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Marx on Distributive Justice

Capitalism, Marx thought, had made stupendous technical progress—its development of productive forces far surpassing that of all earlier social formations. That aside, no social system has ever been condemned more radically, indicted more severely, and damned more comprehensively than capitalism was by Marx. It is a system of domination of men by men, of men by things, and of men by impersonal forces. The exploitation associated with private property in the means of production sets class against class; competition turns capitalist against capitalist and worker against worker. In their social relations and in the state, men are afforded only a spurious community. Labor and the means of labor are separated; they devolve on different classes. Yet material production, the basis of social life, requires their union. Capitalism thereby locks the social classes, which represent the elements of the production process, in an antagonistic interdependence, an interdependent antagonism.

Capitalism also creates a society in which man is subordinated to production rather than production to man. Production is impelled by profit, not by the satisfaction of human needs. The worker is used as means for the generation of material wealth—wealth that is wielded against him. Bourgeois society expands material wealth and contracts human possibilities; it fosters outer wealth and inward poverty.

Capitalism is a system of contradictions between the social process of production and the private mode of appropriation; between the planning and rationality of the individual production units and the anarchy of social production at large; between the unrestricted de-

velopment of wealth in the form of commodities and the restricted power of society to consume; between professed ideals and actuality. Its spokesmen preach liberty, equality, fraternity, representative government, and the greatest happiness for the greatest number. Capitalism engenders servitude, inequality, social antagonism, unrepresentative government for society, "autocratic rule," and "barracks discipline" in the workplace. It achieves the greatest misery for the greatest number.

Did Marx consider capitalist society just? Did he condemn it, at least in part, on the grounds of its injustice? His *direct* and *explicit* statements on this subject are few and far between but, in numerous passages throughout his works, Marx employs the sort of language typically used in philosophical discourse on justice and seems to be condemning capitalism for its injustice. A few illustrations are in order.

The *Communist Manifesto*, while pointing out the deficiencies of the petty-bourgeois socialism typical of Sismondi, praises it because it "dissected with great acuteness the contradictions in the conditions of modern production. It laid bare . . . the concentration of capital and land in a few hands . . . , the misery of the proletariat . . . , the crying inequalities in the distribution of wealth."¹

The *Holy Family* states that the proletariat is dehumanized. Its "life situation" is the negation of its "human nature." Through wage labor, the proletariat class is forced into "creating wealth for others and misery for itself." In the *Poverty of Philosophy*, we are told that the bourgeois are "indifferent . . . to the sufferings of the proletarians who help them acquire wealth." The *German Ideology* states that the proletariat "has to bear all the burdens of society without enjoying its advantages." *Capital*, vol. 1, says that "the capitalist gets rich, not like the miser in proportion to his personal labor and restricted consumption, but at the same rate as he squeezes out the labor power of others, and enforces on the laborer abstinence from all life's enjoyments." *Capital*, vol. 3, speaks of "coercion and monopolization of so-

1. Marx and Engels, *Manifesto of the Communist Party*, in *Selected Works*, vol. 1 (Moscow: Foreign Languages Publishing House, 1962), p. 57. Hereafter cited as CM and SW.

cial development (including material and intellectual advantages) by one portion of society at the expense of the other.”²

The preceding and similar passages yield the picture of a society with extreme inequalities of wealth. This wealth is produced by one class and enjoyed by another which is indifferent to the poverty, suffering, and misery of the producers. One class monopolizes material and intellectual advantages such as access to education and culture at the expense of another class which is coerced into shouldering all the burdens of society. The capitalists do not amass their wealth and its attendant material and cultural enjoyments from their own labor but by exploiting the labor power of the workers.

The attempt to deduce from such passages a Marxian conception of justice may be considered objectionable on the ground that Marx did not necessarily consider a society that fits this description unjust. Without prejudging the case, it should be noted at the outset that, especially with Marx, one must avoid rending a passage from its immediate context, textual or theoretical. Some of Marx's interpreters, such as Robert C. Tucker and Allen W. Wood, assert that Marx considers capitalism just.³ They base this opinion largely on the strength of a single passage in which Marx seems to be saying that the appropriation of surplus labor—that is, the exploitation of labor power—is “a piece of good luck for the buyer [of labor power, the capitalist], but by no means an injustice (*Unrecht*) to the seller [the worker].”⁴

To be sure, Tucker and Wood admit that Marx considered capitalism exploitative, but they ascribe to him the view that capitalist exploitation does not exclude capitalist justice. Actually, the passage on which

2. Marx and Engels, *The Holy Family*, in *Writings of the Young Marx on Philosophy and Society*, ed. and trans. Loyd Easton and Kurt Guddat (New York: Doubleday, 1967), p. 368. Marx, *The Poverty of Philosophy* (Moscow: Foreign Languages Publishing House, n.d.), p. 118. Marx and Engels, *The German Ideology* (Moscow: Progress Publishers, 1964), p. 85. Marx, *Capital*, vol. 1, (Moscow: Progress Publishers, 1965), p. 651. Marx, *Capital*, Vol. 3 (Moscow: Progress Publishers, 1966), p. 819.

3. Robert C. Tucker, “Marx and Distributive Justice” in *The Marxian Revolutionary Idea* (New York: Norton, 1969), chap. 2; Allen W. Wood, “The Marxian Critique of Justice,” *Philosophy & Public Affairs* 1, no. 3 (Spring 1972): 244-282.

4. *Capital*, 1: 194. The English translation of Moore and Aveling renders *Unrecht* as “injury.” Tucker cites this passage on p. 45; Wood on p. 263.

they rely is bogus—it occurs in a context in which Marx is plainly satirizing capitalism. Marx, immediately after the passage in question, characterizes the appropriation of surplus labor as a “trick.” He writes:

Our capitalist foresaw this state of things [the appropriation of surplus value] and that was the cause of his laughter. . . . The trick has at last succeeded [*Das Kunststück ist endlich gelungen*]; money has been converted into capital. [*Capital*, I:194]

Tucker and Wood sunder the bogus passage from its context and, in consequence, fail to ask what Marx means by the “trick” of exploiting labor power. Marx elsewhere uses identical and far more explicit language when he characterizes exploitation as “robbery,” “usurpation,” “embezzlement,” “plunder,” “booty,” “theft,” “snatching,” and “swindling.” For instance, in the *Grundrisse*, he speaks of “*the theft [Diebstahl] of alien labor time* [that is, of surplus value or surplus labor] *on which the present wealth is based.*”⁵ If the capitalist *robs* the worker, then he appropriates what is not rightfully his own or he appropriates what rightfully belongs to the worker. Thus there is no meaningful sense in which the capitalist can simultaneously rob the worker and treat him justly. But Tucker and Wood, having failed to take note of the “trick” and its meaning, roundly—and falsely—declare that the worker, though exploited, is not cheated or robbed or treated unjustly.

Having suspended judgment on the suitability of deducing a conception of justice from relevant or seemingly relevant passages in the Marxian corpus, I shall proceed to formulate the problem of capitalist injustice within the Marxian theoretical framework. My concern in this essay is to ascertain Marx’s position on this question, but not to assess its validity.

THE PROBLEM

Marx, in his mature works, develops at length his empirical theory of the distribution of wealth and income under capitalism.⁶ He says that

5. Marx, *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*, trans. with a Foreword by Martin Nicolaus (London: Allen Lane with New Left Review, 1973), p. 705, emphasis in the original.

6. See especially the introduction to *Grundrisse* and *Capital*, vol. 3, chap. 51, “Distribution Relations and Production Relations.”

every mode of production involves a corresponding mode of distribution. Actually every mode of production involves two basic types of distribution: (1) the distribution of the means of production (or of productive wealth) and (2) the distribution of the annual product of society (or of the annual income) among the population. Marx holds that the distribution of wealth and of income are related by the dialectical category of reciprocal action (*Wechselwirkung*) or bilateral causation.⁷ Given a certain distribution of productive wealth in, for example, class society, there results a certain distribution of income among the various classes. And, reciprocally, the distribution of income reacts upon and reinforces the prevailing distribution of wealth. It should be emphasized that the distribution of income cannot be considered separately from the distribution of wealth—except “in the shallowest conception” (*Grundrisse*, p. 96). Under capitalism, the empirical problem of income distribution resolves itself into the determination of the conditions, processes, and economic laws according to which the annual product is divided into generic class shares: wages for the proletarians who do not own productive wealth and surplus value for the propertied classes. This surplus value is divided into profit, interest, and rent for the owners of the means of production (industrial capitalists, finance capitalists, and landowners, respectively). I shall concentrate on the distribution of income between workers and owners (or capitalists).

Distributive justice is concerned with the moral evaluation of particular distributions. Its standards define *inter alia*, how wealth and income ought to be distributed or measure the moral desirability of actual distributions. The *locus classicus* of Marx's treatment of distributive justice is the *Critique of the Gotha Program*. In the context of discussing what the just distribution of the proceeds of labor (that is, the annual product) consists in, Marx advances two principles of distributive justice: distribution according to labor contribution and distribution according to needs. These criteria are presented as proletarian or as suitable for adoption by a proletarian party. Marx also indicates that they will be realized in post-capitalist society.

The problem of determining whether or not Marx regarded capi-

7. *Wechselwirkung* is also a category of Hegelian logic. Cf. Hegel, *Science of Logic*, trans. A. V. Miller with a Foreword by J. N. Findlay (London: Allen & Unwin, 1969), pp. 554-571.

talism as just seems, at first, to be a matter of evaluating the capitalist distribution of wealth and income in terms of these distributive standards. But the Marxian sociology of morals suggests that morals are somehow specific to their social context. We wonder whether it is good Marxian doctrine to evaluate capitalist practices by post-capitalist, or by proletarian, standards. Within this problem, two questions may be discerned.

First, can Marx, consistent with his sociology of morals, use proletarian or post-capitalist standards in evaluating capitalist distribution? Second, does Marx—his consistency notwithstanding—explicitly or implicitly use these standards in evaluating capitalist distribution?

THE MARXIAN SOCIOLOGY OF MORALS AND THE MARXIAN MORAL THEORY

The sociology of morals is a part of Marx's historical materialism and purports to account for the social origin of moral outlooks in historical perspective.

According to Marx, elements of the superstructure—whether forms of consciousness such as ideas on politics, law, and morality, or institutions such as the state—have *two* levels of determination. One is the mode of production (or type of society) in which they occur; the other is the class interests which they represent. Moral outlooks change as modes of production change. Within any mode of production, the variety of moral outlooks is anchored in, and explained by, the class structure of society. Thus to account for a norm sociologically, one must specify, first, the mode of production in which it occurs and, secondly, the social class in that society with which the norm is associated.

Within a given mode of production, a social class generally attains, in the course of its development, a style of life and forms of consciousness which are determined by the conditions of its social existence and, particularly, by its class interests. The owning class lives under conditions of existence which differ significantly from the conditions of the non-owning class. Accordingly, the forms of consciousness of these classes, including their moral outlooks, differ. The ruling class, through its control of the means of socialization, endeavors to make its ideas the ruling ideas in society. The ideas of the ruling class ex-

press its class interests; they are the “ideas of its dominance.”⁸ The ruling class fails in maintaining the hegemony of its ideas when the oppressed class develops from a class in-itself to a class for-itself; when it comes to an awareness of its life situation and articulates its class interests. The proletariat, for example, develops its own critical and revolutionary consciousness. Given the division of labor in society and its separation of mental and material labor, intellectuals act as thinkers and spokesmen for the various classes. Marx says that intellectuals belonging to the bourgeoisie may move over to the proletariat when they reflect on the latter’s life situation (*German Ideology*, p. 85; *CM* in *SW*, 1:43). The socialists and communists are the theorists of the proletariat (*Poverty of Philosophy*, p. 120).

Every mode of production has a corresponding mode of distributing burdens and benefits. The ruling class regards as just the mode of distribution which benefits itself at the expense of the non-owning class. It espouses a norm of distributive justice that expresses its class interests and prevails over other conceptions. In general, every ruling class conceives of its interests as the social or general interest and proclaims the norms expressive of them as “naturally” just or as just in some absolute sense. Marx points out that such interests and norms are social, not natural; sectional, not general. They are historically developed and historically surmountable. If the spokesmen for a class justify their values by maintaining that their moral outlook is independent of historical development or of class interests, then they maintain false beliefs about their morality. Such false beliefs are called “ideological illusions.” The moral outlook itself, on that count alone, is not considered illusory.

The distributive arrangements of a society can be evaluated by means of a standard different from the prevailing (or ruling) standard of justice. The exploited class, for example, the proletariat, develops a conception of justice different from the prevailing one and arrives at a negative evaluation of the existing distribution of productive wealth and income. Similarly, the bourgeoisie has conceptions of freedom and equality that reflect its own interests and class situation. But the proletariat and its intellectual spokesmen arrive at different

8. *German Ideology*, p. 60. Most of my account of Marx’s sociology of morals derives from the section on Feuerbach.

conceptions of equality and freedom. Despite the tendency of the ruling class to establish the hegemony of its ideas and ideals, social criticism by means of a different set of ideas and ideals remains possible.

Thus it is valid, on Marx's showing, for the proletariat and its spokesmen to criticize capitalist distribution using proletarian standards of justice. Marx, as will be shown, offers such a critique.

Furthermore, Marx neither states nor implies that the existential determination of moral standards entails a logical limitation on their use in evaluative contexts. To put it differently, in accounting for the social origin and historicity of norms, the Marxian sociology of morals does not state or imply that a norm arising in, or pertaining to, one mode of production cannot be validly used in the *evaluation* of another mode. Rather, the existential determination of moral standards implies existential constraints or existential prerequisites for their *realization*. For instance, proletarian norms of justice can be validly used in evaluating earlier societies but these norms cannot be realized in any or all societies. The realization of these norms requires, in addition to their subjective acceptance, relevant existential and institutional prerequisites (for example, the social ownership of the means of production or material abundance). Were Marx to be asked why it is that people often evaluate earlier societies from the perspectives of later societies, he would probably say (as he says in a different context) that people have consciousness and, therefore, they think. They reflect, comparatively and evaluatively, on their past, present, and future. Marx engages in such reflection, as he does in the *Manuscripts* when he asks: "What in the evolution of mankind is the meaning of this reduction of the greater part of mankind to abstract [that is, one-sided] labor?"⁹ The answer to this question requires the application of a normative conception of labor to the various historical forms of labor. Such evaluations, Marx points out, are frequently made during periods of social instability and of social transition. The rising class, as the harbinger of the new society, embodies the future outlook, the outlook that will become dominant. In its struggle with

9. Marx, *The Economic and Philosophic Manuscripts of 1844*, trans. Martin Milligan, ed. with an introduction by D. J. Struik (New York: International Publishers, 1964), p. 72. Hereafter cited as *EPM*.

the declining class, it criticizes the declining society in terms of the would-be ruling norms. Class conflicts are reflected in conflicts of ideas. This happened in all countries where the bourgeoisie struggled for power against the feudal nobility. Similarly, as capitalist contradictions intensify and proletarian consciousness develops, the proletariat and its spokesmen criticize the bourgeois order from the standpoint of the future society and its norms. In the *German Ideology*, Marx says that individuals "seem freer" under the domination of the bourgeoisie than before but "in reality . . . they are less free because they are more subjected to the violence of things" (pp. 93-94). It is clear that a judgment is being made in terms of a standard considered valid for the evaluation of capitalism and earlier modes of production. In *Capital*, Marx evaluates pre-communist systems from the standpoint of communist society and points out the "absurdity" of class societies. Under slavery, he says, some men own other men and use them as means of production; under capitalism, some men acquire a monopoly on land and derive revenue from doing so. Such institutions are judged to be absurd from the standpoint of a higher-communist-form of society.

From the standpoint of a higher economic form of society, private ownership of the globe by single individuals will appear quite as absurd (*abgeschmacht*) as private ownership of one man by another. Even a whole society, a nation, or even all simultaneously existing societies taken together, are not the owners of the globe. They are only its possessors, its usufructuaries, and, like *boni patres familias*, they must hand it down in an improved condition. [*Capital*, 3: 776]

Wood and Tucker misconstrue the Marxian sociology of morals by failing to note that elements of the superstructure, such as conceptions of justice, have two levels of determination. By focusing only on the *social* determination of norms to the exclusion of their *class* determination, they are led to believe that, for Marx, a norm is just when it accords with a mode of production and unjust when it dis cords with that mode. They overlook Marx's relation of moral con ceptions within the same mode of production to the opposed social classes.

In so doing, Tucker and Wood collapse the Marxian moral theory into the Marxian sociology of morals and ascribe to Marx, by implication, a variant of moral positivism. They hold that, for Marx, the *only* standard that may be validly used in evaluating the justice of the institutions of a mode of production is the one that accords with this mode. Tucker states that “the only applicable norm of what is right and just is the one inherent in the existing economic system. Each mode of production has its own mode of distribution and its own form of equity, and it is meaningless to pass judgment on it from some other point of view.”¹⁰ Wood argues that “if, for example, a historical analysis of the role of slavery in the ancient world could show that this institution corresponded to, and played a necessary role in, the prevailing mode of production, then in the Marxian view the holding of slaves by the ancients would be a *just* practice; and the claim that ancient slavery was unjust, whether it is made by the contemporaries of the institution or by modern men reading about it in history books, would simply be wrong.”¹¹

10. Tucker, “Marx and Distributive Justice,” p. 46. Tucker relies on the following passage from Marx’s *Critique of the Gotha Program* (in SW 2: 24): “Right can never be higher than the economic structure of society and its cultural development conditioned thereby.” This statement is offered by Marx to explain why the producer’s right under socialism is proportional to his labor contribution but not to what would satisfy his needs. The material abundance that the distribution according to needs presupposes does not obtain, and this places a constraint on the producer’s reward. Having said this, Marx, nonetheless, proceeds to criticize the “defects” of socialist justice, as will be shown in the next section, by means of communist justice (the failure to satisfy needs). This confirms my interpretation that, for Marx, the existential prerequisites for the realization of norms do not entail a logical limitation on the use of norms in evaluative contexts. The absence of necessary prerequisites prevent the norm of distribution according to needs from being realized in socialist society, but does not prevent Marx from using this norm to evaluate socialist society. The passage cited by Tucker does not entail, explicitly or implicitly, a logical limitation on the evaluative use of conceptions of right, and its context does not support Tucker’s claim.

11. Wood, “Marxian Critique of Justice,” pp. 259-260, emphasis in the original. Wood bases his claim on a passage from *Capital*, 3: 339-340. Marx, here, is commenting on a statement by the economist Gilbart that the payment of interest on borrowed money is a “self-evident principle of natural justice.” Marx tells him that this is not a matter of “natural” justice; it is conditioned by production relations. A transaction, Marx adds, “is just whenever it corresponds to the mode of production. . . . It is unjust whenever it contradicts that mode.”

From the accounts of Tucker and Wood, it follows that Marx considered the institutions of slavery, serfdom, and wage labor as necessarily just institutions in the ancient, feudal, and capitalist social formations, respectively. What is more, it would have been invalid and irrational for an ancient slave, as it is for a modern proletarian, to claim that his conditions of existence are unjust since these conditions are, in the main, determined by the institutions of slavery and wage labor, and these institutions are congruent with their respective modes of production.

The interpretation of Wood and Tucker makes it impossible for the oppressed to criticize the injustice of their life situations, but the Marxian sociology of morals makes such criticism possible and comprehensible. Furthermore, Tucker and Wood state that Marx criticized capitalism, at least in part, for its inequality and unfreedom. But if the *only* applicable norm of justice is the one that accords with the capitalist mode of production then, similarly, the only applicable norms of equality and freedom must be the ones that accord with this mode of production. Consequently, the position taken by Tucker and Wood implies that Marx could not have validly criticized capitalist freedom as unfreedom and capitalist equality as inequality. For him

Wood, having been persuaded by the bogus passage (see fn. 4 above and related text), takes this statement to be Marx's assessment of capitalism. The fact is that Marx's statement is strictly sociological; it does not contain his evaluation of capitalist transactions, or of interest in particular. Marx is explaining how it is that transactions come to be considered just, or how certain conceptions of justice become dominant. When he says that the justice of transactions consists in their correspondence to a mode of production, he is saying in shortened form that they also correspond to the interests of the propertied class and this is how the matter is viewed from the standpoint of that class. It is unreasonable to expect Marx to restate his whole sociology of morals every time he uses it. Wood, instead of inquiring how Marx's remark on Gilbart fits into Marx's sociology of morals, reformulates Marx's sociology to fit this passage. He fastens on it, lifts it out of its theoretical context, generalizes it, and presents it to us as further confirmation of the bogus passage. When Wood (p. 257) ascribes to Marx the view that the charging of interest on borrowed money is not in itself "just or unjust," and that under capitalism, "it is perfectly just" he makes an utterly false claim. On the subject of usury, Marx was fond of quoting approvingly and at length Luther's harsh—in fact, savage—condemnation of it as the most criminal robbery. See *Capital*, I: 592-593 and *Theories of Surplus Value*, vol. 3 (Moscow: Progress Publishers, 1971), pp. 528-529.

to have done so presupposes the use of standards of freedom and equality that are incongruent with the capitalist mode of production. But neither Wood nor Tucker detect any inconsistency in Marx on this score. And, in fact, there is none. The problem lies in their view that Marx relates norms only to modes of production when in fact he relates them also to the various social classes within a mode of production.

In his reply to Proudhon, Marx says that the institutions Proudhon recommends will not do away with social classes and with the social antagonism that attends them in bourgeois society because the propertied class takes advantage of the non-propertied class. It is the bourgeoisie that considers such a class-divided society just.

There is thus no individual exchange without the antagonism of classes. But the respectable conscience refuses to see this obvious fact. So long as one is a bourgeois, one cannot but see in this relation of antagonism a relation of harmony and eternal justice, which allows no one to gain at the expense of another. For the bourgeois, individual exchange can exist without any antagonism of classes. For him, these are quite unconnected things. [*Poverty of Philosophy*, p. 75]

It is the bourgeois who sees justice in the midst of exploitation, not Marx or the class-conscious proletarian. The normative component in the consciousness of the oppressed classes, whether they are the slaves of antiquity or the proletarians of capitalism, contributes to the subjective conditions (aside from the objective conditions) which undermine and lead to the overthrow of these social systems. In the *Grundrisse*, Marx says that “with the slave’s awareness that he *cannot be the property of another*, with his consciousness of himself as a person, the existence of slavery becomes a merely artificial, vegetative existence, and ceases to be able to prevail as the basis of production” (p. 463). That is to say, the slave evaluates his situation in life by means of a norm, by means of a concept of a person that does not accord with the mode of production in a slave-owning society or with the interests of the slave owners, because it tells him that he, as a person, is equal to the slave owner and that there is no legitimate ground for him to be the property of another man. The proletarian,

as his class consciousness develops, also evaluates capitalism by means of a standard that does not accord with this mode of production. He judges that the separation of his labor capacity from the means or conditions of its realization (the means of production) forced on him by the system of private property is "improper," and that the product of his labor is his own product. This judgment helps in bringing about the doom of capitalism. Marx, in *Grundrisse* (p. 463), speaks of the proletarian's labor capacity:

The recognition [*Erkennung*] of the products as its own, and the judgment that its separation from the conditions of its realization is improper—forcibly imposed—is an enormous [advance in] awareness [*Bewusstsein*], itself the product of the mode of production resting on capital, and . . . the knell to its doom.

The proletarian's judgment declares the distributional arrangements of society (both of productive wealth and of the product or of income) to be improper. The slave, too, objects to a system based on private property not only in things but in human beings and this objection goes to the heart of the distributional arrangements of slave society.

A great deal more might be said about Marx's sociology of morals but I must confine myself to two points only. First, elements of the superstructure, including moral outlooks, are not epiphenomenal. The *German Ideology*, where historical materialism receives its first and most comprehensive, though incomplete, formulation, states explicitly that the superstructure reacts upon the base. Here, again, we have reciprocal action (*Wechselwirkung*), the Marxian dialectical category *par excellence* (*German Ideology*, pp. 49-50). The mere absence of the existential or institutional prerequisites for the realization of norms does not in itself reduce these norms to insignificance. The Marxian norms of self-realization, humanism, community, freedom, equality, and justice are not reduced to insignificance merely because the institutional framework they require is absent under capitalism. Such norms serve a critical function in transforming the consciousness of the proletariat, conferring on it the power of the negative or making it the agency of revolutionary change.

The weapons of criticism obviously cannot replace the criticism of weapons. Material force must be overthrown by material force. But theory also becomes a material force once it has gripped the masses. . . .

As philosophy finds its material weapons in the proletariat, the proletariat finds its intellectual weapons in philosophy.¹²

Marx's statement that the counter-norms of the slave and proletarian—superstructural elements—undermine the respective substructures follows from his theory and exemplifies *Wechselwirkung*.

Second, although Marx does not explicitly deal with the relation between the social origin of ideas and values and their truth, validity, or moral desirability, his theoretical praxis makes clear that he did not confuse these two matters.¹³ For instance, he adopted the labor theory of value from the bourgeois economists (mostly from Ricardo) and made it a cornerstone of his political economy. Had he thought that the bourgeois origin of this theory invalidates it, he would not have accepted it. Further, in the *Theories of Surplus Value* (the fourth volume of *Capital* which deals with the “literary history” of political economy), Marx devotes nearly two thousand pages to thorough analyses of theories advanced mostly by bourgeois economists. Again, he would not have undertaken such analyses had he thought that the exposure of the social origin of these theories is sufficient to invalidate them. His procedure makes clear that whether a theory is acceptable or unacceptable must be settled by rational argument. Typically, Marx explores the logical cogency of a theory, its presuppositions and consequences, and its adequacy to account for the relevant observed phenomena.

He states clearly in the *German Ideology* that the truths of science are established empirically.¹⁴ Marx also seems to have held that the acceptability of a moral outlook is settled by argument. He adopted

12. Marx, *Toward the Critique of Hegel's Philosophy of Law: Introduction*, in *Writings of the Young Marx*, pp. 257, 263.

13. H. B. Acton, *The Illusion of the Epoch: Marxism-Leninism as a Philosophical Creed* (London: Cohen & West, 1962), pp. 205 ff., accuses Marx of such confusion.

14. For example in *German Ideology*, p. 31, he says that the premises of historical materialism “can thus be verified in a purely empirical way.”

(and adapted) from Hegel the values of self-realization and of freedom as self-determination. Hegel himself admits that his views on self-realization, the transition from the in-itself (*Ansichsein*) to the for-itself (*Fürsichsein*), are Aristotelean in inspiration—they correspond to potentiality and actuality. His views on freedom are largely Lutheran. The sources of these Hegelian values were probably known to Marx. But even if they were not, Marx did not consider Hegel's endorsement of them a reason for their moral rejection; and whatever else Hegel was, he was not a proletarian spokesman. We may conclude that, for Marx, the desirability of principles of justice should be settled by argument. Consistent with his sociology of morals, Marx can validly use proletarian or post-capitalist standards, including standards of justice, in evaluating capitalism. I shall turn now to an examination of his principles of justice.

THE MARXIAN PRINCIPLES OF DISTRIBUTIVE JUSTICE

In the early phase of communist society ("socialist society" in Marxist literature), the principle of distributive justice can be stated thus: to each according to his labor contribution. As Marx puts it:

The right of the producers is proportional to the labor they supply.

The same amount of labor which he [the producer] has given to society in one form he receives back in another. [*Critique of Gotha*, SW, 2:23]

Every producer receives from society—after certain deductions are made—consumption goods embodying an amount of labor equal to the amount of labor he contributed. Marx emphasizes that what is distributed as individual income is not the total social product. Socialist society could not maintain itself if it were to distribute and consume all that it produces. This implies that the producer's reward is not the arithmetical equivalent of his labor contribution, and Marx proceeds to explain why this disparity between labor contribution and reward is not unjust. From the total social product, several deductions must be made for the general purpose of reproduction; that is, (1)

for the replacement of the means of production that were used up, (2) for the expansion of future production to meet the demands of an increased population, and (3) for reserves or for an insurance fund against emergencies and natural disasters. The remaining portion of the social product would be allotted for consumption but this consumption fund is divided into two main portions: the first portion goes into *social consumption* and includes funds for the satisfaction of "social needs," such as education and health services; and welfare funds for "those unable to work," such as the very young, the old, and the infirm. The remainder of the consumption fund would be allotted to *individual consumption* and would be divided among the producers in accordance with their labor contribution.

According to Marx, the deductions for future production and for reserves are a matter of economic necessity and not of equity. For him, they involve no injustice.

The deductions from the consumption fund for social services do not conflict with just distribution according to labor contribution because such services redound to the advantage of the producer: ". . . what the producer is deprived of in his capacity as a private individual benefits him directly or indirectly in his capacity as a member of society" (*Critique of Gotha*, SW, 2:22). Nor do the deductions for welfare expenditures diminish the justice of rewards in socialist distribution, because they satisfy the demands of human solidarity.

The distributive justice of the first phase involves two principles: (1) a formal principle of equal right or equality of treatment, and (2) a material principle of proportioning reward to labor contribution. All individuals are treated alike as workers. But different individuals being unequal in their physical and mental endowments make unequal productive contributions and receive unequal rewards. However, from this inequality of reward one should not conclude that Marx is elevating inequality, as such, to the level of a moral principle. He says that with the abolition of classes in socialist society, "all social and political inequality arising from them would disappear" (*Critique of Gotha*, SW, 2:30). Socialist society is said to eliminate the inequality of social and political power. And even though the rewards of the producers are not arithmetically equal, income differentials are not

likely to be great because society will fulfill such social needs as education and health care, and the deduction from the social product for these needs “grows considerably in comparison with present-day society and it grows in proportion as the new society develops” (*Critique of Gotha*, SW, 2:22). Further, this deduction for social needs precedes consumptive (or income) distribution. Marx clearly does not favor the creation of wide income differentials since these would result in a form of social stratification which, he contended, should be eliminated from the structure of society. Thus a socialist society departs from the Marxian norm of a just socialist society to the extent that it permits wide income differentials favoring its ruling elites at the expense of social needs.

Socialist distributive justice marks an “advance” over the capitalist distribution of wealth and income but, adds Marx, it is an advance marred by “defects” (*Critique of Gotha*, SW, 2:23, 24). The advance is, at least, twofold. First, by abolishing the private ownership of the means of production, socialism establishes the principle of equal right by removing the asymmetrical power relations or inequalities associated with social classes and their attendant privileges. Socialism “recognizes no class differences, because everyone is a worker like everyone else” (*Critique of Gotha*, SW, 2:24). The producers derive income by virtue of their productive contribution and no one derives income—as under capitalism—by virtue of ownership of means of production. “. . . No one can give anything except his labor . . . nothing can pass to the ownership of individuals except individual means of consumption” (*Critique of Gotha*, SW, 2:23). Second, socialism ends class exploitation. The deductions that are made from the social product are made by the associated producers in the interests of the associated producers for the common satisfaction of their needs. These deductions redound to the producers in a modified form. Under capitalism, deductions from the social product are made by the private owners of the means of production who use them as they see fit, in their own interests, and at the expense of the producers. The associated producers establish rational and collective control over the means of production and over the social product and use them for socially beneficent purposes. This termination of exploitation may be explicated in another way. Under socialism, the producer is treated justly

because his reward is proportional to his labor contribution. Under capitalism, the producer is treated unjustly because his reward—as I shall show in the next section—is not proportional to the *labor* he supplies but, at best, to the value of his *labor power* (a lesser quantity). Accordingly, the labor he contributes in one form does not return to him in another form. The capitalist appropriates part of the worker's labor and this is why the worker is exploited under capitalism.¹⁵ Socialist society, according to Marx, ensures its variant of justice by excluding exploitation.

Socialist justice, according to Marx, leaves much to be desired. In establishing equal rights for every producer, socialist justice applies the same standard—labor contribution—to all producers. But different individuals, being unequal in their physical and mental endowments, make unequal productive contributions and are differentially rewarded. Thus equal rights applied to unequal individuals issue in

15. The labor theory of value states that the value of a commodity is determined by the socially necessary amount of labor (or labor time) expended in its production or reproduction. Economic theory in Marx's time treated "labor" as the commodity that the worker sells. Marx asks: what is the value of a ten-hour working day viewed as a commodity? According to the theory, it is the labor time incorporated in it, which yields the tautology: the value of a ten-hour working day is ten hours. This, says Marx, is not illuminating. Further, if labor is the commodity that the worker sells and if he were to receive the value of his commodity, then he would receive as wages the value of his product. But this is contrary to fact since the product belongs to the capitalist. Were the worker to receive the value of his product, then one cannot account for the capitalist's profits. Hence, Marx introduces a distinction between labor as the measure of value and labor power as the capacity to work. The commodity that the worker sells is labor power, not labor. Wages are the compensation for labor power, not for labor. The value of labor power during a day is the socially necessary labor time expended in its maintenance, or expended on the commodities required for its maintenance. In a portion of the working day, the worker contributes the equivalent of the value of his labor power, and in the remainder of the working day he contributes surplus labor or surplus value to the capitalist. Marx *explains* how the capitalist appropriates this surplus value in accordance with capitalist property relations and their juridical expression. The capitalist contracted for labor power, and the labor contract entitles him to its use for the duration of the specified working day. This use yields him surplus labor which cost him nothing and is the source of his profit. Marx, then, *evaluates* this appropriation as an act of plunder, as robbery of the worker. Marx says, evaluatively, that the labor contract is a juridical fiction, a "*fictio juris*" (*Capital*, I:540).

material inequality. Moreover, different individuals have unequal needs. Even for individuals making equal labor contributions and receiving equal rewards, material inequality would still result because of their unequal expenditures occasioned by their unequal needs. The upshot is that one will be richer than another; one's needs will be better satisfied than another's. In addition, socialist justice favors those who are gifted by nature, and penalizes those who are not; it treats natural talents as entitlements to relative social advantages. Marx is saying, in other words, that the just comparative treatment of individuals should not discriminate on the basis of natural differences for which the individuals themselves are not responsible.

Socialist justice treats human beings one-sidedly as workers and ignores their individuality. They are "regarded only as workers and nothing more is seen in them, everything else being ignored" (*Critique of Gotha*, SW, 2:24). To appreciate this criticism, it should be noted that the Marxian method of ethical thinking consists primarily in the moral evaluation of social institutions such as private property, social classes, and the division of labor. It examines their consequences for the human individuals living under them and then measures these consequences against the Marxian conception (or ideal) of man. The conception of man presupposed by certain social institutions or systems (for example, the egoistic man of modern civil society) is delineated and then measured against Marx's own conception. Either implicitly or explicitly, this method is concerned with what type of man and what type of interpersonal relations certain social institutions produce and whether these types are morally desirable. The socialist principle of distributive justice, and the institutions associated with it, by regarding man simply as a worker fail to take into account what Marx calls "the whole man" (*totaler Mensch*). A human being is more than a worker, he is also a person with a plenitude of material and spiritual needs.¹⁶ His ultimate need is for self-realization (*Selbstverwirklichung*). To conceive of man simply as worker is to

16. In *EPM*, p. 144, Marx says that the "rich human being" is one "in whom his own realization exists as an inner necessity, as *need*." In the *Excerpt-Notes of 1844, Writings of the Young Marx*, p. 273, he says that the need of an object is proof "that the object belongs to my nature," or that it is necessary to "the realization of my nature."

conceive of him as an "abstract man." The term "abstract" which Marx adopts from Hegelian terminology means "one-sided" or "poor in content." The distributive justice of developed communist society makes the satisfaction of needs—hence the full development of individuality—its guiding principle. To overcome these defects, the principle of distributive justice in communist society states: "From each according to his ability, to each according to his needs" (*Critique of Gotha*, SW, 2:24).

The realization of this distributive principle of justice presupposes material abundance which results, on the one hand, from a high level of development of productive forces and, on the other hand, from a transformation of the nature and conditions of work and the attending change in the attitude toward work. The productive forces develop because the social relations of production, especially the social mode of appropriating and distributing the produce, is in harmony with the social mode of producing. But the inequality of reward remains because the needs of different individuals are unequal. Marx rejects the arithmetic equality of rewards because some people would receive less than they need for the free, all-round development of individuality he advocates. He rejects inequality which creates privilege, and accepts only that inequality which allows for the development of individuality. In the communist conditions of abundance, the unequal or proportional distribution according to needs is not thought to result in a sinister social hierarchy.

It is not uncommon in moral philosophy for conceptions of justice to be linked to other moral conceptions. For Marx, socialist justice is closely linked to equality and communist justice to self-realization. The two principles of justice exclude exploitation by abolishing private property and affirm the crucial importance of the rational and collective control over the conditions of social existence. This control is an aspect of freedom.

CAPITALISM AND DISTRIBUTION ACCORDING TO LABOR CONTRIBUTION

I argued that Marx can validly employ the socialist principle of justice in evaluating capitalist institutions. The transaction between capital-

ist and worker exemplifies the manner in which capitalism systematically violates the principle of compensation according to labor contribution. According to Marx, the worker would be treated unjustly even if he did get the full value of his labor power, because what this labor power produces exceeds in value the value of the labor power itself. The value of his labor power invariably embodies an amount of labor less than the amount of labor he is forced to contribute. The worker is despoiled of this excess, of his surplus labor which creates surplus value. Capitalist injustice consists in this non-equivalence of contribution and reward, in the despoliation or exploitation of labor power. However, the worker does not even get the value of his labor power and this involves further non-equivalence and injustice.

According to Marx's economic theory, the worker produces the equivalent of his wages in a portion of the working day, and in the remaining portion he renders "surplus," "unpaid," or "alien labor"—that is, surplus value to the capitalist. ". . . Wages *only* express *paid labor*, never all labor done" (*Grundrisse*, pp. 570-571). This extraction of surplus labor or surplus value from the worker and its appropriation by the capitalist without compensation is called "exploitation." The worker is exploited or made to render uncompensated labor even when he receives the full value of his labor power. ". . . Surplus value—and capitalist production is based on it—is value which cost no equivalent" (*Theories of Surplus Value*, 3:523). ". . . Capital obtains this surplus labor without an equivalent, and in essence it always remains forced labor—no matter how much it may seem to result from free contractual agreement" (*Capital*, 3:819).

Clearly, then, capitalism violates the principle of reward according to labor contribution. The labor contract is unjust even when the worker receives the full value of his commodity (labor power) because he receives no equivalent for his surplus labor. By contrast, in socialist society, the freely associated producers decide on the deductions to be made from the social product, and the deductions for social needs (which are the only deductions relevant to equity of distribution), return to the producers in a modified form. Marx's implicit application of the socialist principle of justice to capitalist institutions is evident from his ethical rejection of capitalist property rights. The appropriation of surplus labor, made legitimate by these rights, is

considered theft and embezzlement by Marx. The *Grundrisse* maintains that present wealth is based on the theft of surplus labor (p. 705).

Capital is stored, unpaid labor, the portion of surplus value that was capitalized. “The greater part of the yearly accruing surplus product, embezzled, because abstracted without return of an equivalent . . . is thus used as capital . . .” (*Capital*, 1:611).

Adam Smith speaks of capital as command over labor and as stored-up labor. Marx says that capital is also the command over unpaid labor; it is “the power to appropriate alien labor without exchange, without equivalent, but with the semblance of exchange” (*Grundrisse*, p. 551; *Capital*, 1:534). Having ethically rejected both the right of the capitalist to appropriate surplus labor (theft, embezzlement) and the institution of private property (“present wealth”) which makes such appropriation feasible and comprehensible, Marx rejects the typical claims made in justifying surplus value or gross profit as the capitalist’s reward. It is claimed that capitalist profit is justified because

- (1) it is the reward for superintendence (or wages for management);
- (2) it is the reward for “abstinence” (Nassau Senior); the capitalist deservedly earned his profit because he abstained from consuming. He denied himself the enjoyments attending upon consumption by saving and investing his capital;
- (3) it is the reward or premium on risk—the capitalist risks his capital and deserves to be rewarded.

Marx’s rejection of these claims is a consequence of his rejection of the institution of private property. In rejecting some of them, he resorts to both serious argument and satire. In these contexts, we get a chance to read Marx not merely as philosopher, sociologist, economist, and historian but also as man of letters, a satirist, and ironist to boot.¹⁷

¹⁷. Edmund Wilson, *To the Finland Station*, with a new introduction (New York: Farrar, Straus, and Giroux, 1972), p. 340, writes: “. . . Another element of Marx’s genius is a peculiar psychological insight: no one has ever had so deadly a sense of the infinite capacity of human nature for remaining oblivious or in-

In rejecting the first claim, Marx points out that the capitalist demands his profit because he is a capitalist, an owner of capital, and not because he is a manager. To be sure, some capitalists act as managers, and this was generally the case in early capitalism, but their profits are not proportional to their managerial functions. Profit is the privilege that derives from ownership. In the cooperative enterprises owned collectively by workers, Marx notes, the rewards of the managers are not equal to the profits of the enterprise. Furthermore, capitalist enterprises tend to separate ownership and management: the capitalists hire professionals to act as managers. This renders the capitalist increasingly superfluous; the social task of managing the productive facilities of society can be undertaken without him. This separation provides an even stronger reason to dispense with capitalist ownership and to reject any justification of profit as a fair reward to the capitalist.

Marx rejects the second claim, the abstinence argument for the legitimacy of profit, by pointing out that modern capitalism makes it possible for the capitalist to enjoy consumption and to save.¹⁸ The two are not necessarily mutually exclusive. It is a crude apologetic to claim that the capitalist, in forbearing from consuming his income, makes painful sacrifices for which he must be rewarded. His income level enables him to save without making such sacrifices. Profit is his reward as a result of his ownership of means of production, and not as a result of his abnegation. Given the level of his income, the capitalist, in saving and investing, does not deny himself enjoyments or opportunities in life necessary to his well-being, but in appropriating surplus value he denies the worker comparable enjoyments and opportunities in life. Then Marx turns to satire. He wonders what is meant by “abstinence.” Does it mean that if the corn is not all eaten, but part of it is sown, that the capitalist has abstained? Or, if the wine is not

different to the pains we inflict on others when we have a chance to get something out of them for ourselves. In dealing with this theme, Karl Marx became one of the great masters of satire. Marx is certainly the greatest ironist since Swift, and he has a good deal in common with him.”

18. The “abstinence theory” of Nassau Senior is discussed in *Capital*, 1:591-598. Alfred Marshall used “waiting” instead of “abstinence” in *Principles of Economics*, 8th ed. (London: Macmillan, 1938, pp. 232 ff.).

all drunk, but some of it is left to mature, that the capitalist has abstained? How can the capitalists consume their capital? Can they eat the steam-engines, cotton, and railways? This, adds Marx, would be an enormous feat and the manner of realizing it is a secret that vulgar political economy has not divulged. If the world still "jogs on," it must be because of this "modern penitent of Vishnu, the capitalist" (*Capital*, 1:597). To be sure, the capitalist is under great pressure to accumulate. "Accumulate, accumulate! This is Moses and the prophets" (*Capital*, 1:595). And capitalism offers him numerous enticements to consume. In his breast there is a "Faustian conflict" between the passion to accumulate and the desire for enjoyment. Marx is so moved that he comes to the aid of the capitalist but, alas, with a socialist solution that the capitalist dreads the most.

The simple dictates of humanity therefore plainly enjoin the release of the capitalist from this martyrdom and temptation, in the same way that the Georgian slave-owner was lately delivered, by the abolition of slavery, from the painful dilemma, whether to squander the surplus product, lashed out of his niggers, entirely in champagne, or whether to reconvert a part of it into more niggers and more land. [*Capital*, 1:597-598]

Marx's rejection of the third claim, the risk argument, should not be paraphrased.

All economists, when they come to discuss the prevailing relation of capital and wage labor, of profit and wages, and when they demonstrate to the worker that he has no legitimate claim to share in the risks of gain, when they wish to pacify him generally about his subordinate role *vis-à-vis* the capitalist, lay stress on pointing out to him that, in contrast to the capitalist, he possesses a certain fixity of income more or less independent of the great adventures of capital. Just as Don Quixote consoles Sancho Panza with the thought that, although of course he takes all the beatings, at least he is not required to be brave. [*Grundrisse*, p. 891]

Marx rejects the claim that the worker is guaranteed income while the capitalist bravely takes risks. The worker has no security of em-

ployment, especially because of the capitalist tendency to generate an industrial reserve army.

There are two aspects of the transaction between capitalist and worker that exemplify the capitalist violation of the principle of compensation according to labor contribution. One aspect belongs to the sphere of circulation (the marketplace) where the purchase and sale of labor power is concluded in a labor contract. The other aspect belongs to the sphere of production, where labor power is used and made to contribute surplus labor. The non-equivalent transaction between capital and labor is not transparent. The sphere of circulation and its labor contract is the sphere of phenomenal appearances which shows the opposite of the actual relation. Marx, with partly suppressed irony, calls the marketplace “a very Eden of the innate rights of man, which satisfies the rights of freedom, equality, and property” (*Capital*, 1:176). He describes the phenomenal appearances of the market as follows: the capitalist as owner of a commodity (money or the commodities that money can buy) meets the worker as owner of another commodity called labor. Each of them is a free person. They enter into a contractual relationship which satisfies the right to freedom because the contracting parties are constrained only by their own free wills. Their contract satisfies the right of equality because each of them contracts with the other as a commodity owner. The capitalist offers to pay the worker a wage which is purportedly the monetary equivalent of the value of his labor. The worker accepts. Equivalents are exchanged for equivalents and this further ensures equality. Wages appear as the value or price of labor. A day’s wage appears as the monetary compensation for a full day’s work. Property rights are satisfied because each disposes only of what is his own, of his own commodity. The exchange between worker and capitalist resembles the buying and selling of all other commodities. This, indeed, seems to be the best of all possible deals. Marx’s theory turns on showing that the rights of the labor contract are “formal” and explains how the phenomenal appearances are the direct opposite of the actual relation. True, the worker, unlike the slave, is free in that he owns his person or his faculties but, Marx adds with sarcasm, he is also free in another sense: free from property (*Capital*, 1:714). Deprived of the

ownership of means of production and means of livelihood, he is forced (not free) to sell his labor power to the capitalist. That both capitalist and worker are owners of commodities does not place them on a footing of equality. The worker sells his capacities, and his human worth is reduced to the level of a thing, while the capitalist commands the labor power of the worker and uses it to augment his capital. Even though the exchange between capitalist and worker appears “in the same guise as the buying and selling of all other commodities,” it is not a typical exchange of commodities because labor power is a very “peculiar commodity” that yields values greater than its own (*Capital*, 1:540). And wages are not the compensation for the labor contributed but for labor power (that is, for the capacity to work). A day’s wage is the monetary compensation for a portion of the working day and not for the full working day. The freedom, equality, and equivalent exchange of the labor contract turn into unfreedom, inequality, and non-equivalent exchange for the worker because of the unequal economic power of the capitalist and the worker. The capitalist labor contract and the capitalist legal system mask the true nature of the wage relation because they treat labor—not labor power—as a commodity and consider the worker fully compensated for his labor or for the entirety of the working day. What lends credence to this mystification is the fact that the worker gives his day’s labor for wages. The impression that a day’s work is fully compensated is enhanced whenever the worker bargains over his hourly rate.

Wood, in examining what the presumed justice of capitalism consists in relies on the passage about innate rights and misses its ironic tone. He turns Marx’s statement on the formal equality of the exchange into a statement on what the justice of exchange is for Marx. Wood claims that “according to Marx, the worker is generally paid the full value of his labor power. . . . This is . . . a *just* transaction, an exchange of equivalent for equivalent” (“Marxian Critique of Justice,” p. 262).

The terms “justice” and “just exchange” nowhere appear in the passage to which Wood refers. But even if we grant Wood his paraphrase of the passage in question, its ironic tone should have alerted him to the “formal” character of this justice. Like formal equality and

freedom, this justice would produce and perpetuate its own opposite. Wood proceeds to show, with textual support, that the worker receives the value of his commodity or that equivalents are exchanged in the marketplace, and concludes that capitalism, according to Marx, is “entirely just,” or perfectly just.¹⁹ This perfection, Wood fails to note, is the perfection of a simplifying assumption which Marx introduces, and rigidly adheres to, in the major part of volume 1 of *Capital*, where he explains the origin of surplus value. Marx assumes that all commodities, including labor power, exchange at their value, and proceeds to show that surplus value does not arise in the sphere of circulation or in the marketplace (by buying cheap and selling dear) but in the sphere of production where labor power is forced to render surplus labor. The payment to the worker of the full value of his labor power does not guarantee justice because wages are part of the surplus value filched from the workers. Wood’s and Tucker’s claim to the contrary is conclusively refuted by Marx’s text. It bears repeating that since the worker is defrauded when he is exploited, exploitation cannot be just. Wood is mistaken in claiming that “capitalist exploitation is not a form of fraudulent exchange” (“Marxian Critique of Justice,” p. 278). Marx says that wages are part of the “tribute annually exacted from the working class by the capitalist class. Though the latter with a portion of the tribute (*Tributs*) purchases the additional labor power –even at its full price, so that equivalent is exchanged for equivalent,

19. Wood, pp. 277, 257. Wood also writes (p. 244): “When we look in the writings of Marx and Engels for a detailed account of the injustices of capitalism, however, we discover at once that not only is there no attempt at all in their writings to provide an argument that capitalism is unjust, but there is not even the explicit claim that capitalism is unjust or inequitable, or that it violates anyone’s rights.” Although I am limiting my discussion to Marx, Wood’s false assertion regarding Engels should not go uncontested. Engels in *Karl Marx*, SW, 2:166, says that the appropriation of surplus value is the appropriation of the unpaid labor of others. The exposure of this appropriation, Engels adds, “removed the last justification for all the hypocritical phrases of the possessing classes to the effect that in the present social order right and justice, equality of rights and duties and a general harmony of interests prevail, and present-day bourgeois society, no less than its predecessors was exposed as a grandiose institution for the exploitation of the huge majority of the people by a small, ever-diminishing minority.” For Engels, too, justice and exploitation are mutually exclusive.

yet the transaction is for all that only the old dodge of every conqueror who buys commodities from the conquered with the money he has robbed them of.”²⁰

In fact, Marx tells us that the equality, freedom, and property rights of the marketplace provide the standard by which vulgar political economy evaluates capitalist society. According to Marx, vulgar political economy, in contradistinction to the scientific political economy of, say, Ricardo, deals with phenomenal appearances and ends up with little more than theoretical superficiality and ideological apologies for the capitalist system.²¹ Marx always treated this vulgar political economy dismissively. Thus it is ironic that Wood, a sympathetic interpreter of Marx, should have turned the equivalent exchange of the marketplace into a Marxian standard for evaluating capitalism when Marx considers it the standard with which vulgar political economy evaluates capitalism. “. . . This sphere of simple circulation or of exchange of commodities [i.e., the market and its equivalent exchange etc.], . . . furnished the ‘Free-trader Vulgaris’ with his views and ideas, and with the standard by which he judges a society based on capital and wages” (*Capital*, 1:176).

So far Marx has assumed that the worker receives the full value of his labor power and shown that, under this condition, the transaction between capital and labor is unjust because it is a transaction of non-equivalents in which the worker is defrauded. Now Marx

20. *Capital*, 1:582. Regarding Marx’s simplifying assumption, see, for example, *Capital*, 1:599: “In the chapters on the production of surplus value it was constantly presupposed that wages are at least equal to the value of labor power. Forceful reduction of wages below this value plays, however, in practice too important a part, for us not to pause upon it. . . .” Marx repeatedly reminds his readers of this assumption—see, for example, *Capital*, 1:166, n.1; 314, and 519. He says that he is studying the “ideal average” (*idealer Durchschnitt*) and the “general type” (*allgemeinen Typus*) of capitalist relations in *Capital*, 3:142–143, 173–175. On Marx’s methodology, see Paul Sweezy, *The Theory of Capitalist Development* (New York: Monthly Review Press, 1964), chap. 1; Louis Althusser, “Sur la ‘moyenne ideale’ et les formes de transition” in his book (with E. Balibar), *Lire le Capital*, vol. 2 (Paris: Maspero, 1968), pp. 72 ff.

21. See, for example, *Capital*, 1:307: “Vulgar economy . . . here as everywhere sticks to appearances in opposition to the law which regulates and explains them.” *Capital*, 3:844: “The well-meaning desire to discover in the bourgeois world the best of all possible worlds replaces in vulgar economy all need for love of truth and inclination for scientific investigation.”

relaxes this assumption and tells us that wages generally tend to sink below the value of labor power, involving even more disparity between labor contribution and reward and furthering injustice. Some, but not all, of the main reasons for the deviation between wages and the value of labor power are as follows.

(1) Workers displaced by machinery form the bulk of what Marx calls the "industrial reserve army." This army of unemployed human beings increases the supply of labor power relative to the demand for it, thereby depressing wages below the value of labor power. "That portion of the working class, thus by machinery rendered superfluous . . . swamps the labor market and *sinks the price of labor power below its value*" (*Capital*, 1:431, emphasis added). The formation of the industrial reserve army is a necessary defense mechanism for the capitalist system, and not an accidental aberration.

(2) The value of labor power is determined by two criteria; first, physical subsistence requirements and, second, a sociohistorical element pertaining to the desired standard of living in a certain society at a certain time. The first criterion defines the minimum wage because, in general, it is not in the interest of the capitalist to pay the workers less than their physical subsistence requires. He wants to extract the maximum amount of labor from them and to do so, he must make sure they are capable of working. But the second criterion, says Marx, may be "expanded, or contracted, or altogether extinguished so that nothing remains but the physical limit" (*Wages, Price and Profit*, SW, 1:422).

Left to its own inner dynamic, the capitalist system with its drive for profits tends to disregard the sociohistorical element that enters into the determination of the value of labor power, or to make wages less than the value of labor power. Hence, capitalism is bent on injustice.

(3) If labor power is a commodity and its purchaser has the right to use it, there must be a limit to the duration or intensity of its use if the worker is to receive its full value. For a given wage, the capitalist tends to maximize his profit by lengthening the working day or by intensifying labor (for example, by speeding up the production line) to the utmost working capacity of the worker, which means that he pays the worker for one day's labor power and extracts from him more

than one day's expenditure of labor power. In one of the scenarios of *Capital*, the proletarian tells the capitalist that this violates the labor contract and the law of exchanges:

By an unlimited extension of the working day, you may use up a quantity of labor power greater than I can restore in three. . . . You pay me for one day's labor power, whilst you use that of 3 days. That is against our contract and the law of exchanges. I demand, therefore, a working-day of normal length . . . because I, like every other seller, demand the value of my commodity. [*Capital*, 1:234]

In unmistakably prescriptive language, Marx says that the workers have a "duty to themselves" to set limits on the "tyrannical usurpations of capital" by struggling for a rise in wages, "a rise not only in proportion to the surplus time exacted, but in a greater proportion" (*Wages, Price and Profit*, SW, 1:439). Their duty is not only to secure the value of their labor power but also to make inroads into the surplus value of the capitalist.

(4) Capitalist production moves through periodic cycles. The capitalists, whenever they can, try to pay the workers less than the value of their labor power. When the business cycle is on the down-swing and wages tend to decline, the capitalists try to reduce wages disproportionately; and when the cycle is on the upswing and wages tend to rise, the capitalists resist raising wages proportionately. "If, during the phases of prosperity, when extra profits are made, he [the worker] did not battle for a rise of wages, he would, taking the average of one industrial cycle, not even receive his average wages, or the value of his labor [power]" (*Wages, Price and Profit*, SW, 1:440).

(5) When the value of money depreciates, the worker's standard of living deteriorates if he does not secure a proportionate rise in wages. But the capitalists under such circumstances resist such a rise; they try to make wages less than the value of labor power. "All past history proves that whenever such a depreciation of money occurs the capitalists are on the alert to seize this opportunity for defrauding the workman" (*Wages, Price and Profit*, SW, 1:437).

On Marx's showing, the worker is invariably defrauded whether or not he receives the full value of his labor power because he is exploited in either case.

CAPITALISM AND DISTRIBUTION ACCORDING TO NEEDS

I argued earlier that Marx can validly employ the principle of just distribution according to needs to evaluate capitalism. On his showing, capitalism is unjust because it systematically violates this principle. Marx does not consider capitalism unjust because the technical base of its productive system does not generate the material abundance necessary for satisfaction of needs. Rather, he considers capitalism unjust because it does not satisfy human needs within its own productive possibilities and thus violates the principle of distribution according to need. He objects, not to the technical base, not to the productive forces, but to the social mode of their employment; that is, the social relations of production and particularly in the mode of appropriating and distributing the annual product.

In order for a society to satisfy its needs, it must allocate the available labor time at the prevailing level of productivity to the production of the requisite goods and services. But capitalism has “no conscious regulation of production” (SW, 2:462). Capitalism is characterized by a contradiction between the rational planning of production in individual production units and the anarchy of social production. It is not a planned system that reconciles supply and demand (including needs) *ex ante* but, at best, *ex post* and quite imperfectly. Where supply exceeds demand, human labor and material wealth are wasted; when demand exceeds supply human needs are left unsatisfied. More generally, during economic crises which result largely from unplanned social production, capitalism is wasteful of human resources and productive capacity. Such wastefulness militates against the satisfaction of needs. The lack of conscious planning is not only a condition of injustice but also of unfreedom since to be free, men must rationally and collectively control the conditions of the common life, including the conditions of material production.

Capitalism is directly oriented, not to the satisfaction of human needs, but to the generation of surplus value. It is profit, not need satisfaction, that determines what goods are to be produced and in what quantities, and what services are to be provided and in what manner.

Capitalism is ridden with contradictions but “the fundamental contradiction” is between the unrestricted development of wealth in the form of commodities and the restricted consuming power of society. The “consuming power of society” is based “on antagonistic conditions of distribution” which restrict the consumption of the great mass of the population (*Theories of Surplus Value*, 3:56). Money, says the young Marx, is the intermediary between “man’s needs and the object, between his life and his means of life” (*EPM*, 165-166). Should one lack money, one’s needs are reduced to chimeras. Inadequate income frustrates one’s needs by frustrating the possibility of their gratification.

The foregoing makes clear that *capitalist exploitation* and its attendant income distribution violate not only the socialist principle of justice but also the communist principle by denying the workers an adequate income for the satisfaction of their needs. The claim of Tucker and Wood that, for Marx, exploitation and injustice are disjunctive is not tenable. Exploitation is incompatible with justice. Communist justice is conducive to self-realization; capitalist injustice makes it impossible.

REDISTRIBUTIVE MEASURES

Marx held that the income of the working class increases—and the degree of its exploitation decreases—only within limits that are ultimately determined by the need to maintain the capitalist system and, in particular, the accumulation of capital. “It cannot be otherwise in a mode of production in which the laborer 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 laborer” (*Capital*, 1:621).

But despite the systemic limitations on the increase of the workers’ income, Marx advocated measures for the redistribution of income under capitalism. He rejected the all-or-none principle as a strategy informing the political action of the working class. Such a principle, which he associated with the anarchists, amounted to “indifference to politics” or to “abstention from politics.”²² Its practical

22. Marx, “Der politische Indifferentismus” in Marx and Engels, *Werke*, vol. 18 (Berlin: Dietz Verlag, 1962), pp. 299-304. See also Marx and Engels “Ficti-

implication is to maintain the exploitation of the working class, undiminished, until the revolution. Marx, in contrast, advocated struggles for reforms which would culminate in revolution. Aware of its situation in life, of the nature of the system under which it lives, and of its historical role, and armed with its independent trade unions and a party organization, the working class can struggle for reforms without becoming reformist; that is, without losing sight of its ultimate objective in the “abolition of the wages system.” The *Communist Manifesto*, written nearly 100 years before the birth of the welfare state, prescribes a ten-point transitional program, including redistributive measures such as a heavy progressive or graduated tax, the abolition of all right of inheritance, and universal education (SW, 1:53-54). In *Wages, Price and Profit*, Marx strongly advocates collective bargaining to ensure that the workers will receive, at least, the value of their labor power (SW, 1:440 ff.). In the *Address of the Central Committee to the Communist League*, he calls for the continual enlargement of the public sector at the expense of the private sector; for a change in the distribution of wealth so that “the utmost productive forces, means of transport, factories, railways, etc.,” will be concentrated in “the hands of the state” (SW, 1:116).

Almost all of the measures Marx recommended to redistribute wealth and income are aimed at the foundation of capitalism, at reducing the exploitation of the working class or the extraction of surplus value by the capitalist class. Allen Wood interprets Marx as holding that “any ‘reforms’ of capitalist production which proposed to take surplus value away from capital and put an end to the exploitation of the worker would themselves be injustices of a most straightforward and unambiguous kind. They would violate in the most obvious way the fundamental property rights derived from the capitalist mode of production and constitute the imposition on it of a system of distribution essentially incompatible with it” (“Marxian Critique of Justice,” pp. 268-269).

Marx never paid a farthing for these rights. It is in virtue of capitalist property rights that the workers are exploited or treated unjust-

tious splits in the International,” in *The General Council of the First International: Minutes (1871-1872)* (Moscow: Progress Publishers, n.d.), pp. 356 ff., esp. p. 388.

ly. Marx was not a spokesman for capitalist property, but for the working class. Here are some measures he recommended, for instance, to the German workers who could not begin by proposing "directly communistic measures" since Germany was still undergoing a bourgeois-democratic revolution.

They [the workers] must drive the proposals of the democrats, who in any case will not act in a revolutionary but in a merely reformist manner, to the extreme and transform them into direct attacks upon private property; thus, for example, if the petty bourgeois propose purchase of the railways and factories, the workers must demand that these railways and factories be confiscated by the state without compensation as being the property of reactionaries. If the democrats propose proportional taxes, the workers must demand progressive taxes; if the democrats themselves put forward a moderately progressive tax, the workers must insist on a tax with rates that rise so steeply that big capital will be ruined by it. . . .
[Address . . . to the Communist League, SW, 1:116]

These measures were to be imposed politically on the capitalist economic system and illustrate how politics reacts upon the substructure; that is, they are an instance of *Wechselwirkung*. Marx was not a voluntarist; he insisted that an ensemble of objective and subjective conditions is necessary to bring about the demise of capitalism. "Bold leaps" and "legal enactments" (such as the redistributive measures), in themselves, will not overthrow capitalism, but they "can shorten and lessen the birth pangs" (*Capital*, 1:10). Tucker's assertion that, for Marx, the concern with distributive questions was dangerous because "it ultimately pointed the way to abandonment of the revolutionary goal" is as profoundly mistaken as Wood's contention that, for Marx, distributive justice cannot be a revolutionary concept (Tucker, p. 51, Wood, p. 271). The critique of the distribution of income, for Marx, is a critique of the distribution of productive wealth since the two distributions mutually determine one another, and no concern or concept could be more revolutionary than the concern with criticizing and undermining the property relations of a mode of production. Marx always reminded the workers to be concerned not only with real wages (real purchasing power) as opposed to nominal wages but

also with "real, relative wages"; that is with their income relative to the income of the propertied classes. To increase their relative share in the net annual income of society is simply to appropriate what is their own since "wages and profit" are "shares in the product of the worker" (*Wage, Labor and Capital*, SW, 1:95-98).

THE MORAL EVALUATION OF CAPITALISM

In *Marginal Notes on Wagner's Textbook on Political Economy*, one of his last works, Marx replied to a comment that he, like other socialists, showed the appropriation of surplus value to be a robbery of the workers.²³ He points out that in addition to doing so, he *explained* this appropriation on the basis of capitalist property relations and the juridical relations expressive of them. Marx is saying that he did not merely *evaluate* capitalism. He also *explained* capitalist practices on the basis of capitalist institutions. This, indeed, summarizes the two-tiered nature of his theoretical project. He thought that, although other socialists evaluated capitalism similarly or dissimilarly, they failed where he succeeded: in giving a scientifically founded theory of capitalism, its functioning, and its development. Such a theory, he held, like other scientific theories is a search for the truth. But Marx again distinguishes himself from other scientific economists not only by his own theoretical contributions to such areas as the theory of capital but also by his doctrine of the unity of theory and praxis. Whereas the young Marx, before formulating historical materialism and developing his own political economy, spoke of philosophy as the intellectual weapon of the proletariat, the mature Marx considered social science in alliance with philosophy as such a weapon. They were to inform the revolutionary politics of the working class.

The two-tiered nature of Marx's project is little understood. Wood and Tucker, in dealing with the theme of capitalist justice, focus on the explanatory aspect of his undertaking and mistake it for the evaluative aspect. When Marx explains how it is that surplus value is appropriated in accordance with capitalist juridical relations, they

23. Marx, "Randglossen zu Adolph Wagners 'Lehrbuch der Politischen Ökonomie,'" in *Werke*, vol. 19 (Berlin: Dietz Verlag, 1962), pp. 355-383, esp. 359 ff.

take him to be giving his own evaluation of this appropriation. That is why they insist, quite mistakenly, that capitalism for Marx was not fraudulent. Marx grants, for the purpose of simplification, that this appropriation is not a violation of the economic law of exchange or of the juridical relations of capitalism and proceeds to show that it results in a non-equivalent transaction. Measured by his socialist principle of justice, this transaction is unjust. Partly in the light of this principle Marx deplores capitalism because it defrauds the workers. To be sure, Marx could not have passed such a judgment by evaluating capitalism from its own juridical standpoint since, on his own simplifying supposition, capitalist practice does not violate capitalist economic laws or juridical norms. The judgment is made from the Marxian ethical standpoint which, Marx held, was a proletarian standpoint. It bears repeating that the explanation of the functioning of capitalism is made on the basis of capitalist institutions, as it must be, but the evaluation is made on the basis of Marx's ethics. Wood's crucial claim that, for Marx, "justice is the rational measure of social acts and institutions from the juridical point of view" and that this point of view is "the point of view of one of the dependent moments of a mode of production, the sphere of political authority of *Staats-recht*" is a basic fault of his interpretation (Wood, pp. 246, 273, 254). It leads Wood into ascribing to Marx the standpoint of the ruling class and its spokesmen because Wood fails to realize that elements of the superstructure, such as juridical norms, have two levels of determination and that the legal system of a mode of production, according to Marx, expresses the interests of the ruling class.

To begin with, Marx would tell Wood that the so-called juridical point of view is a pernicious abstraction: whose juridical point of view? Surely, the spokesmen of the capitalist class would want to evaluate capitalist practices from the standpoint of capitalist juridical relations because these relations are expressive of a system of private property which is in the interest of the capitalist class. And when they do, as in the labor contract, they regard wages as the price of labor (not of labor power—that is a Marxian distinction not found in capitalist laws); that is, they consider the worker compensated for the whole working day. Marx says that capitalist juridical relations mask the exploitation of the workers. Hence he did not base his evaluation

of capitalism on these juridical relations in any fundamental sense. Were Marx to base his evaluation of capitalism on these relations *per se*, he would have viewed capitalism from the standpoint of the ruling class and said that capitalism is just, or he would, at most, have given an internal critique of capitalism by showing that its practice is at variance with its laws. Marx makes this last charge, but his critique of capitalism is far more fundamental than that: it rejects capitalist property together with its legal expression. And, indeed, it is no accident that Wood, in claiming that Marx considered capitalism just, had to foist on Marx the evaluative standard of just exchange which, according to Marx, is the standard used by the vulgar economists in evaluating capitalism, the standard of the apologetic defenders of capitalism. This standard of just exchange is not a legal standard and Wood's repeated assertion that, for Marx, justice "is a juridical or legal concept" is without foundation (Wood, p. 246). The vulgar standard of just exchange, contrary to Wood's implied claim, is an *economic* law, not a *legal* standard. It is the economic law of exchange which states that commodities, under idealized conditions, exchange at their full value and, as a corollary, that labor power is exchanged at its full value. But there is no capitalist legal standard which requires, for example, that the owner of a table should in exchanging it receive its full value. Nor do capitalist legal standards, or the labor contract, require that the worker receive the full value of his labor power. If the worker contracted for starvation wages, and received them, then from the standpoint of capitalist juridical relations justice was done even if these wages were significantly below the value of the worker's labor power. The capitalist legal system can hardly be considered the point of view from which Marx evaluates capitalism. The ruling class establishes the sphere of *Staatsrecht* to express and protect its interests and, says Marx, in so doing misleads itself by reducing justice "to the actual laws" (*German Ideology*, p. 78). Marx's evaluation of capitalist distributive arrangements is overwhelmingly *moral*, not legal. He regarded capitalism as unjust primarily because, as an exploitative system, it does not proportion reward to labor contribution, and because it is not oriented to satisfy human needs, least of all the needs of the producers, within its own productive possibilities. Capitalist distributive arrangements issue in

a morally objectionable comparative treatment of individuals belonging to the different social classes, or in an objectionable allotment of benefits and burdens. The non-owning class, the most numerous class, bears most of the burdens of society and enjoys few of its advantages. The owning class, the least numerous class, bears few of the social burdens and enjoys most of the social advantages. The owning class takes advantage of, or uses, the non-owning class. The injustice of capitalist property and income distribution is associated with inequality: the inequality of class power and of life opportunities. Capitalist injustice is also associated with unfreedom: the worker is forced to sell his labor power and to contribute surplus labor; and members of society do not collectively and rationally control the affairs of the common life and especially the system of production.

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