

able source of insight into the principal underlying themes of Marx's later thought.

Alienation and the theory of political economy

The main suppositions informing the critique of political economy which Marx develops in the *Manuscripts* are the following. There are two principal criticisms which have to be made of the writings of the political economists. The first is in reference to their assumption that the conditions of production characteristic of capitalism can be attributed to all forms of economy. The economists begin from the premise of the exchange economy and the existence of private property. Self-seeking and the pursuit of profit are seen as the natural characteristics of man. In fact, Marx points out, the formation of an exchange economy is the outcome of a historical process, and capitalism is an historically specific system of production. It is only one type of productive system amongst others which have preceded it in history, and it is no more the final form than the others which went before it. The second fallacious assumption of the economists is that purely 'economic' relations can be treated *in abstracto*. Economists speak of 'capital', 'commodities', 'prices', and so on, as if these had life independently of the mediation of human beings. This is plainly not so. While for example, a coin is a physical object which in this sense has an existence independent of men, it is only 'money' in so far as it forms an element within a definite set of social relationships. The economists, however, attempt to reduce everything to the 'economic', and eschew whatever cannot be treated in these terms.

Political economy thus does not recognise the unemployed worker, the working man so far as he is outside this work relationship. Thieves, tricksters, beggars, the unemployed, the starving, wretched and criminal working-man, are *forms* which do not exist *for political economy*, but only for other eyes, for doctors, judges, grave-diggers and beadles, etc.; they are ghostly figures outside its domain.³⁷

Any and every 'economic' phenomenon is at the same time always a social phenomenon, and the existence of a particular kind of 'economy' presupposes a definite kind of society.³⁸

It is symptomatic of these misconceptions that the economists treat workers as 'costs' to the capitalist, and hence as equivalent to any other sort of capital expenditure. Political economy declares it to be irrelevant that the real 'objects' of analysis are men in society. It is for this reason that the economists are able to obscure what is in fact intrinsic to their interpretation of the capitalist mode of production: that capitalism is founded upon a class division between proletariat, or working class, on the one hand, and bourgeoisie, or capitalist class, on the other. These classes are in endemic conflict as regards the distribution of the fruits of industrial production. Wages on the

³⁷ EW, pp. 137-8; *We, Ergd*, vol. 1, pp. 523-4.

³⁸ EW, pp. 120-1.

one side, and profits on the other, are determined 'by the bitter struggle between capitalist and worker', a relation in which those who own capital are easily dominant.³⁹

Marx's analysis of alienation in capitalist production starts from a 'contemporary economic fact', which is again an early statement of a theme later developed in detail in *Capital*: the fact that the more capitalism advances, the more impoverished the workers become. The enormous wealth which the capitalist mode of production makes possible is appropriated by the owners of land and capital. This separation between the worker and the product of his labour is not, however, simply a matter of the expropriation of goods which rightfully belong to the worker. The main point of Marx's discussion is that, in capitalism, the material objects which are produced become treated on a par with the worker himself - just as they are, on a purely theoretical level, in the discipline of political economy. 'The worker becomes an ever cheaper commodity the more goods he creates. The devaluation of the human world increases in direct relation with the increase in value of the world of things.'⁴⁰ This involves a distortion of what Marx calls 'objectification' (*Vergegenständlichung*). Through his labour, the worker acts to modify the world of nature; his production is the result of this interaction with the external world, in so far as he fashions it. But under capitalism, the worker (the subject, the creator) has become assimilated to his product (the object).⁴¹

The process of production, objectification, thus takes the form of 'a loss and servitude to the object'; the worker 'becomes a slave of the object...'⁴² The alienation of the worker in the capitalist economy is founded upon this disparity between the productive power of labour, which becomes increasingly great with the expansion of capitalism, and the lack of control which the worker is able to exert over the objects which he produces. As in the case of alienation in the sphere of politics, this offers a parallel to alienation in religion. The qualities which are attributed to God in the Christian ethic are thereby removed from the control of men, and become as if imposed by an external agency. In a similar fashion, the product of the worker is 'alien to him, and... stands opposed to him as an autonomous power. The life which he has given to the object sets itself against him as an alien and hostile

³⁹ EW, p. 69.

⁴⁰ EW, p. 121.

⁴¹ EW, p. 123. On a broader epistemological level, Marx criticises Hegel for having mistaken the nature of the connection between objectification and alienation. Fundamental to Hegel's idealism, Marx points out, is the premise that 'thinghood' is the same as 'alienated self-consciousness', and consequently that objectification is only made possible by human self-alienation. The truth of the matter, Marx avers, is the other way around: the existence of alienation presupposes objectification, and is (in Marx's use of the concept) consequent upon the specific distorted form of objectification characteristic of capitalism. Many secondary writers have, unfortunately, failed to grasp this essential distinction between objectification and alienation.

⁴² EW, pp. 122 & 123.

force.'⁴³ Objectification, therefore, which is a necessary characteristic of *all* labour (involving the transference of labour power to the object which is created by it) becomes, in capitalism, identical with alienation. The product of labour is, in other words, 'external' to the worker not only in an ontological sense but also in the much more profound yet more specific sense that 'What is embodied in the product of his labour is no longer his own.'⁴⁴

The alienation of the worker from his product takes a number of distinct forms. In discussing these, Marx uses terminology which draws heavily upon Feuerbach; but it is clear that he is thinking in concrete terms of the effects of capitalism as a particular, historical mode of production. The main dimensions of Marx's discussion of alienation are as follows:

1. The worker lacks control over the disposal of his products, since what he produces is appropriated by others, so that he does not benefit from it. It is the core principle of the market economy that goods are produced for exchange; in capitalist production, the exchange and distribution of goods are controlled by the operations of the free market. The worker himself, who is treated as a commodity to be bought and sold on the market, thus has no power to determine the fate of what he produces. The workings of the market act in such a way as to promote the interests of the capitalist at the expense of those of the worker. Thus 'the more the worker produces the less he has to consume; the more value he creates the more worthless he becomes'.

2. The worker is alienated in the work task itself: 'if the product of labour is alienation, production itself must be active alienation – the alienation of activity and the activity of alienation.'⁴⁵ The work task does not offer intrinsic satisfactions which make it possible for the worker 'to develop freely his mental and physical energies', since it is labour which is imposed by force of external circumstances alone. Work becomes a means to an end rather than an end in itself: this is shown by the fact that 'as soon as there is no physical or other compulsion, men flee from labour like the plague'.⁴⁶

3. Since all economic relationships are also social relationships, it follows that the alienation of labour has directly social ramifications. This takes Marx back to his starting-point: human relations, in capitalism, tend to become reduced to operations of the market. This is directly manifest in the significance of money in human relationships. Money promotes the rationalisation of social relationships, since it provides an abstract standard in terms of which the most heterogeneous qualities can be compared, and re-

⁴³ *EW*, p. 123. In discussing alienation in this context, Marx uses two terms: *Entfremdung* (estrangement) and *Entäusserung* (externalisation). The two are used more or less interchangeably in Marx's analysis.

⁴⁴ *EW*, p. 122.

⁴⁵ *EW*, pp. 123–4.

duced, to one another. 'He who can purchase bravery is brave, though a coward... Thus, from the standpoint of its possessor, it exchanges every quality and object for every other, even though they are contradictory.'⁴⁷

4. Men live in an active inter-relationship with the natural world. Technology and culture are both the expression and the outcome of this inter-relationship, and are the chief qualities distinguishing man from the animals. Some animals do produce, of course, but only in a mechanical, adaptive fashion. Alienated labour reduces human productive activity to the level of adaptation to, rather than active mastery of, nature. This detaches the human individual from his 'species-being' (*Gattungswesen*), from what makes the life of the human species distinct from that of the animals.⁴⁸ Marx's discussion at this point closely echoes Feuerbach. But the import of what Marx says is quite different. Many secondary accounts of Marx's analysis of alienation in the 1844 *Manuscripts*, through assimilating Marx's position to that of Feuerbach, give Marx's discussion a more 'utopian' connotation than in fact it has.⁴⁹ Marx uses Feuerbachian terms in holding that man is a 'universal producer', in contrast to the animals, who only produce 'partially' and in limited contexts established by the instinctual components of their biological makeup: but his analysis is far more concrete and specific than this terminology suggests.

What distinguishes human life from that of the animals, according to Marx, is that human faculties, capacities and tastes are shaped by society. The 'isolated individual' is a fiction of utilitarian theory: no human being exists who has not been born into, and thus shaped by, an on-going society. Each individual is thus the recipient of the accumulated culture of the generations which have preceded him and, in his own interaction with the natural and social world in which he lives, is a contributor to the further modification of that world as experienced by others. 'Individual human life and species-life are not *different things*', Marx asserts '... Though a man is a unique individual ... he is equally the *whole*, the ideal whole, the subjective existence of society as thought and experienced.'⁵⁰ It is, then, man's membership of society, together with the technological and cultural apparatus which supports that society and which makes it possible, which serves to differentiate the human individual from the animal, which confers his 'humanity' upon him. Some animals have similar sense-organs to man; but the perception of beauty in sight or sound, in art or music, is a human faculty, a creation of society. Sexual activity, or eating and drinking, are not for men the simple satisfaction of biological drives, but have become

⁴⁷ *EW*, p. 193.

⁴⁸ Feuerbach: *Essence of Christianity*, pp. 1–12. Marx also makes liberal use of the term *Gattungsleben*, literally meaning 'species-life'.

⁴⁹ For two different instances of this, see H. Popitz: *Der entfremdete Mensch* (Frankfurt, 1967); also Tucker.

⁵⁰ *EW*, p. 158; *We*, *Ergd*, vol. 1, p. 539.

transformed, during the course of the development of society, in creative interplay with the natural world, into actions which provide manifold satisfactions.⁵¹ 'The cultivation of the five senses is the work of all previous history'; but 'it is not simply the five senses, but also the so-called spiritual senses, the practical senses (desiring, loving, etc.), in brief, *human sensibility* and the *human character* of the senses, which can only come into being through the existence of *its* object, through *humanised nature*'.⁵²

In bourgeois society, men are estranged, in specifiable ways, from the ties to society which alone confer their 'humanity' upon them. Firstly, alienated labour 'alienates species-life and individual life', and, secondly, 'it turns the latter, as an abstraction, into the purpose of the former, also in its abstract and alienated form'.⁵³ In capitalism, both in theory and in practice, the life and the needs of the individual appear as 'given' independently of his membership of society. This finds clear theoretical expression in political economy (and, in a somewhat different way, in the Hegelian theory of civil society which Marx previously criticised), which founds its theory of society upon the self-seeking of the isolated individual. Political economy in this way 'incorporates private property into the very essence of man'.⁵⁴ But not only does the 'individual' become separated from the 'social', the latter becomes *subordinated* to the former. The productive resources of the community are applied – in the case of the majority of the population who live in penury – to support the minimal conditions necessary for the survival of the organism. The mass of wage-labourers exist in conditions where their productive activity is governed solely by the most rudimentary needs of physical existence:

man is regressing to the *cave dwelling*, but in an alienated malignant form. The savage in his cave (a natural element which is freely offered for his use and protection) does not feel himself a stranger; on the contrary he feels as much at home as a *fish* in water. But the cellar dwelling of the poor man is a hostile dwelling, 'an alien, constricting power which only surrenders itself to him in exchange for blood and sweat'.⁵⁵

As Marx presents it, therefore, the alienation of man from his 'species-being' is couched in terms of his analysis of capitalism, and is, in considerable degree, *assymetrical*: in other words, the effects of alienation are focused through the class structure, and are experienced in concentrated fashion by the proletariat. The transfer of the notion of alienation from a general ontological category, which is how it is used both by Hegel and by Feuerbach, to a specific social and historical context, is the main theme of Marx's approach in the *Manuscripts*. Marx does not hold, however, that alienation is wholly confined to the position of the wage-labourer. The

⁵¹ cf. below, pp. 21–2.

⁵² *EW*, p. 161; *We*, *Ergd*, vol. 1, p. 541. For further discussion of this point, in relation to Durkheim, see below, pp. 224–8.

⁵³ *EW*, p. 148.

⁵⁴ *EW*, p. 127.

⁵⁵ *EW*, p. 177.

capitalist is himself subservient to capital in the sense that the rule of private property and of money dominates his own existence. The industrialist has to be 'hard-working, sober, economical, prosaic':

his enjoyment is only a secondary matter; it is recreation subordinated to production and thus a *calculated, economic* enjoyment, for he charges his pleasures as an expense of capital and what he squanders must not be more than can be replaced with profit by the reduction of capital. Thus enjoyment is subordinated to capital and the pleasure-loving individual is subordinated to the capital-accumulating individual, whereas formerly (in feudal society) the contrary was the case.⁵⁶

The *Manuscripts* are a set of preliminary notes rather than a finished work. The discussion of alienated labour which they contain gives ample evidence of the fact that Marx was still, in 1844, groping towards the clear formulation of a distinctive perspective of his own. While the main themes of his treatment of alienation are not difficult to identify, Marx's account of them is frequently cryptic and elliptical. Where Marx is analysing the works of the economists, he writes in the language of political economy; where he discusses alienation directly, he uses the terminology of Feuerbach. It is unquestionably true that, at this stage, Marx had not successfully integrated the conceptions which he derived from these two diverse sources, and in the *Manuscripts* the two rest in uneasy relationship with each other. Nonetheless, the *Manuscripts* provide the framework of a general critical analysis of capitalism, and these fragmentary notes contain the germ of virtually all of the important ideas which Marx developed with greater precision in later writings.

It is usually assumed that, in speaking, in the 1844 *Manuscripts*, of man's 'being reduced to the level of the animals', and of man's alienation from his 'species-being' under the conditions of capitalist production, Marx is thinking in terms of an abstract conception of 'man' as being alienated from his biological characteristics as a species. So, it is presumed, at this initial stage in the evolution of his thought, Marx believed that man is essentially a creative being whose 'natural' propensities are denied by the restrictive character of capitalism. Actually, Marx holds, on the contrary, that the enormous productive power of capitalism generates possibilities for the future development of man which could not have been possible under prior forms of productive system. The organisation of social relationships within which capitalist production is carried on in fact leads to the failure to realise these historically generated possibilities. The character of alienated labour does not express a tension between 'man in nature' (non-alienated) and 'man in society' (alienated), but between the potential generated by a

⁵⁶ *EW*, p. 179. My parenthesis. Elsewhere Marx echoes Moses Hess, remarking: 'Private property has made us so stupid and partial that an object is only ours when we have it, when it exists for us as capital or when it is directly eaten, drunk, worn, inhabited, etc., in short, utilised in some way' (p. 159).

specific form of society – capitalism – and the frustrated realisation of that potential. What separates man from the animals is not the mere existence of biological differences between mankind and other species, but the cultural achievements of men, which are the outcome of a very long process of social development. While the biological attributes of man are a necessary condition of these achievements, the sufficient condition is the evolution of society itself. The alienation of men from their ‘species-being’ is a social separation from socially generated characteristics and propensities.⁵⁷

Early conception of communism

The *Manuscripts* also contain Marx’s first extensive discussion of communism. The continuity is evident between this exposition and the earlier analysis of ‘true democracy’ in Marx’s critique of Hegel’s philosophy of the state. But in the discussion in the *Manuscripts*, the influence of French socialism is unmistakable, and Marx drops the term ‘democracy’ in favour of ‘communism’.⁵⁸ The overcoming of alienation, Marx declares, hinges upon the supersession of private property. It follows from the fact that alienation in production is basic to other forms of alienation, such as in religion or the state, that the establishment of ‘true democracy’ is not enough; what is demanded is a more thorough-going reorganisation of society, based upon the eradication of the contemporary relationship between private property and wage-labour.

Marx separates his own conception of communism from that of ‘crude communism’.⁵⁹ The main form of crude communism is based upon emotional antipathy towards private property, and asserts that all men should be reduced to a similar level, so that everyone has an equal share of property. This is not genuine communism, Marx asserts, since it rests upon the same sort of distorted objectification of labour as is found in the theory of political economy. Crude communism of this sort becomes impelled towards a primitive asceticism, in which the community has become the capitalist instead of the individual. In crude communism, the rule of property is still dominant, but negatively;

Universal envy setting itself up as a power is only a camouflaged form of cupidity which re-establishes itself and satisfies itself in a different way... How

⁵⁷ Statements such as Meyer’s that Marx ‘posited a noble and intelligent human species, whose goodness and intelligence are frustrated by the process of civilisation’ (Alfred G. Meyer: *Marxism, the Unity of Theory and Practice* (Ann Arbor, 1963), p. 57) are plainly inadequate. As Mészáros remarks: ‘There is no trace of a sentimental or romantic nostalgia for nature in (Marx’s) conception. His programme... does not advocate a return to “nature”, to a “natural” set of primitive, or “simple” needs...’ István Mészáros: *Marx’s Theory of Alienation* (London, 1970).

⁵⁸ Marx mentions the influence of the German socialists; but argues that ‘the original and important German works on this subject’ are limited to certain of the writings of Hess, Weitling and Engels. *EW*, p. 64.

⁵⁹ It is not wholly clear whom Marx has in mind here, but the reference is probably to the followers of Babeuf and Cabet. Engels discusses these groups in his ‘The progress of social reform on the Continent’, *We*, vol. 1, pp. 480–96.

this abolition of private property represents a genuine appropriation is shown by the abstract negation of the whole world of culture and civilisation, and the regression to the *unnatural* simplicity of the poor, crude and wantless individual who has not only surpassed private property but has not yet even attained to it.⁶⁰

Crude communism, Marx continues, has not grasped the possibility of the positive transcendence of private property. The destruction of private property is certainly a necessary condition for the transition to a new form of society. But the organising principle of the future socialist society must be founded upon ‘the positive abolition of private property, of *human self-alienation*, and thus the real *appropriation of human nature through and for man*’; it will involve ‘the return of man himself as a *social*, i.e., really human, being (*als eines gesellschaftlichen, d.h. menschlichen Menschen*) a complete and conscious return which assimilates all the wealth of previous development’.⁶¹ The recovery of the social character of human existence is integral to Marx’s conception of communism, as stated in the *Manuscripts*. Communist society will be based, not upon the egoistic self-seeking which the economists assume to be characteristic of human nature in general, but upon the conscious awareness of the reciprocal dependence of the individual and the social community. The social nature of man, Marx stresses, penetrates to the roots of his being, and is by no means simply manifest in those activities which are conducted in direct association with others. Communism will not, however, deny the individuality of each person. On the contrary, the whole import of Marx’s discussion is that communist society will allow, in a way which is impossible under prior systems of production, the expansion of the particular potentialities and capabilities of individuals. For Marx, there is no paradox in this. It is only through the social community that man becomes individualised, via the utilisation of the resources which are collective products.

This exciting and brilliant formula is integrated with a reiteration of the limitations of the ‘critical philosophy’ of the Young Hegelians. It is not enough to supersede private property in theory, to replace the ‘idea’ of private property with the ‘idea’ of communism. The actual attainment of communism ‘will in reality involve a very severe and protracted process’.⁶²

⁶⁰ *W*, p. 154; *We*, *Ergd*, vol. 1, pp. 534–5.

⁶¹ *W*, p. 155; *We*, *Ergd*, vol. 1, p. 536.

⁶² *W*, p. 176; *We*, *Ergd*, vol. 1, p. 553.

does specify some aspects of the process as it occurs in farming in England. By the middle of the seventeenth century much of the land is owned by capitalist farmers employing wage-labour and producing for a commodity market. Their property is considerably augmented by their forcible usurpation of those common lands which still survive from the feudal period. But this latter process is an extended one, not completed until the second half of the eighteenth century. Its completion is contemporaneous with the final disappearance of the independent peasantry, 'incorporating land as capital' and creating for the industries of the town 'the necessary supply of an outlawed proletariat'.⁶²

Marx distinguishes two broad stages of productive organisation in the capitalist period. The first stage is dominated by manufacture. The distinctive characteristic of this form is that it involves the breaking-down of craft skills into various specialised tasks carried out by a number of workers, who accomplish collectively what one skilled man would do under the guild system. Manufacture is more efficient than handicraft production, not because of any technical advances, but because the division of labour it involves makes it possible to produce more units per man-hour. This form of production, which is predominant from the sixteenth century until the concluding part of the eighteenth in England, has definite limitations. The expansion of markets by the end of the eighteenth century is so great that manufacture is insufficiently productive to meet the demands placed upon it. As a consequence, a strong pressure builds up to create technically more efficient means of production; 'the development of machinery was a necessary consequence of the needs of the market'.⁶³ The result is the 'industrial revolution'.⁶⁴ Mechanisation henceforth dominates the capitalist mode of production. There is set in motion the constant impetus towards technological modification which becomes a hallmark of capitalism. The development of increasingly more complicated and expensive machinery is a primary factor in the centralisation of the capitalist economy upon which Marx lays so much stress in *Capital* in discussing the predicted dissolution of capitalism.

The relations of production and class structure

According to Marx, the development of society is the result of the continual productive interaction between men and nature. Men 'begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence...'.¹ The 'production and reproduction of life' is both an exigeny dictated by the biological needs of the human organism and, more importantly, the creative source of new needs and capabilities. Thus productive activity is at the root of society in both an historical and an analytical sense. Production is 'the first historical act'; and 'the production of material life... is a fundamental condition of all history, which today, as thousands of years ago, must daily and hourly be fulfilled merely in order to sustain human life'. Every individual, in his day-to-day actions, recreates and reproduces society at every moment: this is both the source of what is stable in social organisation and the origin of endless modification.

Every kind of production system entails a definite set of social relations existing between individuals involved in the productive process. This is at the root of one of Marx's most important criticisms of political economy and of utilitarianism generally. The conception of the 'isolated individual' is a construction of the bourgeois philosophy of individualism, and serves to conceal the social character which production always manifests. Marx refers to Adam Smith as the 'Luther of political economy' because he, and after him the other economists, have correctly identified labour as the source of man's own self-creation.² But what the economists have obscured is that the self-creation of man through production entails a process of social development. Human beings never produce simply as individuals, but only as members of a definite form of society. There is no type of society, therefore, which is not founded upon a definite set of relations of production.³

In production, men not only act on nature but also on one another. They produce only by cooperating in a certain way and mutually exchanging their activities. In order to produce, they enter into definite connections and relations with one another and only within these social connections and relations does their action on nature, does production, take place.⁵

¹ GI, p. 31.

² GI, p. 147.

This term usually employed by Marx (*Produktionsverhältnisse*) has, in fact, a double meaning in English, and can refer both to 'conditions' and to 'relations' of production. On the use of the term 'relations of production' in Marx's writings, see Louis Althusser et al.: *Lire le Capital* (Paris, 1967), vol. 2, pp. 149-59.

⁶² *Cap*, vol. 1, p. 733; *We*, vol. 23, p. 761.

⁶³ Letter to Annenkov, quoted in *Poverty of Philosophy*, p. 156.

⁶⁴ Engels used this term before Marx. See the former's *Condition of the Working Class in England in 1844* (Oxford, 1968), pp. 9-26. There is some dispute over the origin of the term 'industrial revolution'. cf. Dobb, p. 258.

In every form of society there exists 'a sum of productive forces, an historically created relation of individuals to nature and to one another, which is handed down to each generation from its predecessor...'.⁶ Marx does not attempt to construct any sort of general theory of what brings about expansion in the forces of production (*Produktionskräfte*). This can only be explained by concrete social and historical analysis. Thus the modifications of the productive forces involved in the transition from feudalism to capitalism can be explained in terms of a convergent set of historical events. Moreover, there are cases of societies where the forces of production become quite highly evolved, but where other elements of the social organisation retard any further advance. Marx quotes the instance of Peru, which in certain respects had a developed economy; but was held back by the lack of a monetary system. The failure to develop a monetary system was largely contingent upon the isolated geographical position of the country, which inhibited the expansion of trade.⁷

Class domination

According to Marx, classes emerge where the relations of production involve a differentiated division of labour which allows for the accumulation of surplus production that can be appropriated by a minority grouping, which thus stands in an exploitative relationship to the mass of producers. In discussing the relationships between classes in society, Marx usually employs the terms *Herrschaft* and *Klassenherrschaft*. In English versions of Marx's writings, it is customary to translate these as 'rule' and 'class rule'. But these terms suggest rather more of a deliberate imposition of power than is necessarily implied in the German terminology. Consequently it is more appropriate to use the term 'domination' rather than 'rule'.⁸

Marx's various analyses of class domination are all primarily directed towards the end of explicating the characteristic structure and dynamics of bourgeois society, and conceptual precision is secondary in importance to this overriding focus of attention. Consequently, Marx often uses the term *Klasse* in a somewhat cavalier fashion, and he did not feel compelled, until quite near the end of his intellectual career, to confront the problem of spelling out the concept of class in a precise fashion.⁹ As with the concept of 'rationalisation' in Max Weber's thought, the notion of class is so fundamental to Marx's writings that, in his most important works, he takes its

⁶ GI, p. 51.

⁷ Gru, p. 22.

⁸ cf. W. Wesolowski: 'Marx's theory of class domination: an attempt at systematisation', in Nicholas Lobeckowicz: *Marx and the Western World* (Notre Dame, 1967), pp. 54-5. On the problem of *Herrschaft* in Weber's writings, see below, p. 156.

⁹ 'no credit is due to me for discovering the existence of classes in modern society, nor yet the struggle between them.' Letter to Weydemeyer, March 1852, *Selected Correspondence*, p. 57. cf. Stanislaw Ossowski: *Class and Class Structure in the Social Consciousness*, London, 1963, pp. 69-88 and *passim*.

meaning for granted. It is an irony which has frequently been noted that the manuscripts which Marx left at his death should have broken off at the point at which he was entering upon a systematic analysis of the concept of class.¹⁰ Here, for the first time in his writings, he explicitly poses the question, 'what constitutes a class?' But what Marx says, before the manuscript ends, is mainly negative. Class must not be identified with either source of income or functional position in the division of labour. These criteria would yield a plurality of classes: doctors, who receive their income from treatment of the sick, would be a separate class from farmers, who derive theirs from cultivation of land, etc. Moreover, use of such criteria would cut across the criterion of groupings of individuals in the productive process: two men may, for instance, both be builders, but one may be the propertyless employee of a large firm, while the other owns a small business of his own.

Marx's emphasis that classes are not income groups is a particular aspect of his general premise, stated in *Capital*, that the distribution of economic goods is not a sphere separate to and independent of production, but is determined by the mode of production. Marx rejects as 'absurd' the contention made by John Stuart Mill, and many of the political economists, that production is governed by definite laws, distribution is controlled by (unalterable) human institutions.¹¹ Such a view underlies the assumption that classes are merely inequalities in the distribution of income, and therefore that class conflict can be alleviated or even eliminated altogether by the introduction of measures which minimise discrepancies between incomes. For Marx, then, classes are an aspect of the relations of production. The substance of Marx's conception of class is, in spite of the variability of his terminology, relatively easy to infer from the many scattered references which Marx makes in the course of different works. Classes are constituted by the relationship of groupings of individuals to the ownership of private property in the means of production. This yields a model of class relations which is basically dichotomous: all class societies are built around a primary line of division between two antagonistic classes, one dominant and the other subordinate.¹² In Marx's usage, class of necessity involves a conflict relation. On more than one occasion, Marx makes this point by linguistic emphasis. Thus, discussing the position of the peasantry in nineteenth-century France, Marx comments:

The small-holding peasants form a vast mass, the members of which live in similar conditions but without entering into manifold relations with one another. Their mode of production isolates them from one another instead of bringing them into mutual intercourse... In so far as millions of families live under economic conditions of existence that separate their mode of life, their interests and their

¹⁰ The section on 'The classes', placed at the end of the third volume of *Capital* (edited by Engels) (*Cap*, vol. 3, pp. 862-3), is a mere fragment.

¹¹ Balf Dahrendorf: *Class and Class Conflict in an Industrial Society* (Stanford, 1957), pp. 18-27.

culture from those of the other classes, and put them in hostile opposition to the latter, they form a class. In so far as there is merely a local interconnection among these small-holding peasants, and the identity of their interests begets no community, no national bond and no political organisation among them, they do not form a class.¹³

In another context, Marx makes a similar point with reference to the bourgeoisie: capitalists form a class only to the degree that they are forced to carry on a struggle against another class. Otherwise capitalists are in economic competition with each other in the pursuit of profit in the market.

Class structure and market relationships

It is important to emphasise that the dichotomous class conception appears in Marx's writings as a theoretical construct. Only bourgeois society – Marx projects its future development – approximates closely to this picture. All historical class societies show a more complicated system of relationships which overlaps with the dichotomous axis of class structure. Thus bourgeois society, these complicating groupings are of three sorts:

1. Classes which, although they play an important economic and political role in the extant form of society, are marginal in the sense that they derive from a set of relations of production which are either being superseded or conversely, are in the ascendant.¹⁵ An instance of the first is the case of the free peasantry, which although still strong in France and Germany, is becoming drawn into dependence upon capitalistic farmers, or is being forced to join the urban proletariat.¹⁶

2. Strata which stand in a relationship of functional dependence upon one of the classes, and which consequently tend to identify politically with that class. Those whom Marx calls the 'officers' among administrative workers in industry - the higher managerial staff - fall into this category.¹⁷

3. Finally, there are heterogeneous clusters of individuals in the *Lumpenproletariat* who stand on the margins of the class system because they are not wholly integrated into the division of labour. These are composed of 'thieves and criminals of all kinds, living on the crumbs of society, people without a definite trade, vagabonds, people without a hearth or home'.

The degree to which a class constitutes a homogeneous entity is historically variable: 'subordinate gradations' exist in all classes.¹⁹ In *The Class Struggles in France* Marx analyses the conflict between financial and in

¹³ SW, vol. 1, p. 334.

¹⁴ *GI*, p. 69.

¹⁵ cf. Donald Hodges: 'The "intermediate classes" in Marxian theory', *Social Research*, vol. 28, 1961, pp. 241-52.

¹⁶ *SW*, vol. 1, p. 217.

¹⁷ cf. Cap., vol. 3, pp. 376ff. Marx also refers to 'savants, lawyers, doctors, etc.', as the 'ideological representatives and spokesmen' of classes. SW, vol. 1, p. 140.

¹⁸ *SW*, vol. 1, p. 155.

¹⁹ *CM*, p. 132.

capitalists between 1848 and 1850. This is an empirical example of subdivision within the bourgeoisie as a whole; like other subdivisions of the same sort, it is founded upon divergent interests of a definite kind because profit can be divided into two sorts of revenue. These

of capitalists express nothing other than this fact.²⁰ According to the ordering of classes and the nature of class conflict change concomitantly with the emergence of successive forms of society. Pre-capitalist society is overwhelmingly localised in their organisation. To generalise a metaphor Marx applies to the French peasantry, it can be said that pre-capitalist society 'is formed by the simple admixture of homogeneous magnitudes, much as potatoes in a sack form a sack of potatoes'.²¹ Market relationships do not, in such forms of society, manifest themselves through market relationships; economic domination or subordination is through personal ties between individuals. Thus the domination of the landowner operates through personal connections of bondage and the payment of tithes. Moreover, the serf preserves a large measure of control over his means of production in spite of the fact that he has to cede part of his product as tribute to a master. It is only with the advent of bourgeois society which depends upon the expropriation of a mass of labourers who have nothing save their labour-power to offer in exchange for the means of subsistence and a livelihood, that naked market relationships appear as the dominant form of human productive activity. Bourgeois society 'has pitilessly sundered the motley feudal ties that bound man to his "natural state", and has left no other nexus between man and man than naked interest, than callous "cash payment" . . . In one word, for exploitation, for religious and political illusions, it has substituted naked, shameless, brutal exploitation.'²² In bourgeois society, therefore, class relations are simplified and universalised. The progressive development of society, once it is established, more and more tends toward the creation of great classes in direct opposition on the market: bourgeoisie and proletariat – the other classes – landowners, petty bourgeoisie, and peasantry – transitional classes, which are increasingly swallowed up by one or other of the two major class groupings.

In Marx's conception, classes form the main linkage between the relations of production and the rest of society, or social 'superstructure' (*Überbau*). Relationships are the main axis around which political power is distributed and upon which political organisation depends. For Marx, economic and political power are closely, although not inseparably, linked. Again, however, this theorem has to be placed in an historical dimension. The form of political agency is closely related to the mode of production, and hence the degree to which market relationships are of primary significance in

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²³ *CM*, p. 135.

the economy. Private property as such first emerges in the ancient world, but remains confined to restricted segments of economic life. In the Middle Ages, property moves through several stages, from feudal landed property, to corporative moveable property, eventually giving rise to capital invested in manufacture in the towns. In both ancient society and in the Middle Ages, property continues to be bound largely to the community, and thus so also do relationships of class domination. This means that the operations of political power are still primarily conducted in a diffuse fashion in the *communitas*. Modern capitalism, however, is 'determined by big industry and universal competition, which has cast off all semblance of a communal institution'.²³

The modern state emerges in conjunction with the struggle of the bourgeoisie against the remnants of feudalism, but is also stimulated by the demands of the capitalist economy.

To this modern private property corresponds the modern state, which, purchased gradually by the owners of property by means of taxation, has fallen entirely into their hands through the national debt, and its existence has become wholly dependent on the commercial credit which the owners of property, the bourgeois, extend to it, as reflected in the rise and fall of state funds on the stock exchange.²⁴

The particular form of the state in bourgeois society varies according to the circumstances in which the bourgeoisie has gained the ascendancy. In France, for example, the alliance of the bourgeoisie with the absolute monarchy has stimulated the development of a strongly established officialdom. In Britain, by contrast, the state represents 'an archaic, timeworn and antiquated compromise between the landed aristocracy, which *rules officially*, and the bourgeoisie, which in fact *dominates* in all the various spheres of civil society, but *not officially*'.²⁵ The specific process which has given rise to this political order in Britain has minimised the importance of bureaucratic elements in the state.

Ideology and consciousness

The dissipation of the community, and the expansion of private property which brings this about, underlies the origins of civil law. The codification of such a body of law occurs for the first time in Rome, but has no lasting consequences because of the internal disintegration of manufacture and commerce in Roman society. With the emergence of modern capitalism, a new phase in the formation of law occurs: Roman law was taken over in the early centres of capitalism in Italy and elsewhere, and made the source of civil law. In civil law, authority is based upon rationalised norms rather than upon the religious prescriptions which are predominant in traditional communities.²⁶ The modern legal system and judiciary is a principal ideological

²³ GI, p. 79.

²⁴ We, vol. 11, p. 95.

²⁵ For Weber's treatment of this issue, see ES, vol. 2; cf. also Durkheim: DL, pp. 142ff.

²⁶ GI, p. 79.

support of the bourgeois state. But it is only the contemporary expression of the fact that, in all class societies, the dominant class develops or takes up ideological forms which legitimise its domination. 'The class which has the means of material production at its disposal, has control at the same time over the means of *intellectual* (*geistig*) production, so that thereby, generally speaking, the ideas of those who lack the means of intellectual production are subject to it'.²⁷

According to Marx, consciousness is rooted in human *Praxis*, which is in turn social. This is the sense of the statement that 'It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness'.²⁸ Much calumny has been heaped upon Marx for this observation. But the operative term here is *social* being, and there can be little objection to the generalisation that consciousness is governed by human activity in society. The case of language, Marx points out, gives a concrete example of this. Language, Marx says, 'is as old as consciousness, language is practical consciousness that exists also for other men, and for that reason alone it really exists for me personally as well...'.²⁹ The expression of ideas, and indeed the very existence of anything beyond sensation, is conditional upon the existence of language. But language is a social product, and it is only in virtue of his membership of society that the individual acquires the linguistic categories which constitute the parameters of his consciousness.

Marx's conception of the role of particular forms of ideology in class societies follows directly from these more general considerations. The main defect of idealism in philosophy and history is that it attempts to analyse the properties of societies by inference from the content of the dominant systems of ideas in those societies. But this neglects altogether the fact that there is not a unilateral relationship between values and power: the dominant class is able to disseminate ideas which are the legitimations of its position of dominance. Thus the ideas of freedom and equality which come to the fore in bourgeois society cannot be taken at their 'face value', as directly summing up social reality; on the contrary, the legal freedoms which exist in bourgeois society actually serve to legitimise the reality of contractual obligations in which propertyless wage-labour is heavily disadvantaged as compared to the owners of capital. The import of this is that ideology must be studied in relation to the social relationships in which it is embedded: we must study both the concrete processes which give rise to various types of ideas, together with the factors which determine which ideas come into prominence within a given society. While ideologies obviously show continuity over time, neither this continuity, nor any changes which occur, can

²⁷ p. 61; We, vol. 3, p. 46.

²⁸ vol. 1, p. 363. See below, pp. 208-223ff, for further treatment of this matter, in relation to Weber and Durkheim.

²⁹ p. 42.

be explained purely in terms of their internal content. Ideas do not evolve on their own account; they do so as elements of the consciousness of men living in society, following a definite *Praxis*: 'Whilst in ordinary life every shop-keeper is very well able to distinguish between what somebody professes to be and what he really is, our historians have not yet won even this trivial insight. They take every epoch at its word concerning what it says and imagines about itself.'³⁰

There are two related emphases in Marx's treatment of ideology which it is important to distinguish: both have already been mentioned above. The first is that the social circumstances in which the activity of individuals occurs condition their perception of the world in which they live. This is the sense in which language forms the 'practical consciousness' of men. The second theorem concerns the *diffusion*, as well as the creation, of ideas: this is Marx's generalisation that, in class societies, the ruling ideas of any epoch are the ideas of the ruling class. It follows from this latter proposition that the dissemination of ideas is heavily dependent upon the distribution of economic power in society. It is in this latter sense that ideology constitutes part of the social 'superstructure': the prevalent ethos at any given time is one which provides legitimisation of the interests of the dominant class. Thus the relations of production, via the mediation of the class system, compose 'the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness'.³¹ Marx does not postulate an unvarying connection between these two modes in which consciousness is moulded by social *Praxis*. An individual or group may develop ideas which are partially at variance with the prevalent views of his age: but these ideas will not come into prominence unless they articulate with interests held by the dominant class, or with those of a class which comes in a position to challenge the existing authority structure.³² Thus many of the ideas which were used in constructing machines in the late eighteenth and early nineteenth centuries had been known for many years: but their rapid application and spread only occurred when the expansion of capitalism generated the need for capitalists to augment production over and beyond what was possible through handcraft manufacture.

Acceptance of the role of class domination against the background of a dialectical conception of the relationship between social activity and consciousness resolves some of the apparent dilemmas concerning the connections between the relations of production and the ideological 'superstructure' in any given society.³³ The productive activity of individuals, in inter-relationship with one another and with nature, involves a continual

³⁰ *GI*, p. 64; *We*, vol. 3, p. 49.

³¹ *SW*, vol. 1, p. 363.

³² cf. *GI*, pp. 472-3.

³³ cf., for example, John Plamenatz: *Man and Society* (London, 1968), vol. 2, pp. 279-93.

reciprocal interaction between social behaviour and consciousness: the ideas which are thus generated are conditioned in their diffusion or acceptance by the structure of class domination. Hence the dominant ideology always comprises 'partly... an elaboration or consciousness of domination, partly... a moral means for this domination'.³⁴ The 'real foundation' of society, upon which the 'superstructure' arises, is always constituted of the relationships of active, willing individuals, and thus always involves both the creation and application of ideas. The main point about the 'superstructure' is not that it embodies ideas, whereas the relations of production do not, but that it is comprised of a system of social relationships (especially in the shape of politics, law and religion) which order and sanction a system of class domination.

The problem of the relativity of historical knowledge is disposed of by Marx without much difficulty. It is certainly the case that all forms of human consciousness, including the most highly complex kinds of ideologies, are rooted in definite sets of social conditions. But this does not preclude the retrospective understanding of history in terms of rational principles. Thus there are certain characteristics which are shared by all class societies: but these could not be until the advent of the conditions for the emergence of scientific knowledge of society, generated by capitalism. Marx illustrates this by analogy. The anatomy of man, the more developed creature, supplies us with the key to the understanding of the anatomy of the ape: similarly, understanding the structure and process of development of bourgeois society allows us to use the same categories to explain the social development of the present world. Using the concepts formulated by the political economists, it is possible to apply notions such as 'labour' and 'production' in a very general way, to apply to characteristics shared by societies at all levels of complexity. But these concepts have only emerged with the rise of capitalist production. 'Production in general' is an abstraction, but a justified abstraction.

The theories developed by the political economists contain very important elements of truth which can be applied to all societies; but the fact that the writings of the economists are heavily linked to the structure of bourgeois class domination means that they are unable to discern the limited and one-sided character of their formulations. Like the German historians and philosophers, they share the 'illusion of the epoch';³⁵ but this in no way implies that the whole of their ideas are 'illusory' in an epistemological sense. The dominant modes of thought will not wholly shed their ideological character

³⁴ *GI*, p. 473; *We*, vol. 3, p. 405. See Karl Korsch: *Marxismus und Philosophie* (Leipzig, 1930), pp. 55-67.

³⁵ *GI*, p. 7. This, of course, is basically a transmuted Hegelian standpoint. As Lukács remarks, for Marx 'the present must be correctly understood in order for the history of previous times to be adequately grasped...', *Der junge Hegel*, p. 130.

³⁶ *GI*, p. 52.

until 'class domination in general ceases to be the form in which the social order is organised, that is to say, as soon as it is no longer necessary to represent a particular interest as general or the "general interest" of ruling'.³⁷

Every dominant class lays claim to the universality of the ideology which legitimates its position of domination. But, according to Marx, this does not entail that the social changes effected by the rise of a new revolutionary class to dominance are equivalent in different types of society. While Marx does set out an overall schema in terms of which every process of revolutionary change shares common characteristics, he also holds that the forms of revolutionary transformation found in history differ in certain crucially important respects. The overall schema which Marx employs in the analysis of revolutionary social change runs as follows. In any relatively stable society, there exists an equilibrium between the mode of production, the social relations which are integral to that mode of production, and the 'superstructure' which, through the medium of class domination, is tied in with it. When progressive changes occur in the sphere of productive activity – such as happened in Rome with the emergence of manufacture and commerce within a predominantly agrarian economy – a tension is set up between these new productive forces and the existing relations of production. The existing relations of production then increasingly form barriers to the emergent forces of production. These 'contradictions' become expressed as overt class conflicts, terminating in revolutionary struggles fought out in the political sphere, and manifest ideologically as a clash between competing 'principles'. The outcome of these struggles is either 'the common ruin of the contending classes', as in Rome, or 'a revolutionary reconstitution of society at large', as occurred in the supersession of feudalism by capitalism.³⁸ The class engaging in a revolutionary struggle for power fights in the name of absolute human rights, presenting its ideas as 'the only rational, universally valid ones'.³⁹ While only one subordinate class stands to gain from the revolutionary overthrow of the existing dominant class, it may invoke the aid of others to assist its movement to power: the French bourgeoisie, for instance, made its revolution in 1789 with the aid of the peasantry. Once the revolutionary class has acceded to power, its erstwhile revolutionary character becomes transposed into a defence of the existing order, i.e., of its own hegemony:

it is in the interest of the ruling section of society to sanction the existing order as law and to perpetuate its habitually and traditionally fixed limits as legal ones. Aside from all other matters, this comes about of itself in proportion as the continuous reproduction of the foundation of the existing order of the relations corresponding to it gradually assumes a regulated and orderly form. And such regulation and order are themselves indispensable elements of any mode of pro-

duction, provided that it is to assume social firmness and an independence from accident and arbitrariness.⁴⁰

Thus the ascendance of the new class to power inaugurates another period of relative stability, eventually generating a repetition of the same pattern of change.

This general conception would be a wholly positivistic one were it not for the fact that Marx relates the occurrence of revolutionary change to the historical process as a whole. 'Every new class', Marx states, 'achieves its domination only on a broader basis than that of the previously dominant class, whereas the opposition of the non-dominant class against the new ruling class later develops all the more sharply and profoundly.'⁴¹ The effect of the rise to power of the bourgeoisie is to introduce profound changes in the character of class relationships as compared to those extant in feudalism. Bourgeois society makes for a far broader realisation of human productive capacities than was feasible in previous periods of history. But this is only rendered possible by the formation of an increasingly numerous class of propertyless wage-labourers: bourgeois society universalises class relationships around a single class division, between bourgeoisie and proletariat. It is this which, in fact, provides for the fundamental difference between bourgeois society and the other forms of class society which have preceded it. Whereas previous revolutionary classes, once they have acquired power, have 'sought to protect the position they have acquired by subjecting society at large to their conditions of appropriation', the proletariat cannot come to a position of domination 'except by abolishing [its] own previous mode of appropriation, and thereby also every other previous mode of appropriation'.⁴²

According to Marx, the rise to power of the working-class culminates the historical changes wrought by bourgeois society. The development of bourgeois society fosters an extreme dislocation between the accomplishments of human productive powers and the alienation of the mass of the population from the control of the wealth which they have thus created. The supersession of capitalism, on the other hand, provides the circumstances in which it will be possible for man to recover his alienated self within a rational order which has freed itself from class domination. The economic presuppositions of this process are detailed in *Capital*.

³⁷ *GI*, p. 63; *We*, vol. 3, p. 48.

³⁸ *CM*, p. 132.

³⁹ *GI*, p. 62.

⁴⁰ *Cap*, vol. 3, pp. 773–4; *We*, vol. 25, p. 801.

⁴¹ *GI*, p. 63; *We*, vol. 3, p. 48.

⁴² *CM*, p. 147.

4. The theory of capitalist development

The theory of surplus value

Although much of *Capital* is concerned with economic analysis, Marx's overriding interest in the work is always in the dynamics of bourgeois society: the primary object of *Capital* is to disclose the 'economic law of motion' of this society, through an examination of the dynamics of the productive foundation upon which it rests.¹

Capitalism, as Marx emphasises on the first page of *Capital*, is a system of commodity production. In the capitalist system producers do not simply produce for their own needs, or for the needs of individuals with whom they are in personal contact; capitalism involves a nation-wide, and often an international, exchange-market. Every commodity, Marx states, has a 'two-fold' aspect: its 'use-value', on the one hand, and its 'exchange-value' on the other. Use-value, which 'is realised only in the process of consumption', has reference to the needs which the properties of a commodity as a physical artifact can be employed to cater to.² An object can have use-value whether or not it is a commodity; while to be a commodity a product must have use-value, the reverse does not hold. 'Exchange-value' refers to the value a product has when offered in exchange for other products.³ In contrast to use-value, exchange-value presupposes 'a definite economic relation', and is inseparable from a market on which goods are exchanged; it only has meaning in reference to commodities.

Now any object, whether it is a commodity or not, can only have value in so far as human labour power has been expended to produce it: this is the core proposition of the labour theory of value which Marx takes over from Adam Smith and Ricardo.⁴ It follows from this that both exchange-value and use-value must be directly related to the amount of labour embodied in the production of a commodity. It is clear, Marx says, that exchange-value cannot be

¹ Only the first volume of *Capital* was published in Marx's life-time, but Marx worked on all three volumes simultaneously. Volumes 2 and 3 were edited and published by Engels in 1885 and 1894 respectively. In the preface to the first volume, Marx speaks of a projected fourth volume, to deal with 'the history of theory'. Notes for this work were published by Kautsky between 1905 and 1910, as *Theorien über den Mehrwert*. Sections from this have been translated into English as *Theories of Surplus Value*, ed. Bonner & Burns (London, 1951). Two volumes of a full English translation have appeared (London, vol. 1, 1964; vol. 2, 1969).

² *Contribution to the Critique of Political Economy*, p. 20.

³ Whenever Marx speaks of 'value' without qualification, he means 'exchange-value'.

⁴ For an account of the development of the labour theory of value, see Ronald L. Meek: *Studies in the Labour Theory of Value* (London, 1956).

derived from use-value. This can be shown by the example of the exchange-value of two commodities such as corn and iron. A given quantity of corn is worth a specifiable quantity of iron. The fact that we can express the worth of these two products in terms of each other, and in quantified form, shows that we are using some common standard which is applicable to both. This common measure of value has nothing to do with the physical properties of corn or iron, which are incommensurate. Exchange-value must then rest upon some quantifiable characteristic of labour. There are obviously many differences between specific kinds of labour: the actual tasks involved in the work of growing corn are very different from those involved in manufacturing iron. Just as exchange-value abstracts from the specific characteristics of commodities, and treats them in abstract quantitative ratio, in the derivation of exchange-value we have to consider only 'abstract general labour', which can be measured in terms of the amount of time expended by the worker in the production of a commodity.

Abstract labour is the basis of exchange-value, while 'useful labour' is the basis of use-value. The two aspects of commodities are simply an expression of the dual character of labour itself – as labour power, the physical expenditure of the energy of the human organism, something common to all forms of productive activity; and as a definite kind of labour, a specific set of operations into which this energy is channelled, something peculiar to the production of particular commodities for specific uses.

On the one hand all labour is, speaking physiologically, an expenditure of human labour power, and in its character as similar or as abstract human labour it creates the value of commodities. On the other hand, all labour is the expenditure of human labour power in a special form and with a definite aim, and in this, its character of concrete useful labour, it produces use-value.⁵

¹ 'Abstract labour' is an historical category, since it is only applicable to commodity production. Its existence is predicated upon what are, for Marx, some of the intrinsic characteristics of capitalism. Capitalism is a far more fluid system than any which preceded it, demanding that the labour force should be highly mobile, and adaptable to different kinds of work; as Marx puts it, 'labour in general', labour *sans phrase*, the starting-point of modern political economy, becomes realised in practice⁶.

There is an obvious problem which presents itself if abstract labour is to be measured in terms of units of time as the mode of calculating exchange-value. It would appear to follow from this that an idle worker, who takes a long while to produce a given item, would produce a more valuable commodity than an industrious man completing the same task in a shorter time.⁷

⁵ *Cap.*, vol. 1, p. 47; *We*, vol. 23, p. 61.

⁶ *Contribution to the Critique of Political Economy*, p. 299.

⁷ Skilled labour also offers a source of difficulty. Marx holds, however, that all skilled labour can be reduced to time units of unskilled or 'simple' labour. A skill normally represents the results of a certain period of training; to convert skilled labour

Marx stresses, however, that the concept applies not to any particular individual worker, but to the 'socially necessary' labour time. This is the amount of time required for the production of a commodity under the normal conditions of production, and with the 'average degree of skill and intensity' prevalent at a given time in a particular industry. The socially necessary labour time can be fairly readily determined, according to Marx, through empirical study. A sudden technological improvement can reduce the amount of socially necessary labour time required to produce a particular commodity, and will therefore lead to a corresponding diminution in its value.⁸

This whole analysis, including Marx's discussion of surplus value described below, is set out in the first volume of *Capital*.⁹ It should be emphasised that Marx's treatment of value and surplus value at this point is deliberately phrased on a highly abstract level. Marx sets out to 'disregard all phenomena that hide the play' of the 'inner mechanism' of capitalism. Failure to appreciate this has given rise to numerous misconceptions, including the one that Marx allows no role at all to demand. For most of his discussion in volume I Marx assumes a situation in which supply and demand are in equilibrium. Marx does not ignore the importance of demand; but it follows from the labour theory of value that demand does not determine value, although it can affect prices.¹⁰ For Marx, demand is most significant in relation to the allocation of the labour force to different sectors of the economy. If the demand for a certain commodity becomes particularly high, then producers of other goods will be stimulated to move into the production of that commodity. The increase in price following the heightened demand will then become reduced in the direction of its value.¹¹ But demand is not the independent variable some economists make of it: 'supply and demand presuppose the existence of different classes and sections of classes which divide the total revenue of a society and consume it among themselves as revenue, and, therefore, make up the demand created by revenue.'¹²

It follows from the analysis of exchange-value discussed above that products exchange at their values: that is, according to the amount of socially

into simple labour, it is necessary to assess the amount of labour (expended on his own part and by those who train him) which goes into the training procedure. But, in Marx's view, capitalism eventually tends to do away with skilled labour in any case, through progressive mechanisation. cf. Paul M. Sweezy: *The Theory of Capitalist Development* (New York, 1954), pp. 42-4.

⁸ As an example of the impact of technological change in this direction, Marx cites the case of the English clothing industry. Here the introduction of power looms reduced by something like fifty per cent the labour time necessary to weave yarn into cloth. Of course a hand weaver still needed the same amount of time as before, 'but the product of one hour of his individual labour represented after the change only one-half an hour's social labour, and consequently fell to one-half its former value'. *Cap.*, vol. 1, p. 39; *We.*, vol. 23, p. 53.

⁹ *Cap.*, vol. 1, pp. 508ff.

¹⁰ *SW.*, vol. 1, pp. 84ff.

¹¹ *Cap.*, vol. 3, pp. 181-95. cf. Meek, p. 178.

¹² *Cap.*, vol. 3, p. 191.

necessary labour time embodied in them.¹³ Marx rejects the notion that capitalists derive their profits from any sort of dishonesty or deliberate underhand dealing. Although in actual buying or selling transactions a particular capitalist might make money by taking advantage of the vagaries of the market, such as a sudden increase in demand for his product, the existence of profit in the economy as a whole cannot be explained in this way. On the average, Marx holds, the capitalist buys labour, and sells commodities, at their real value. As he puts it, the capitalist 'must buy his commodities at their value, must sell them at their value, and yet at the end of the process must withdraw more value from circulation than he threw into it at starting'.¹⁴

This apparent paradox is resolved by Marx with reference to that historical condition which is the necessary basis of capitalism, the fact that workers are 'free' to sell their labour on the open market. What this signifies is that labour power is itself a commodity, which is bought and sold on the market. Thus its value is determined like that of any other commodity, by the labour time socially necessary for its production. Human labour power involves the expenditure of physical energy, which must be replenished. To renew the energy expended in labour, the worker must be provided with the requirements of his existence as a functioning organism - food, clothing, and shelter for himself and his family. The labour time socially necessary to produce the necessities of life of the worker is the value of the worker's labour power. The latter's value is, therefore, reducible to a specifiable quantity of commodities: those which the worker requires to be able to subsist and reproduce. 'The worker exchanges with capital his labour itself... he alienates it. The price he receives is the value of this alienation'.¹⁵

The conditions of modern manufacturing and industrial production allow the worker to produce considerably more, in an average working day, than is necessary to cover the cost of his subsistence. Only a proportion of the working day, that is, needs to be expended to produce the equivalent of the worker's own value. Whatever the worker produces over and above this is surplus value. If, say, the length of the working day is ten hours, and if the worker produces the equivalent of his own value in half that time, then the remaining five hours' work is surplus production, which may be appropriated by the capitalist. Marx calls the ratio between necessary and surplus labour the 'rate of surplus value' or the 'rate of exploitation'. The rate of surplus value, as with all of Marx's concepts, has a social rather than a biological reference. The labour time necessary to 'produce labour power' cannot be defined in purely physical terms, but has to be ascertained by reference to culturally expected standards of living in a society. 'Climatic and physical conditions' have an

¹³ This statement is only true given the simplified model Marx employs in volume 1 of *Capital*; in the real world there is often considerable divergence between values and prices.

¹⁴ *Cap.*, vol. 1, p. 166.

¹⁵ *Gru.*, pp. 270-1.

influence, but only in conjunction with 'the conditions under which, and consequently on the habits and degree of comfort in which, the class of free labourers has been formed'.¹⁶

Surplus value is the source of profit. Profit is, so to speak, the visible 'surface' manifestation of surplus value; it is 'a converted form of surplus value, a form in which its origin and the secret of its existence are obscured and extinguished'.¹⁷ The analysis which Marx offers in the first volume of *Capital* sets out to remove this disguise, and does not discuss the actual relationship between surplus value and profit, which in the empirical world is a complicated one. The amount the capitalist has to spend on hiring labour is only one part of the capital outlay he has to make in the productive process. The other part consists in the machinery, raw materials, maintenance of factory fittings, etc., necessary for production. That segment of capital laid out on such matters is 'constant capital', while that spent on wages is 'variable capital'. Only variable capital creates value; constant capital 'does not, in the process of production, undergo any quantitative alteration of value'.¹⁸ In contrast to the rate of surplus value, which is the ratio of surplus value to variable capital (s/v), the rate of profit can only be calculated with reference to both variable and constant capital. The ratio of constant to variable capital constitutes the 'organic composition' of capital; since the rate of profit depends upon the organic composition of capital, it is lower than the rate of surplus value. The rate of profit is given by the formula $p=s/c+v$: the lower the ratio of expenditure on constant capital to that on variable capital, the higher the rate of profit.¹⁹

In the third volume of *Capital*, Marx relates the simplified theory of surplus value presented in volume 1 to actual prices. It is clear that, in the real world, the organic composition of capital varies widely from industry to industry. In some sectors of production, the amount of constant capital involved is far higher in relation to variable capital than in other sectors: for example, annual capital outlay on machinery and plant equipment in the iron and steel industry is much greater than it is in the clothing industry. Following the simplified model advanced in the first volume of *Capital*, this would lead to widely divergent rates of surplus value, and if profit were directly correlative to surplus value, would lead to marked variations in profits between different sectors of the economy. But such a state of affairs, except on a short-term basis, would be incompatible with the organisation of the capitalist economy in which capital always tends to flow into those channels which offer the highest levels of profit.

¹⁶ *Cap.*, vol. 1, p. 171.

¹⁷ *Cap.*, vol. 3, p. 47.

¹⁸ *Cap.*, vol. 1, p. 209.

¹⁹ Marx assumes here that no rent is being paid by the capitalist to a landlord. As Marx puts it: 'landed property is taken as = 0.' Marx moves on to the problem of ground-rent in the third volume of *Capital*.

Setting aside the assumptions made for analytic purposes in volume 1, therefore, Marx concludes that commodities do not generally sell at their values, but according to what he calls their 'prices of production'.²⁰ The total amount of profit in the economy is determined by the amount of surplus value created within it, but the share which each individual capitalist takes from this total is not proportionate to the rate of surplus value realised within his own enterprise. Capitalists share the total surplus value in proportion to their capital invested, not in ratio to the organic composition of that capital. 'Prices of production', in other words, the real prices of commodities, can be calculated on the basis of a division of the total social capital into the total surplus value. The price of production is equal to the 'cost price', or sum of expenditure actually incurred in production (the amount of constant capital used up in producing a commodity, together with capital expended on wages), plus the average rate of profit on the capital employed.

What are the influences which make commodities sell at their prices of production, and not at their values? Marx devotes a substantial part of volume 3 of *Capital* to discussion of this problem. Before the advent of capitalism, commodities do tend to sell at their values, but the competitive structure of capitalism breaks this down. 'Average profit' develops historically with the development of capitalism itself. If one sector of production, having a higher ratio of variable to constant capital, creates a very high rate of surplus value and profit, then

capital withdraws from spheres with low rates of profit and invades others which yield a higher profit. By means of this incessant outflow and inflow, in short, by its distribution among the various spheres in relation to a rise of the rate of profit here, and its fall there, it brings about a ratio of supply to demand such that the average profit in the various spheres of production becomes the same; values are converted into prices of production. This equilibration is accomplished by capital more or less perfectly to the degree that capitalist development is advanced in a certain nation: in other words, to the extent that conditions in the respective countries are adapted to the capitalist mode of production.²¹

There are two conditions which facilitate this process: fluidity of capital, and labour mobility. The first demands 'complete freedom of trade in the interior of society', and the eradication of feudal monopolistic privilege. It is further stimulated by the development of the credit system, which serves to concentrate capital instead of allowing it to remain in the hands of individual capitalists. The second condition, involving mobility of labour, rests upon a familiar set of circumstances: the 'freeing' of labour from proprietary and personalised relations to the means of production, and the reduction of craft

²⁰ It is upon the relationship between values and prices that most criticism of Marx's economics has centred. cf. Paul Sweezy: *Böhm-Bawerk's Criticism of Marx* (New York, 1949). Two recent discussions of Marx's economics are Murray Wolfson: *A Reappraisal of Marxian Economics* (New York, 1964); and Fred M. Gottheil: *Marx's Economic Predictions* (Evanston, 1966).

²¹ *Cap.*, vol. 3, p. 192; *We.*, vol. 25, p. 206.

skills to unskilled work which allows workers to move from job to job without difficulty. The development of the average rate of profit is thus intrinsically bound up with the economic structure of capitalist production.

Marx continues to stress that the theory of surplus value presented in the first volume of *Capital* underlies the analysis given in volume 3. However complicated the relationship between prices and value may be, the former nevertheless rest upon the latter, and any increase or decrease in the total surplus value will affect prices of production. Most of the subsequent criticism of Marx's position offered by economists has centred upon the fact that prediction of prices is extremely difficult using Marx's theory, since the connection between values and prices is so convoluted. But it must be emphasised that, from Marx's standpoint, such prediction is of secondary importance: the whole weight of his theory is towards setting out the principles which underlie the operation of the capitalist economy. Marx's analysis moves upon the level of an attempt to undercut the influence which physical categories such as prices, rents, or rates of interest have in the theory of political economy, in order to expose the social relationships which lie at the root of them. As he expresses it,

The social character of activity, the social form of the product, and of the participation of the individual in production, appear as alienated, reified (*sachlich*) in relation to the individual... Universal exchange of activities and products, which has become the condition of existence of, and the mutual connection between, particular individuals, take the form of a thing, alienated from and independent of themselves.²²

Marx's theory of capitalist development is founded upon the nature of capitalist expropriation as set out in the theory of surplus value. The general tenor of Marx's argument is that, while capitalism is originally structured around a free-market system in which commodities are allowed to 'find their own values' on the basis of individual entrepreneurial initiative, the imminent tendency of capitalist production undermines the empirical conditions upon which the capitalist economy is based.

The economic 'contradictions' of capitalist production

In Marx's view, the search for profit is intrinsic to capitalism; 'the aim of capital is not to minister to certain wants, but to produce profit...'.²³ But at the same time there is rooted in the capitalist economy a structural tendency for the rate of profit to decline. Most of the classical economists accepted this notion; Marx's contribution, as expressed in his formulation of the 'law of the falling tendency of the rate of profit', derives from the integration of this theory with his analysis of the organic composition of capital, and the relation of the latter to surplus value. The total amount of profit in the capitalist

economy depends upon the surplus value created within it: the ratio of constant to variable capital in the economy as a whole determines the average rate of profit. The rate of profit thus stands in inverse proportion to the organic composition of capital.

Hence capitalism is founded upon the competitive search for profit, technological improvement, including above all the increasing mechanisation of production, is a major weapon of each capitalist in the battle for survival on the market, whereby an individual entrepreneur can increase his share of the available profit by producing at a cheaper rate than his competitors. But his success in obtaining increased profits leads other capitalists to follow suit by introducing similar technical improvements, thus producing a new (although equally temporary) equilibrium where, however, each capitalist has a higher ratio of capital expenditure on constant capital than before. Hence the overall consequence is a rise in the organic composition of capital, and a fall in the average rate of profit.

Of course, this does not necessarily entail a decline in the absolute total of profit in the economy; this may increase even though the rate of return falls. Moreover, there are various factors which Marx distinguishes as countering the tendency of the rate of profit to decline. These are those which either retard the relative increase of constant capital or, what is the other side of the coin, increase the rate of surplus value. A rise in expenditure on constant capital frequently goes along with an increase in the productivity of labour, which therefore effectively reduces the proportionate unit value of the constant capital, and thereby may keep the rate of profit stable or even raise it: with respect to the total capital, the value of the constant capital does not increase in the same proportion as its material volume...²⁴ Another mode of offsetting the declining rate of profit is via the feeding in of cheap materials through foreign trade, the result of which is to increase the rate of surplus value if these are used to supply the subsistence needs of workers, and to lower the value of constant capital. But Marx lays most stress upon those countervailing forces to the falling rate of profit which involve the intensified exploitation of labour. These include the expansion of the working-day, and the depression of wages below their value. Other things being equal the lengthening of the working-day, which was a definite empirical phenomenon during the early years of the nineteenth century, raises the rate of surplus value. The productivity of labour relative to constant capital can also be augmented, and the rate of surplus value increased, through making more intensive use of existing machinery – by, for example, speeding up its operation, or by utilising it for twenty-four hours a day through some kind of shift-work system. Enforced depreciation of wages is normally only a temporary expedient, and has no long-term effects upon the rate of profit. While employers treat wages as part of their costs, and will tend to pare them whenever pos-

²² *Gru*, p. 75. See below, pp. 228–9.

²³ *Cap*, vol. 3, p. 251.

²⁴ *Cap*, vol. 3, p. 230. cf. also Sweezy: *Theory of Capitalist Development*, pp. 98ff.