

Chapter 8

Economics

Although Marx described the materialist conception of history as the leading thread of his studies, he was in no doubt that his masterpiece was *Capital*. In this book he presented his economic theories to the public in their most finished form. 'Most finished', not 'finished'; Marx saw only the first volume of *Capital* through to publication. The second and third volumes were published by Engels, and a fourth volume, entitled *Theories of Surplus Value*, by the German socialist Kautsky.

As with the materialist conception of history, so with the economics: the mature form is easier to appreciate in the light of earlier writings. So let us return to Marx's ideas in 1844, the point at which we ceased to follow their general development and went off in pursuit of the materialist conception of history.

By 1844 Marx had come to hold that the capitalist economic system, regarded by the classical economists as natural and inevitable, was an alienated form of human life. Under capitalism workers are forced to sell their labour – which Marx regards as the essence of human existence – to the capitalists, who use this labour to accumulate more capital, which further increases the power of the capitalists over the workers. Capitalists become rich, while wages are driven down to the bare minimum needed to keep the workers alive. Yet in reducing so

large a class of people to this degraded condition, capitalism creates the material force that will overthrow it. For Marx, the importance of economics lay in the insight it provided into the workings of this alienation and the manner in which it could be overcome.

In the years immediately after 1844 Marx's major literary efforts went into polemical works: *The Holy Family*, *The German Ideology*, and *The Poverty of Philosophy*. In the course of castigating his opponents Marx developed the materialist conception of history, but did not greatly advance his economic theories. His first attempt to work out these theories in any detail came in 1847, when he gave a series of lectures on economics to the Workingmen's Club in Brussels. The lectures were revised and published as newspaper articles in 1849, and later reprinted under the title *Wage Labour and Capital*.

Marx

Wage Labour and Capital is a lucidly written work, containing many echoes of the 1844 manuscripts, but without their Hegelian terminology. It is worth examining in some detail, because its clarity makes the more difficult *Capital* easier to grasp.

Marx starts with labour. Labour is described as 'the worker's own life-activity, the manifestation of his own life'. Yet it becomes, under capitalism, a commodity the worker must sell in order to live. Therefore his life-activity is reduced to a means to go on living, not part of his life, but 'a sacrifice of his life'. His real life only begins when his work ceases, 'at table, in the public house, in bed' (WLC 250).

Marx then asks how wages are determined and answers that the price of labour is determined like the price of any other commodity. It may rise or fall according to supply and demand, but the general tendency is for wages to level down to the cost of production of labour, that is, the cost necessary for keeping the worker alive and capable of working and reproducing.

Next Marx turns to capital. He states the view of classical economics, that capital consists of the raw materials, instruments of production, and means of subsistence which are used in further production. Since all these elements of capital are the creation of labour, even the classical economists hold that capital is accumulated labour.

What the classical economists overlook, however, is that all this is true only within a certain set of social relations. Just as a Negro is not, as such, a slave, but can become a slave in a slave-owning society, so accumulated labour becomes capital only in bourgeois society.

The classical economists see capital as natural, rather than socially conditioned, because they see it as material products – machines, raw materials, etc. These material products, however, are also commodities. Commodities are items which can be exchanged against other items – for instance, a pound of sugar may be exchangeable for two pounds of potatoes, or half a pound of strawberries. They therefore have exchange-value. ‘Exchange-value’ is a key term in Marxist economics. It is contrasted with ‘use-value’. The use-value of a pound of sugar is its power to satisfy people’s desires for something sweet. The exchange-value of a pound of sugar is two pounds of potatoes or, expressed in terms of money, say, 20p. Use-values therefore exist independently of a market or any other system of exchange: exchange-values do not.

Now capital is really a sum of commodities, that is, of exchange-values. Whether it consists of wool, cotton, machines, buildings, or ships, it remains capital.

While all capital is a sum of exchange-values, however, not all sums of exchange-values are capital. A sum of exchange-values becomes capital only if used to increase itself by being exchanged for labour. Thus capital cannot exist without hiring wage labour. Nor can wage labour exist unless hired by capital. This is the basis of the claim made

by bourgeois economists that the interests of the capitalists and the workers are one and the same.

Marx now examines this 'much-vaunted community of interests between worker and capitalist'. He takes the case most favourable for the bourgeois economists, the situation in which capital is growing, and hence the demand for labour, and the price of labour, is rising.

Marx's first point is one still made by critics of the modern consumer society:

A house may be large or small; as long as the surrounding houses are equally small it satisfies all social demands for a dwelling. But let a palace arise beside the little house, and it shrinks from a little house to a hut . . . however high it may shoot up in the course of civilization, if the neighbouring palace grows to an equal or even greater extent, the occupant of the relatively small house will feel more and more uncomfortable, dissatisfied and cramped within its four walls.

(WLC 259)

The reason for poverty and affluence being relative to the standard of our neighbours is, Marx says, that our desires are of a social nature. They are produced by our life in society, rather than by the objects we desire themselves. Thus rising wages do not produce greater satisfaction if the standard of living of the capitalist has risen even more. Yet this is exactly what happens when the growth of capital produces a rise in wages. Growth in capital means a growth in profit, but Marx, following the classical economist Ricardo, claims this can only happen if the relative share of wages is reduced. Wages may rise in real terms, but the gulf between workers and capitalists will increase.

There is also a more fundamental opposition between capitalists and workers. If capital grows, the domination of capital over workers

increases. Wage labour 'produces the wealth that rules over it', and gets from this hostile power its means of subsistence, only on condition that it again assists the growth of capital.

Capital increases its domination by increasing the division of labour. This occurs because competition between capitalists forces them to make labour ever more productive, and the greater the scale on which they can produce, and the greater the division of labour, the more productive labour is. The increasing division of labour has several effects.

First, it enables one worker to do the work of ten, and so increases the competition among workers for jobs, thus driving wages down.

Second, it simplifies labour, eliminates the special skills of the worker and transforms him into 'a simple, monotonous productive force'.

Third, it puts more small-scale capitalists out of business. They can do nothing but join the working class. 'Thus', says Marx, 'the forest of uplifted arms demanding work becomes ever thicker, while the arms themselves become ever thinner.'

Finally, Marx says, as the scale of production increases and new markets are needed to dispose of the production, economic crises become more violent. Initially a crisis of overproduction can be relieved by opening up a new market or more thoroughly exploiting an old one. This room for manoeuvre shrinks as production expands, and *Wage Labour and Capital* closes with an image of capitalism collapsing into its grave, but taking with it the corpses of its slaves, the workers, who perish in economic crises.

And all this, Marx ironically reminds us, when capital is growing – the most favourable condition for wage labour!

Wage Labour and Capital contains no answer to a crucial puzzle common to classical economists like David Ricardo and Marx in his own early theory. Both held that commodities are, on average, exchanged for their value. They also held a 'labour theory of value', namely the theory that the exchange-value of a commodity corresponds to the amount of labour it takes to produce it. (Value is, Marx was later to write, 'crystallized social labour' (WPP 379).) But labour is a commodity too. Like other commodities, it should, on average, be exchanged for its value. The capitalist who buys a day's labour should therefore, on average, have to pay the value of a day's labour. This will add the value of a day's labour to the production cost of the commodity the worker produces in that day. This commodity the capitalist will then sell for a price that, on average, corresponds to the value of the labour required to produce it. Where then does the capitalist get his profit from?

Marx

Marx first worked out his solution to this puzzle in unpublished notebooks written in 1857–8. These notebooks contain, in draft form, a good deal of material that was to appear in *Capital*, but the four fat volumes of *Capital* appear to be only a portion of the works projected in the notebooks. The notebooks were published only in 1953 and not translated into English until 1972. They are known as the *Grundrisse*, a German word meaning 'outlines' or 'foundations', since they were first published, in German, under the title *Foundations of the Critique of Political Economy (Rough Draft)*.

The most intriguing point about the *Grundrisse* is that although it was written well into Marx's maturity, it is closer, in both terminology and method of argument, to the 1844 *Manuscripts* than to any of the works published in Marx's lifetime after 1844. Even if it were not possible to trace transformed Hegelian themes in Marx's mature published works, the *Grundrisse* makes it plain that Marx did not make the decisive break with Hegelian philosophy that his reference to *The German Ideology* as



10. David Ricardo (1772–1823), the English political economist whose labour theory of value greatly influenced Marx

‘settling accounts with our former philosophic conscience’ has been taken to imply.

The key element of Marx’s mature economic theory appears in the *Grundrisse*. The worker, Marx writes,

sells labour itself as *objectified labour*; i.e. he sells labour only in so far as it already objectifies a definite amount of labour, hence in so far as its equivalent is already measured, given; capital buys it as living labour as the general productive force of wealth; activity which increases wealth.

(G 307)

Marx

What does Marx mean by this distinction between objectified labour and living labour? Objectified labour is the predetermined amount for which the capitalist pays – for instance, the worker’s labour for twelve hours. This is labour as a commodity. The exchange-value of this commodity is the amount needed to produce it, that is, the amount needed to keep the worker alive and reproductive. But there is a dual nature to the exchange of labour and capital. The capitalist obtains the use of the worker’s labour-power for the prescribed period – say, one day – and can use this labour-power to produce as much wealth as he is able to get out of it. This is what Marx means when he says that capital buys ‘living labour’. The worker gets a fixed sum, regardless of what the capitalist can make out of his labour-power.

Here we have what Engels in his funeral oration described as the second of Marx’s great discoveries: ‘the discovery of surplus value’. Surplus value is the value the capitalist is able to extract from the labour-power he buys, above the exchange-value of the labour that he must pay. It is the difference between labour-power as a creative, productive force, and labour-time as an objectified commodity.

Suppose that the cost of keeping a worker alive and reproducing for one day is £1, and suppose that a day’s work consists of twelve hours.

Then the exchange-value of twelve hours' labour will be £1. Fluctuations above this figure will be short-lived. Suppose, however, that the development of the forces of production means that a worker's labour-power can be used to add £1 to the value of some raw materials in only six hours. Then the worker effectively earns his wages in six hours. But the capitalist has bought twelve hours of labour-power for his £1, and can now use the remaining six hours to extract surplus value from the worker. This is, Marx claims, the secret of how capital is able to use the worker's creative power to increase its domination over the worker.

Marx published some of his new economic ideas in 1859, in *A Contribution to the Critique of Political Economy*. This work is justifiably famous for the succinct summary of the materialist view of history contained in its Preface, which we have already discussed; but the economic ideas were insignificant compared with those published eight years later in the first volume of *Capital*. So we shall go straight on to this pinnacle of Marx's writings.

Capital has a familiar-sounding subtitle – *Critique of Political Economy* – and once again the work criticizes classical economic theories, both within their own presuppositions and from a broader point of view. But *Capital* also contains historical material on the origin of capital, and detailed descriptions, drawn from government publications like the reports of factory inspectors, of the horrific nature of factory labour. We can see how all this fits in with Marx's general theoretical system by examining the first chapter of *Capital*, on commodities, and particularly the final section of this chapter, intriguingly entitled 'The Fetishism of Commodities and the Secret thereof'.

According to Marx, commodities are mysterious things in which the social character of human labour appears to be an objective feature of the product of that labour. He illustrates this with religion. In religion, Marx says, the productions of the human brain seem to be

independent beings. Similarly, with commodities, a social relation between human beings appears in the form of the value of a commodity, as if that value were objective and independent of human relations. Like religious believers bowing before an idol, we make a fetish of commodities by treating them as more than they really are.

How does this happen? It happens only when we begin to produce things not because they directly serve our wants, but in order to exchange them. Since the exchange-value of a product corresponds to the amount of labour required to produce it, when we produce in order to exchange, the value of our labour becomes its exchange-value, rather than its use-value. When we exchange our products we are, without being aware of it, taking as equal the different kinds of labour embedded in them.

Marx

In a society based on the production of commodities there is, Marx says, a 'mystical veil' over these 'life-processes of society' which would not exist if we produced 'as freely associated men', consciously regulating our production in a planned way. Then the value of a product would be its use-value, the extent to which it satisfies our desires. Classical economists like Adam Smith and David Ricardo lifted the veil far enough to see that the value of a product (i.e. its exchange-value) represents the labour-time it took to produce it; but they took this as a law of nature, a self-evident necessary truth. On the contrary, says Marx, it bears the stamp of a society 'in which the process of production has the mastery over man, instead of being controlled by him'.

The aim of *Capital*, then, is to rip aside this mystical veil over the life-processes of modern society, revealing these processes as the domination of human beings by their own social relations. Thus *Capital*, like Marx's other writings, is based on the idea that human beings are in a state of alienation, a state in which their own creations appear to them as alien, hostile forces and in which instead of controlling their creations, they are controlled by them.



11. The round reading room of the old British Library, opened in 1842, where Marx worked on *Das Kapital*

Within this overall conception, the detail of *Capital* falls into place. The economic theory, contained mostly in the first nine chapters, is an attempt to display the real economic basis of production in a capitalist society. Here Marx debates with the classical economists, trying to show that, even on their own terms, he has a better account of the economic workings of capitalism.

Most of these first nine chapters prepare the ground for, and then introduce, the notion of surplus value. This involves a lengthy re-statement, in plain language, of the point made in more Hegelian terms in the *Grundrisse*. The dual nature of commodities, which can be seen as use-values or exchange-values, affects labour too. What is special about labour, though, is that it is the measure of exchange-value. Thus a new machine which makes it possible to produce two coats in the time it used to take to produce one will increase the use-value of an hour's labour (because two coats are more useful than one) but will not increase the exchange-value of the hour's labour (because an hour's labour remains an hour's labour, and if a coat only takes half as long to make as it used to, it will, in the end, be worth correspondingly less). Increasing the fruitfulness of labour therefore increases its use-value but not the exchange-value of its output.

This is how capitalism enslaves its workers. Through machinery and the division of labour, capitalism greatly increases the productivity of human labour; but this increased productivity does not benefit the producers. If in pre-capitalist times people had to work for twelve hours to produce the necessities of life, doubling the productivity of their labour ought to mean that they can now choose between an extra six hours of leisure, twice as many useful products, or some combination of the two. Under capitalism, however, labour is geared to the production of goods for exchange. Paradoxically, under these conditions increased productivity does not lead to the production of more exchange-value. Instead, the exchange-value per item of what is

produced drops. Small independent producers are forced to become wage-labourers, since they cannot produce as many items in a day as the larger producers who obtain economies of scale by the use of wage-labourers. Since wages tend to fall to the level at which they barely sustain the labouring class, the overwhelming majority of human beings have lost, not gained, by the increased productivity of human labour. That, at any rate, is Marx's view.

But what happens to the increased productivity, if it does not improve the lives of the workers? Marx's answer is that it is skimmed off from the worker's output in the form of surplus value. The capitalist obtains the use-value of the worker's labour-power, and pays only the exchange-value. Because labour-power is a commodity which can be used to produce more value than it has itself, the capitalist is able to retain the difference between the two.

The fact that the worker obtains only the exchange-value, rather than the use-value, of his labour, means that in order to earn enough to support himself he has to work a full day – say, twelve hours – whereas his labour produces the use-values of the necessary food, clothing, shelter, and so on in, say, six hours. The six hours in which the worker produces the value of the goods he needs Marx calls 'necessary labour' because it is labour that the worker would have to undertake in any economic system, given the level of development of forces of production; but the extra six hours are surplus-labour, which is in effect a form of forced labour for the benefit of the capitalist. The essential difference between a society based on slave-labour and one based on wage-labour lies, Marx says, only in the manner in which this surplus-labour is extracted from the real producer, the worker.

The significance of all this lies in the fact that Marx regards the period in which people must work to keep themselves alive as a period in which they are not free:

The realm of freedom actually begins only where labour which is determined by necessity and mundane considerations ceases.

(C III 496)

In primitive societies property was held in common. People were not alienated from each other, or from the products of their labour, but at the same time human productive forces were so poorly developed that people had to spend much of their time providing for their needs, and for all that time were not free to choose what to do. The growth of the forces of production led to a feudal form of society in which the serf was subordinate to the feudal lord, and had to work a specified number of days on the lord's land rather than on his own. It was then perfectly obvious when the serf was working to feed himself and when he was working for his lord. At neither time was he free to choose his own activity.

Marx

The vastly greater development of productive forces that takes place under capitalism provides the means, Marx believes, to reduce the domination of nature over us to insignificant proportions and increase human freedom proportionately; but this cannot take place under capitalism, because the forced labour of the serf for the feudal lord still exists as the forced labour of the worker for the capitalist. The difference is that under feudalism the nature and extent of the forced labour is apparent; under capitalism the nature and extent of the coercion is disguised. Workers appear to be 'free labourers', voluntarily making agreements with capitalists. In fact the position of workers as a class in relation to capitalists as a class means that they are not free. They must take the terms the capitalists offer them, or starve; and capitalists will only employ them under terms which allow surplus-value to be extracted from their labour. This is not because capitalists are cruel or greedy – though some may be – but because of the economic laws inherent in capitalist production which, through free competition, coerce individual capitalists as much as individual

workers. (Though equally coerced, capitalists suffer less from this coercion than workers.)

Marx sums all this up as the development of capitalism into:

a coercive relation, which compels the working class to do more work than the narrow round of its own life-wants prescribes. As a producer of the activity of others, as a pumper-out of surplus-labour and exploiter of labour-power, it surpasses in energy, disregard of bounds, recklessness and efficiency, all earlier systems of production based on directly compulsory labour.

(C I 310)

The most gripping chapters of *Capital* are not those in which Marx expounds his economic theories, but those which record the consequences of capitalist efficiency. The tenth chapter, on 'The Working Day', chronicles the capitalists' attempts to squeeze more and more labour-time out of the workers, oblivious of the human costs of working seven-year-old children for fifteen hours a day. The struggle for a legally limited working day is, Marx writes, more vital to the working classes than a pompous catalogue of 'the inalienable rights of man' (C I 302). Other chapters describe how the increasing division of labour eliminates intellectual and manual skill and reduces the labourer to a mere appendage to a machine; how industrialization has ruined cottage industries, forcing hand-workers to starve; how capitalism creates an 'industrial reserve army' of unemployed workers, subsisting in the direst poverty, to keep the 'active labour-army' in check; and how the agricultural population of England had their land taken from them by landlords and capitalists, so that they could survive only by selling their labour-power. The documented evidence presented justifies Marx's description of capital as 'dripping from head to foot, from every pore, with blood and dirt' (C I 760).

Economics

Near the end of the first volume of *Capital* the gloom lifts. Marx

sketches how the laws of capitalism will bring about the destruction of capitalism. On the one hand competition between capitalists will lead to an ever-diminishing number of monopoly capitalists: on the other hand the 'misery, oppression, slavery, degradation, exploitation' of the working class grows (C I 763). But the working class is, because of the nature of capitalist production, more numerous and better organized. Eventually the dam will burst. The ensuing revolution will be, says Marx, lapsing into the style of his earlier writings, 'the negation of the negation'. It will not mean a return to private property in the old sense, but to property based on the gains made under capitalism, that is, on co-operation and common possession of land and the means of production. Capitalism will make the transition relatively easy, since it has already expropriated all private property into its own hands. All that is now necessary is for the mass of the people to expropriate these few expropriators.

Marx

The second and third volumes of *Capital* are much less interesting than the first. The second volume is a technical discussion of how capital circulates. It also discusses the origin of economic crises. The third volume attempts to patch up some problems in the first volume, particularly the objection that prices do not reflect the amount of labour in a product, as one would expect them to do on Marx's account. More important is Marx's claim that under capitalism the rate of profit tends to fall. Marx argued that the surplus-value of the past accumulates in the form of capital. Hence capital is always increasing, and the ratio of 'living labour' to capital is always decreasing; but since capitalists only make profit by extracting surplus-value from living labour, this means that the rate of profit must fall in the long run. All this was part of Marx's attempt to show that capitalism cannot be a permanent state of society.

Marx, Engels, and later Marxists treat *Capital* as a contribution to the science of economics. Taken in this way it is open to several objections. For instance, Marx asserts that all profit arises from the extraction of



12. Cover of the first German edition of *Das Kapital*, vol. 1

surplus-value from living labour; machines, raw materials, and other forms of capital cannot generate profit, though they can increase the amount of surplus-value extracted. This seems obviously wrong. Future capitalists will not find their profits drying up as they dismiss the last workers from their newly automated factories. Many of Marx's other theories have been refuted by events: the theory that wages will always tend downwards to the subsistence level of the workers; the theory of the falling rate of profit; the theory that under capitalism economic crises will become more and more severe; the theory that capitalism requires an 'industrial reserve army' of paupers; and the theory that capitalism will force more and more people down into the working class.

Marx

Does this mean that the central theses of *Capital* are simply mistaken, and that the work is just another piece of crackpot economics – as we might have expected from a German philosopher meddling in a field in which he has not been trained? If this view seems at all plausible, Marx himself, with his emphasis on the scientific nature of his discovery, must bear the blame. It would be better to regard *Capital*, not as the work of 'a minor post-Ricardian' (as a leading contemporary economist has appraised Marx as an economist) but as the work of a critic of capitalist society. Marx wanted to expose the deficiencies of classical economics in order to expose the deficiencies of capitalism. He wanted to show why the enormous increase in productivity brought about by the industrial revolution had made the great majority of human beings worse off than before. He wanted to reveal how the old relationships of master and slave, lord and serf, survived under the cloak of freedom of contract. His answer to these questions was the doctrine of surplus-value. As an economic doctrine it does not stand up to scientific probing. Marx's economic theories are not a scientific account of the nature and extent of exploitation under capitalism. They nevertheless offer a vivid picture of an uncontrolled society in which the productive workers unconsciously create the instruments of their own oppression. It is a picture of human alienation, writ large as the dominance of past

labour, or capital, over living labour. The value of the picture lies in its capacity to lead us to see its subject in a radically new way. It is a work of art, of philosophical reflection and of social polemic, all in one, and it has the merits and the defects of all three of these forms of writing. It is a painting of capitalism, not a photograph.

Chapter 9

Communism

In his speech at Marx's funeral, Engels said that although the materialist conception of history and the doctrine of surplus value were Marx's crowning theoretical discoveries

Marx was before all else a revolutionist. His real mission in life was to contribute, in one way or another, to the overthrow of capitalist society and of the state institutions which it had brought into being, to contribute to the liberation of the modern proletariat . . .

To complete our account of Marx's main ideas, therefore, we need to ask: what kind of society did Marx hope would take the place of capitalism? This question is easily answered in a single word: communism. It is difficult to answer it more adequately, that is, to say what Marx meant by communism.

There is a reason for Marx's reticence over the details of communist society. He believed that history owed its momentum to the development of the forces of production rather than the development of ideas. This did not mean that theory was unimportant. If Marx's mission in life was to contribute to the overthrow of capitalism and the liberation of the proletariat, his theories of history and of economics were intended to do this by showing the workers their role in history and making them conscious of the manner in which

capitalism exploited them. While theory could describe existing reality in this way, however, for theory to reach ahead of its time was another matter altogether. Marx derided as 'Utopian' those socialists who sought to bring about communism by producing blueprints of a future communist society. His own form of socialism was, he claimed, scientific because it built on knowledge of the laws of history that would bring socialism into existence.

Along with Utopian views of socialism, and for the same reason, Marx condemned conspiratorial revolutionaries who wished to capture power and introduce socialism before the economic base of society had developed to the point at which the working class as a whole is ready to participate in the revolution. Utopian dreamers and revolutionary conspirators fancy that the laws of history will bend to their desires. Marx prided himself on his freedom from this illusion. He saw his role as raising the revolutionary consciousness of the workers and preparing for the revolution that would occur when conditions were ripe. He thought he could describe the underlying laws governing the past and his own time, but he knew he could not impose his own will on the course of history. Nor could he predict the form to be taken by the new society to be built by the free human beings of the new era.

That, at least, was Marx's official position. In practice he could not refrain entirely from hinting at the form communist society would take.

We have seen that in his first discussion, in the *Economic and Philosophic Manuscripts of 1844*, Marx described communism as 'the riddle of history solved' and as the resolution of various conflicts that have existed throughout all previous history: the conflicts between man and nature, between man and man, between freedom and necessity, and between individual and species. This conception of communism is thoroughly Utopian – though not in Marx's sense of the

word. It sees communism as the goal of history and the answer to all problems, as a virtual paradise on earth.

A similarly Utopian conception of communism can be found in *The German Ideology*, where Marx suggests that in communist society the division of labour would not force us into narrow occupational roles. I could, Marx says, 'hunt in the morning, fish in the afternoon, breed cattle in the evening, criticize after dinner, just as I like, without ever becoming a hunter, a fisherman, a herdsman, or a critic' (*GI* 169). More important than this idyllic image of pastoral communism, however, is Marx's claim in the same passage that the split between the particular interests of the individual and the common interest of society would disappear under communism. This is in line with his earlier remarks about communism resolving such conflicts as that between man and man, and between the individual and the species. It is crucial to Marx's vision of communism. Marx immediately goes on to say that it is out of this very contradiction between the interest of the individual and the community that the state develops as an independent entity. So an understanding of how this contradiction can be overcome should enable us to understand the famous Marxist doctrine that under communism the state will be superseded.

Marx

In proposing a solution to the problem of the individual and the community, Marx was contributing to a tradition in moral philosophy going back at least to Plato. Plato had argued that personal happiness is to be found in virtuous conduct and in serving one's community. He thus found harmony between the individual's interest in happiness and the needs of the community. But Plato's arguments did not convince later philosophers.

Marx thought the division between individual interest and community interest was a feature of a particular stage of human development, rather than an inevitable aspect of social existence, a feature which had existed ever since the break-up of very simple societies which had lived

communally, without private ownership and division of labour. Capitalism, however, heightened the conflict by turning everything into a commodity, leaving 'no other nexus between man and man than naked self-interest, than callous "cash payment"' (CM 223).

How did Marx think the opposition between private and communal interests could be overcome? Obviously the abolition of private property could play a part – it is not so easy to feather one's own nest if there is nothing one can call one's own to feather it with. But the change would have to go deeper, for even without private property people could pursue their own interests by trying to get as much as they could for themselves (for immediate consumption if the abolition of private property made hoarding impossible) or by shirking their share of the work necessary to keep the community going. To alter this, nothing short of a radical transformation of human nature would suffice.

Here the materialist conception of history underpins the possibility of communism. According to Marx's view of history, as the economic basis of society alters, so all consciousness alters. Greed, egoism, and envy are not ingrained forever in the character of human beings. They would disappear in a society in which private property and private means of production were replaced with communal property and socially organized means of production. We would lose our preoccupation with our private interests. Citizens of the new society would find their own happiness in working for the good of all. Hence a communist society would have a new ethical basis. It has been claimed – by Lenin among others – that Marxism is a scientific system, free from any ethical judgements or postulates. This is obviously nonsense. Marx did not just predict that capitalism would be overthrown and replaced by communism. He judged the change to be desirable. He did not need to make this judgement explicit, as it was implied by everything he wrote about capitalism and communism, and by his unceasing political activity. Marx's ethical attitudes are woven into his

conception of human progress through alienation to the final state of complete freedom.

The belief that Marxism contains no ethical judgements derives from some comments made by Marx and Engels. In *The Communist Manifesto*, for instance, morality is listed together with law and religion as 'bourgeois prejudices, behind which lurk in ambush just as many bourgeois interests' (CM 230). It is true that for Marx morality is part of the ideological superstructure of society, is determined by the economic basis, and serves to promote the interests of the ruling class. But it does not follow from this that all morality is to be rejected. What has to be rejected is morality that serves the interests of the ruling class. This includes all dominant moralities up to now. Once communism has been established and classes have disappeared, however, we can pass beyond class morality, to what Engels called 'a really human morality'.

Marx

As with communism in general, so with communist morality one can only guess at its detailed content. Communism would differ from all previous societies in that there would be no false consciousness. False consciousness involves failing to see things as they really are. It comes about because a society's superstructure can conceal the real basis of the society – as the legal freedom of the worker to sell his labour to whomever he likes on whatever terms he likes conceals the fact that he is really no more able to avoid exploitation by capitalists than the feudal serf is free to avoid working on the land of his lord. Class morality adds an extra layer of false consciousness, leading the worker to believe that, for example, the capitalist has a moral right to the proceeds of his investment.

With communist production there would be no exploitation to be concealed. Everything would really be as it appeared to be. Moral illusions would crumble along with the religious illusions against which the Young Hegelians argued so fiercely. The new human morality

would not hypocritically cloak sectional interests in a universal guise. It would genuinely serve the interests of all human beings. Its universal form would be matched by a universal content.

The new morality would have a character quite different from previous moralities, different even from moralities like utilitarianism which proclaim their equal concern for all. Though Marx was as scornful of utilitarianism as of any other ethical theory, his scorn was directed at the utilitarian conception of the general interest rather than at the basic utilitarian idea of maximizing happiness – in fact Marx refers to this idea as ‘a homespun commonplace’, which does not imply that he disagrees with it (C I 609). But in capitalist society, to propose that people act for the general interest is often to propose that they work against their own interest, as they conceive it. Under such conditions the very idea of morality implies something burdensome and contrary to our own interests. Under communism this aspect of morality will vanish as the gulf between individual interest and universal interest vanishes. Morality will cease to be a dictate from without, and become an expression of our chief wants as social beings.

Communism

It has been said that later in life Marx developed a less Utopian view of communism, but it is difficult to find much evidence of this. There is one passage in the third volume of *Capital* which, in contrast to the claim of the *Economic and Philosophic Manuscripts*, sees the conflict between freedom and necessity as ineliminable. This is the passage, already cited, in which Marx says that freedom begins ‘only where labour which is determined by necessity and mundane considerations ceases’. He goes on to say that it is part of ‘the very nature of things’ that when we are producing to satisfy our needs we are not free. Shortening the working day is, therefore, the prerequisite of freedom (C III 496–7). This implies that the conflict between freedom and necessity cannot be overcome, and the best that can be done is to reduce the amount of necessary labour to a minimum, thereby increasing the time that we are free. It is a statement which contrasts

oddy with what Marx says about communism in his comments on the Gotha Program – also a late work – which are as optimistic as any of the early statements. There Marx foresees the end of the ‘enslaving subordination of the individual to the division of labour’ and a time when labour will become ‘not only a means of life, but life’s prime want’ (GP 56g). The idea of labour as ‘life’s prime want’ is very different from the clock-watching attitude that takes the shortening of the working day as the prerequisite of freedom.

Marx

It is, incidentally, in these comments on the Gotha Program that Marx proposes the celebrated principle of distribution for a communist society: ‘from each according to his ability, to each according to his needs’. The principle is not original to Marx, and Marx places little emphasis upon it. He refers to it only in order to criticize those socialists who worry too much about how goods would be distributed in a socialist society. Marx thought it a mistake to bother about working out a fair or just principle of distribution. He was even prepared to allow that, given the capitalist mode of production, capitalist distribution was the only one that was ‘fair’. His point was that production was what mattered, and once ‘the productive forces have increased with the all-round development of the individual, and all the springs of co-operative wealth flow more abundantly’, distribution will look after itself (GP 566).

Everything Marx says about communism is premised on material abundance. Remember that it is the development of the forces of production that, according to the materialist theory of history, is the driving force behind historical change. The change from one form of society to another occurs when the existing structure of society acts as a fetter on the further development of the productive forces. But communism is the final form of society. Building on the dramatic advances so ruthlessly made by capitalism, communism allows the forces of production to develop to their fullest possible extent. Production will be co-operatively planned for the benefit of all, not

wasted in socially fruitless competition between individual capitalists for their own private ends. There will be no crises of overproduction, as there are in unplanned economies. The reserve army of unemployed workers required by capitalism to keep labour cheap and available will become productive. Mechanization and automation will continue to develop as they had developed under capitalism, though without their degrading effect on the workers (unfortunately Marx does not tell us how these effects would be avoided, but presumably it would be by a drastic reduction in the hours of necessary labour). No longer will surplus-value be extracted from the workers to line the pockets of the capitalists. The working class will receive the full use-value of its labour, subject only to a deduction for future social investment. We will control our economy, instead of being controlled by it.

Material abundance and the transformation of human nature provide the basis for Marx's claim that the state as we know it would cease to exist under communism. This would not happen immediately, for at first the proletariat would have to assert itself over the other classes, in order to abolish capitalist forms of production. This would be the 'dictatorship of the proletariat'. But once capitalist production had been replaced by socialist production the division of society into classes would disappear, along with conflicts between individual and social interests. There would be no need for political power in the Marxist sense of the organized power of one class used to oppress another. Nor, given Marx's idea that communism would come first to the most industrially advanced societies, and would be international in character, would there be any need for the state in the sense of an organization existing to defend the nation against attacks from other nations. Relieved from oppressive conditions that bring their interests into conflict, people would voluntarily co-operate with each other. The political state resting on armed force would become obsolete; its place would be taken by 'an association, in which the free development of each is the condition for the free development of all' (CM 238).