marx wrote: “A radical social revolution is bound up with certain historical conditions of economic development. The latter are its preconditions. It is therefore only possible where, with capitalist development, the industrial proletariat occupies at least a significant position” (Marx, 1973b, p. 633). It must be stressed, however, that capitalist relations are not revolutionized within capitalism automatically even with all the requisite material conditions prepared by capital itself. It is the working class which is the active agent for eliminating capital and building the socialist society; the

proletarian revolution is thus an act of *self-emancipation*: “The emancipation of the working classes must be conquered by the working classes themselves” (Marx, 1985, p. 441). Marx and Engels equally underline that “consciousness of the necessity of a profound revolution arises from the working class itself” (Marx and Engels, 1973, p. 69). The starting point of the proletarian revolution is the conquest of political power by the proletariat—the rule of the “immense majority in the interest of the immense majority” (Marx and Engels, 1976, p. 495), the “conquest of democracy” (Marx and Engels, 1966, pp. 74, 76). This so-called “seizure of power” by the proletariat does not immediately signify the *victory* of the revolution<sup>12</sup>; it is only the “first step in the worker revolution” (Marx and Engels, 1966, p. 76) which continues through a prolonged “period of revolutionary transformation” required for superseding the bourgeois social order (Marx, 1964, p. 24). A specific political rule corresponds to this transformation period, the absolute rule of the working class, the so-called dictatorship of the proletariat. It should be stressed that under Marx’s supposition that the working-class revolution takes place in a society—that is advanced capitalism—where the immense majority consists of workers as wage and salary earners, this proletarian rule during the transformation period is indeed at the same time the greatest democracy. However, until capital totally disappears, the workers remain proletarians by definition and the revolution continues, victorious though they are *politically*. “The superseding of the economical conditions of the slavery of labor by the conditions of free and associated labor can only be the progressive work of time,” and the “working class will have to pass through long struggles, through a series of historic processes transforming circumstances and men,” wrote Marx with reference to the Parisian revolution of 1871 (Marx, 1971, pp. 76, 156–157). Later, he reminded Bakunin that even with the installation of the proletarian rule “the classes and the old organization of society still do not disappear” (Marx, 1973b, p. 630).

At the end of the process, with the disappearance of capital, the proletariat along with its “dictatorship” also naturally disappears, leaving individuals as simple producers, and wage labor naturally vanishes. Classes disappear along with the state in its last form as proletarian power and the society of free and associated producers—socialism—is inaugurated.

<sup>12</sup> Like the widely used phrase of the Left, “victory of the October (1917) revolution,” by which is of course meant the seizure of political power.

Since state has been inextricably associated with the twentieth century “really (non)existing socialism,” it is important to stress that in what Marx envisaged as socialism there is absolutely no state, no politics, since this socialism is a classless society. Thus, in an 1844 polemic, Marx writes:

Generally a revolution – overthrow of the existing power and the dissolution of the old relations – is a political act. Without revolution socialism cannot be viable. It needs this political act to the extent that it needs destruction and dissolution. However, where its organizing activity begins, where its aim and soul stand out, socialism throws away its political cover. (Marx, 1976a, p. 409)

The message is basically the same in the two succeeding texts, *Poverty of Philosophy* (1847) and the *Communist Manifesto* (1848). In *German Ideology* (1845–1846), it is explicitly stated that the organization of communism is “essentially economic” (Marx and Engels, 1973, p. 70). There is absolutely no text in Marx which allows state—or, for the matter of that, politics—to have a place in a classless society which socialism is precisely envisioned to be.

In all hitherto existing societies—based on class rule—the community has stood as an independent power against individuals and has subjugated them. Thus, it has really been a “false” or “illusory” or “apparent” community. The outcome of the workers’ self-emancipatory revolution is the socialist society, an “association of free individuals”—as mentioned earlier, individuals neither personally dependent as in pre-capitalism nor objectively dependent as in capitalism—and there arises, for the first time, the “true” community where universally developed individuals dominate their own social relations (Marx, 1932, p. 536; 1953, p. 593; 1987a, p. 109; Marx and Engels, 1973, pp. 73, 74). Correspondingly, the capitalist mode of production (CMP) yields place to the “associated mode of production” (AMP). As we mentioned earlier, with the disappearance of classes, there is also no state and hence no politics in the new society. In this regard, we have already cited Marx’s several texts earlier.

Similarly, with the transformation of society’s production relations, its exchange relations—with nature as well as among individuals—are also transformed. Capital, driven by the logic of accumulation, seriously damages the environment and undermines the natural powers of the earth together with those of the human producer, the “twin fountains of all wealth” (Marx, 1953, p. 597). In contrast, in the new society,

freed from the mad drive for accumulation and with the unique goal of satisfying human needs, individuals rationally regulate their material exchanges with nature with the “least expenditure of force and carry on these exchanges in the conditions most worthy of and in fullest conformity with their human nature” (Marx, 1992, p. 837). As regards, the exchange relations among individuals, under capitalism commodities, the vehicles of exchange, are the products of private labours, reciprocally independent, which only through alienation in the process of private exchanges are confirmed as social (labour). That is, here individual labour is only indirectly social. In the new society, in contrast, collective production is presupposed, with collectivity as the basis of production from the very beginning. The community is posited before production, and the labour of the individual is directly social from the start. Hence, products cease to have exchange value. Exchange of values is replaced by what Marx calls exchange of activities determined by collective needs. From the very inception of the new society as it has just come out of the womb of capital—Marx’s first phase of socialism—“producers do not exchange their products and as little does labor employed on these products appear as value” (Marx, 1964, p. 15). Collective production of course immediately implies social appropriation of the conditions of production replacing the private ownership.

Finally, we come to the allocation/distribution of instruments of production—the material means of production and the living labour power—and the consequent distribution of products in the new society. The distribution of the instruments of production boils down really to the allocation of society’s total labour time (dead and living). This allocation, effected under capitalism through exchange taking value form, is contrariwise performed in socialism by direct and conscious control of society over its labor time. At the same time, in conformity with the nature of the new society, free time beyond the labour time required for satisfying material needs must be provided by society to the associated individuals for their “all-sided development.” Hence, the “economy of time is the first economic law on the basis of communitarian production” (Marx, 1953, p. 89).

As regards the distribution of the total social product in socialism, it is first divided between the production needs and the consumption needs of society. Production needs here refer to needs of replacement and extension of society’s productive apparatus as well as insurance and reserve funds against uncertainty. Consumption is both collective—health

care, education, provision for those unable to work—and personal. The principle governing personal consumption remains that of commodity exchange: The quantity of labour given to society by the individual is received back from society (after necessary deductions) by the individual. However, the mediating “labour coupons” have no *exchange value*. In fact, in commodity production, there is a contradiction between “principle and practice”; equivalence is established “*only on average*,” since the individual share in total social labour is unknowable. Opposite is the case with socialism (Marx, 1964, p. 16; emphasis in original). Similarly, in his famous discussion of the “association of free individuals” in *Capital* Vol. 1, Marx posits that under “socialised labor, diametrically opposed to commodity production, the mediating labor certificates are not money, they simply ascertain the share allocated to each labouring individual – ‘only for the sake of a parallel with commodity production’ – according to the individual’s labor time” (Marx, 1987a, pp. 109, 122).<sup>13</sup> At the initial phase of the new society, this principle of equivalence, in parallel with the principle under commodity production (hence called by Marx “bourgeois right”) but without having *value form* assumed by the product, cannot be avoided. This process is wholly overcome only at a higher phase of the society when all the springs of cooperative wealth open up, leading to the adoption of the principle “from each according to one’s ability, to each according to one’s needs” (Marx, 1964, p. 17).

### 3 THE DEALIENATED INDIVIDUAL IN THE NEW SOCIETY

Having delineated the outlines of the socialist mode of production, let us have a closer look at how Marx viewed the labouring individual in the “Association.” The starting point here is a very important distinction that Marx makes between individual’s labour as such and individual’s labour as *self-activity*, a distinction which most of the Marx readers generally leave aside. The neglect of this point by readers leads them to a wrong

<sup>13</sup>This idea reappears in Marx’s second manuscript for *Capital* Vol. 2 (Marx, 2008, p. 347). Interestingly, considering both the texts of the two volumes of *Capital* on allocation-distribution as given here, one sees clearly that they refer not to the higher phase of the socialist society but to its lower phase referred to in the *Gotha* critique; that is, we already have a society of free and associated individuals with neither commodity production nor wage labor.

understanding of Marx's explicit emphasis in some texts on the *abolition* of division of labour and of labour itself in the coming society.

This position of Marx (and Engels) appears most explicitly in the *German Ideology*. At first sight, this position looks strange. How could a society survive without labour and division of labour? Even many Marxists by and large are embarrassed in the face of this seemingly "utopian" idea. Let us see the matter more closely. Basically, Marx stresses that labour as it has been practiced by the human individuals in society so far across the ages has been principally *involuntary*, at the service of others, commanded by others. This was palpably the case with individuals under "personal dependence," as seen in slavery and serfdom (in their different forms). Under "material dependence," with wage labour, this is less palpable but here also an individual's labour is imposed on the labourer by forces external to the labourer. Labour under capital, as we saw earlier, is alienated from the labourer. In Marx's *1844 Manuscripts*, we learn that the alienation of labour's object is summed up in the alienation in the activity of labourer itself:

The labourer finds himself in the same relation to his product as to an alienated object. [...] In his labour the labourer does not affirm but negates himself. The labourer has the feeling of being himself only outside of labour and outside of himself in labour. His labour is not voluntarily given, it is imposed. It is *forced labour*. (Marx, 1973c, p. 514—emphasis in original)

One year later, in his polemic with List, Marx remarks that the labourer's activity is not a "free manifestation of his human life, it is rather an alienation of his powers to capital." Marx calls such activity "labour" and writes that "labour by nature is unfree, inhuman activity" and calls for the "abolition of *labour*" (1972b, pp. 435–436—emphasis in manuscript). Indeed, Marx cites Adam Smith's view that labour in history so far, including labour under capital, has been repulsive, appearing as sacrifice, as externally enforced labour and that non-labour is freedom and luck (Marx, 1953, p. 505). Now, as regards the existing division of labour, Marx underlines that the activity of the

individual here is not voluntary. His own act stands in opposition to him as an alien power which instead of being mastered by him enslaves him. As soon as the labour begins to be divided, each labouring individual has



a definite, exclusive circle of activity imposed on him and from which he cannot come out. (Marx and Engels, 1973, p. 33)

In the first version of his great work *Capital*, Marx wrote that “[under capital] the product of living labour, the objectified labour with its own soul stands opposed to it as an alien power. The realization process of labour is at the same time the de-realization of labour” (1953, p. 358). Referring to the process of simple reproduction of capital, Marx underlines in his masterwork that inasmuch as before entering the labour process the labour of the labourer is already appropriated by the capitalist and incorporated by capital, this labour is objectified during the process constantly into alien product (1965, p. 1072; 1987a, p. 527). Referring to the division of labour in capitalism, Marx says that this process seizes not only the economic sphere but also other special spheres, introducing everywhere the process of “parcellization of the [labouring] individual.” Marx also calls such individuals “detail,” that is, fragmented “individuals.” Very pertinently Marx cited what he called the “outcry” of Adam Smith’s teacher A. Ferguson, “we make a nation of helots [serfs in ancient Sparta], we have no free citizens” (1965, pp. 896, 992; 1987a, pp. 349, 463, 466).

In other words, going back to an earlier text, we have here what Marx calls “abstract individuals” (Marx and Engel, 1973, p. 67). Hence, it is a question of abolishing *this* “labour” and *this* “division of labour” as the task of the “communist revolution” (Marx and Engels 1973, p. 69). It is in this spirit that Marx wrote in one of his 1861–1863 manuscripts: “As if division of labour was not just as well possible if its conditions appertained to the associated labourers, and the labourers related themselves to these conditions as their own products and the objective elements of their own activity which by their nature they are” (1962, p. 271). This is the sense we get in Marx’s 1875 *Critique of the Gotha Programme*. Discussing the lower and the higher phases of the communist society, Marx observed that the lower phase of the new society which has just come out of the capitalist society with all its birth marks cannot completely get rid of the legacy of the mode of labour of the old society including the division of labour, particularly that between mental and physical labour. Only the higher phase of the new society will completely transcend the narrow bourgeois horizon when labour will not simply be a means of life but it will become life’s first need, and not all division of labour will be abolished but only the division of labour which “puts the individual under

its enslaving subordination” (1964, p. 17), along with the opposition between mental and physical labour.

There is another aspect of labour which concerns in a vital way the labouring individual in socialism. In all modes of production, at least after the most primitive stage, total labour time of society is divided into necessary labour time and surplus labour time. Necessary labour is what is required for preserving and reproducing the labour power, while surplus labour is labour beyond necessary labour whose product takes the form of surplus value in capitalism. “For the capitalist it has all the charms of something created out of nothing” (1987a, p. 226). Once the capitalist form of production is suppressed, a part of the total human activity still remains necessary in the earlier sense of preserving and reproducing the labour power of the individual labourer through the provisions for collective and individual consumption including food, housing, health, and education. However, in contrast to capitalism, the domain of necessary labour is much further extended in conformity with the requirements of the total development of the individual, subject only to the limit set by society’s productive powers. The labour beyond this necessary labour—the surplus labour—which under capitalism used to serve mainly capital accumulation, disappears.

On the other hand, a part of what is considered under capitalism as surplus labour, the part which today serves as reserve and accumulation funds would, in the absence of capital, be counted as necessary labour. Reserve funds and continuing enlarged reproduction of means of production keeping pace, not with the requirements of (non-existing) *capital accumulation* but with the requirements of growing social needs of the associated individuals including provisions for those who are not in a position to work. All this falls in the domain of material production. So, the whole labour devoted to material production is counted as necessary labour under socialism. The time beyond this necessary labour time required for material production is really the free time, disposable time which is wealth itself, on the one hand for enjoying the products and, on the other hand, for the free activity, activity which is not determined by the constraint of an external finality which has to be satisfied, a satisfaction which is a natural necessity or a social duty. In a justly famous passage, Marx observes:

The kingdom of freedom begins where the labour determined by necessity and external expediency ceases. It lies therefore by nature of things

beyond the sphere of material production really speaking. Just as the savage has to wrestle with nature in order to satisfy his needs, to preserve his life and to reproduce, the civilized person also must do the same. in all social forms and under all possible modes of production. With his development increases this kingdom of natural necessity because his needs increase, but at the same time the productive powers increase to satisfy them. [...] [Only] beyond this begins the development of human powers as an end in itself, the true freedom, which, however, can bloom only on the basis of the other kingdom, that of necessity. (1992, p. 838)

Even the non-disposable, or necessary labour time in socialism has a qualitatively different character compared to the necessary labour time in a class society inasmuch as this time is not imposed by an alien power but is willingly undertaken by the associated producers as self-activity, as self-affirmation. “The time of labour of an individual who is at the same time an individual of disposable time must possess a quality much superior to that of a beast of labour” (Marx, 1962, pp. 255–256).<sup>14</sup> It seems that when Marx was speaking of labour not only as means of life, but as life’s first need in the *Gothacritique* (as referred to above), and, earlier in his inaugural address to the First International (1864) of the distinction between the previous kind of labour and “associated labour plying its toil with a willing hand, a ready mind and a joyous heart” (Marx and Engels, 1985b, p. 331), he was precisely referring to the “necessary labour” in socialism in the sphere of material production. As regards the necessary labour time bestowed on material production itself in socialism, the continuous development of productive forces at a high rate, helped by advancing science and technology, would allow continuous decrease of necessary labour time and corresponding increase of disposable, that is, free time for every individual.

The true wealth is the developed productive power of all individuals. It is then no more the labour time but the disposable time which is the measure of wealth. The labour time as the measure of wealth posits wealth

<sup>14</sup>In his 1865 lecture (in English) to the workers of the International, Marx declared: “Time is the room of human development. A man who has to dispose of no free time, whose whole life time, apart from the mere physical interruptions by sleep, meals and so forth, is absorbed by his labour for the capitalist, is less than a beast of burden. He is a mere machine for producing Foreign Wealth, broken in body and brutalized in mind” (1992, p. 424).

as founded on poverty. [...] This is to posit the whole time of an individual as labour time and thus to degrade the individual to the position of simple labourer, subsumed under labour. (Marx, 1953, p. 596)

Marx refers to the idea of the ancients that the aim of production is the human individual, and considers this as “sublime” compared to the modern world where the aim of the humans is production and the aim of production is wealth (and not the human individuals, that is). Then Marx adds:

Once the limited bourgeois form disappears, wealth appears as nothing but the universality of needs, of capacities, of enjoyments, productive powers of the individuals, the absolute elaboration of the individual’s creative aptitudes with no other presupposition but the previous historical development which makes an end in itself the totality of development of all human powers as such, not measured by a standard, previously set, but where the individual is not reproduced according to a particular determinity, but creates his totality. In the bourgeois economy, and the corresponding epoch of production this complete elaboration of the human interiority appears as complete emptiness. (1953, p. 387)

In consonance with the three-stage analysis of the situation of the individual given above, Marx discusses (in English) the changing relation through time of what he calls the “Man of Labour” and the “Means of Labour” in his 1865 discourse to the workers of the International: The “original union,” then its “decomposition,” and finally “the restoration of the original union in a new historical form” (1992, p. 412).<sup>15</sup> Here, the last form refers to socialism where, through the appropriation of the “means of labour” by the collective body of the freely associated

<sup>15</sup> “The original unity between the labourer and the conditions of production,” writes Marx, “has two main forms (leaving aside slavery where the labourer himself is a part of the objective conditions of production): the Asiatic community (natural communism) and the small family agriculture (bound with household industry) in one or the other forms. Both are infantile forms and equally little suited to develop labour as social labour and productive power of *social labour*, whence the necessity of separation, of rupture, of the opposition between labour and ownership (in the conditions of production). The extreme form of this rupture within which at the same time the productive forces of social labour are most powerfully developed is the form of capital. On the material basis which it creates and by the means of the revolutions which the working class and the whole society undergoes in the process of creating it can the original unity be restored” (1962, p. 419—emphasis in manuscript).

individuals, the “reunion” takes place.<sup>16</sup> Once this reunion is established, the human ceases to be personally or materially dependent, and no more exists as an alienated, parcellized, fragmented individual and becomes a “totally developed,” “integral” individual. This “free individuality” signifies the real appropriation of the human essence by the human for the human, a conscious return to the human essence conserving all the wealth of previous development (Marx, 1973c, p. 536). With this begins humanity’s real history, leaving, in Marx’s celebrated phrase, “the pre-history of the human society” (1980, p. 101) behind. Socialism is indeed the beginning, and not the end, of human history.

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<sup>16</sup>An important point, hardly noticed, should be stressed here. In the last section of the first chapter of *Capital* Vol. 1 where Marx offers a portrait of the society after capital, this latter is referred to in the standard Moore and Aveling English translation as a “community of free individuals.” True, “community” is a correct translation of Marx’s original German term “*Verein*,” which could also be translated as “union” or “association.” Now, in the French version—in the writing of which Marx actively participated—very interestingly we find this term translated as “reunion,” which more than any other term exactly translates the spirit of the “reunion” of which Marx speaks here, the “original unity” appearing in the footnote immediately preceding this footnote. Hence, the most appropriate term conveying the new society is really not simple “union,” but “re-union.” This is an improvement on the English version.

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