

To Each According To Need

An Anarchist Look At Communist Economics

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Introduction

Capitalism is, fundamentally, an economic system; that is, a particular way of organizing the production and distribution of commodities across broad societies. Why then are so many revolutionary anarchists openly and militantly anti-capitalist yet simultaneously so loathe to seriously consider economics? Surely part of the problem is an often knee-jerk reaction on the part of many anarchists against the perceived “authoritarianism” of the best-known critic of capitalism as an economic order: Karl Marx.

While there is much to be critical of in Marx’s works, and revolutionary anarchists should be proud of the long, and often bloody, history our movement has of resisting the reactionary tendencies within self-proclaimed “communist” ideology, I think many anarchists who have not read much Marx would be truly surprised by how little Marx focuses on what communism would be like. Many have focused their critiques on phrases like “Dictatorship of the Proletariat” to illustrate a case against Marx, and in doing so have done a great disservice to the anarchist movement as a whole. Not only are such phrases generally taken out of context, they were coined long before the body of Marx’s work was written, and long before he made some of his most significant discoveries regarding the functioning of capitalism. From this perspective, Marx’s most significant work was likely *Capital*, which gives the fullest expression to Marx’s ideas and provides the most profound and systematic critique of capitalism. Significantly, Marx refuses to define what he means by “communism” despite using the term repeatedly, except in the negative sense of how communism would differ from capitalism. The indication here is clear: criticisms of Marx which focus on how he allegedly envisioned communism have little basis in Marx’s actual writings.

Virtually all early anarchists, including Marx’s longtime critic Mikhail Bakunin, recognized the value of Marx’s “materialism,” as well as his specific critique of capitalism. It is imperative to recognize, as they did, that Marx’s critique of capitalism provides a unique view of modern economic relations, the validity of which is difficult to dispute. Rather than reject outright all of Marx’s contributions to an understanding of our world, as many anarchists are inclined to do, we should allow ourselves to appropriate those elements of Marx’s analysis that are most valid and are the most useful in explaining how capitalism continues to function today. Refusing to do so has led the anarchist movement to have only the cloudiest sense of economics, often tainted by liberalism, and has long hindered us from being able to predict or understand the evolution of our enemy.

This article aims to expose revolutionary anarchists to the basic economic principles upon which capitalism is built, so that we may better understand the nature of our exploitation and how to resist it. To illustrate the applicability of these principles, they will be explained in the context of one of the most difficult questions to face revolutionary anarchists: how would the economic base of an anarchist-communist society function? I make no claims that this information is particularly innovative, only that it is relevant. My hope is merely to provide a basis upon which the anarchist movement in general can build a more informed critique of capitalism. As they say, you must learn to crawl before you can walk.

The Basics

Before we can really delve too far into the mysterious world of Marx we must first establish some of the fundamentals of Marx's analysis. Often, those who first attempt to read Marx are immediately discouraged by his extensive use of jargon and mathematical formulas. Unfortunately, it is also extremely difficult to use Marx's methods of analysis without simultaneously repeating many of the same obscure terms. For this reason, most writers who continue to build their analysis using Marx's terms, as I will as well, making their ideas difficult to understand for the uninitiated. All of Marx's concepts are extremely complex, and I encourage those who find this material especially interesting to turn to Marx himself for more precise definitions, I seek here only to give a firm grasp of his most fundamental ideas so that we may use them in our own analyses.

Perhaps the single most important concept which Marx ever expounded was the idea of surplus value. Since Marx believed that all value was created by labor¹, he was immediately confronted with the question of how the capitalist — that is, the owner of the means of production — could make a profit if all value came from the labor of his employees. Marx solved this problem by recognizing that labor was really just a commodity, which he called labor-power, and that the owner of labor-power (i.e. the individual laborer) sold this commodity to the capitalist in exchange for a wage.

Labor-power, like all commodities, has two distinct values: use-value and exchange-value; use-value is simply what the commodity is used for, whereas exchange-value is similar (though not exactly equivalent) to a commodity's price, and is a measure of how much labor went into creating that commodity. An easy way to conceptualize this is thusly: a car's use-value is that it transports you from place to place very quickly, while its exchange-value is \$14,000 which represents, say, 200 hours of work that went into building the car. What makes the commodity labor-power different from all other commodities, is that its use-value is the only one capable of actually creating new value. Labor-power's exchange-value, however, is simply what it costs to keep the laborer alive and capable of continuing to work (though the specific price of labor-power may fluctuate); also called the value of the means of subsistence.

The cost of keeping a laborer alive is essentially the same regardless of how many hours s/he works however, and this is precisely how the capitalist is able to make a profit. Every day that the laborer works, therefore, is essentially divided into two parts: the time it takes to reproduce the value that s/he consumes each day, and the excess time beyond that. This division can be expressed in any unit of work, whether piece-meal work, hourly wages, or set salary. The time required to reproduce necessities is called "necessary labor time" while the excess time the laborer spends working is called "surplus labor time" and the value which is created through this surplus labor time is called "surplus value." The overall time required to constantly reproduce all the commodities which society as a whole consumes, is called the "total socially necessary labor time."²

It is important to note that surplus value is not the same thing as "profit." Profit represents the amount of money which a capitalist makes after deducting the costs of workers in wages,

¹ This is an aspect of the "Labor Theory of Value" which we will not discuss here for lack of space.

² The nuances of socially necessary labor time will not be discussed here. For our purposes it is enough to understand a general conception of "total socially necessary labor time" as the sum total of the necessary labor time for every member of society.

raw materials, and production overhead (such as rent, cost of electricity, etc.) whereas surplus value represents the level of exploitation of the workers — the number of hours they work that produce value beyond what they are paid.

According to Marx, there are two main ways in which surplus value is created, and it is important that we distinguish between them. The first, which we have alluded to above, is what Marx called “absolute surplus value” and revolves around the actual length of the standard work day. In most advanced capitalist societies, the issue of absolute surplus value has seemingly been resolved, with the institutionalization of officially recognized standard hours for work-days and work-weeks. However, the concept of absolute surplus value remains an important one for several reasons. Although the matter has officially been resolved with the standardization of the working-day, it is important to remember that the capitalist still extracts surplus value from this relationship, he is simply constrained from amplifying the magnitude of this extraction any further than the social and legal norm. As a result of this, we find that the matter really is not settled at all, but rather remains an issue of contention between the proletariat and capitalists. Thus, in the U.S. we continue to see slow but steady extensions in the normal working day for most people, even if the legal working-day has not changed, and now new legislation proposals that would officially extend the length of the normal work-week. In many ways, the length of the working day is a perpetual arena of struggle between the two classes, and therefore serves as a litmus test for the strength of each class respectively.

“The other form which the creation of surplus value can take Marx called “relative surplus value.” Fundamentally, the process of producing relative surplus value differs from that of producing absolute surplus value in that it tackles the other part of the capitalist’s problem: the cost of labor. By reducing the cost of labor’s reproduction, the capitalist is able to reduce the necessary labor time required for a worker’s subsistence, and thus, although the hours a worker labors remain constant, the ratio of necessary to surplus labor time is altered, thereby creating more surplus value for the capitalist. Since the value of labor-power is the equivalent of the value of the means of subsistence, it is only by decreasing the value of the means of subsistence that relative surplus value can be created. Further, it is only through an increase in the productivity in some field related to the means of subsistence that the value of those means can be reduced. Thus, it is only through increases in productivity that capitalists are able to expand the rate of accumulation of relative surplus value. It is worth noting that while the production of absolute surplus value is bounded by physical limitations imposed by the number of hours in a day and the number of hours a worker can labor before dying or collapsing, the production of relative surplus value is almost limitless. Thus, we can expect the behavior patterns and modes of operation arising out of the means by which relative surplus value is created to be more widespread, more enduring, and to have deeper effects than those produced by the production of absolute surplus value.

Now that we have covered some of the most important of Marx’s basic precepts, we are still left with questions regarding the applicability of these conceptions. Let us now turn our attention to the realm of actual production, and see what kind of conclusions we can reach about an economic basis for anarchist-communism from Marx’s analytical tools.

The Material Basis of Future Communism

As we have discussed above, Marx rarely ventured more than a few steps into the misty depths of what could be, or what would be, after a communist revolution. To a certain degree, this was merely a recognition on Marx's part that he simply did not know what communism would absolutely look like. More importantly, however, his wariness probably also represented a sincere lack of concern over how the specifics of communist society would function. As a materialist, Marx often repeated his belief that the material base of society — that is, its mode of production — is what defines and gives rise to a given epoch's "superstructure" — that is, its laws, decision making apparatus, mode of distribution, etc.³ It should come as no surprise, therefore, that Marx apparently considered such speculation to be extraneous to his writings. Hence, he claimed that "Communism is for us not a state of affairs which is to be established, an ideal to which reality will have to adjust itself. We call communism the real movement which abolishes the present state of things."⁴ Given this definition, what can we say today, after more than one hundred and fifty years of proletarian struggle, about the material basis of a future communist society?

When Marx spoke of his vision of a communist society, the abolition of capitalist division of labor took a central role in his thinking. Marx acknowledged the benefits which a division of labor had given society in terms of productivity and technological advances; what he rejected was not the continued division of tasks, but the subjugation of humanity to its own forms of activity which has resulted in individuals being locked into the division of labor. Themselves an expression of that division, individuals in turn become defined by it: not an individual who works, but first and foremost a worker, and increasingly, a particular type of worker. At his most inspiring, Marx asserts that in a communist society, "society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow,"⁵ and further, that individuals would be free to engage in various productive activities, thereby furthering their own development, without ever being forced to monotonously perform, either exclusively or primarily, one productive function for all eternity. This is not to suggest that specialization would not be necessary in a communist society, only that specialization would be based on individual choice according to individual desires, and that all fields of study would be open to everyone.

Is this vision really nothing more than romantic utopianism? I claim that it is not. Central to Marx's assertions about the end of the capitalist division of labor, is the belief that gains in productivity and technology will both minimize the overall amount of socially necessary labor time and de-skill production to the point where virtually anyone is capable of engaging in most necessary forms of production. Once the overall necessary labor time, that is, the labor time needed to simply reproduce the social goods which society consumes, has been reduced to a minimum, individuals would be free to engage in any number of pursuits suited to their individuality.

Based on the 1997 US economic census, the necessary labor time for manufacturing is 4,480,725.72 (*1000 hours). Dividing this figure by the number of workers engaged in manufacture gives us the total hours of necessary labor per worker: 371 hours per year, or 7.15 hours

³ See German Ideology, section on communism and history AND critique of the Gotha Program.

⁴ Karl Marx: Selected Writings, David McLellan, The German Ideology (New York: Oxford University Press, 2000), p. 187

⁵ Karl Marx: Selected Writings, David McLellan, The German Ideology (New York: Oxford University Press, 2000), p. 185

per week. Compared to the actual average labor time of 38.55 hours per week, this represents a decrease in labor-time of over 81%.

This is, of course, only a calculation based upon the actual number of workers already presently engaged in manufacturing. It is important to delve deeper into the question of necessary labor time, and examine the ratios between essential and superfluous labor. Essential labor is that which is engaged in socially necessary functions: producing or distributing goods, maintaining or constructing public works (such as roads or sewer systems), etc. Superfluous labor is that which does not produce anything: management positions, the service industry, sales, retail, and many professional occupations fall into this category. Since one of the goals of a communist revolution should be the elimination, to as great a degree as is possible, of the superfluous labor, it is worthwhile to consider what effect this would have upon the overall socially necessary labor time.

Turning to the 2000 US general census, we see that the percentage of workers engaged in what can be considered essential industries is currently only 24.7%, while those engaged in more or less superfluous industries account for 75.3% of the workforce.⁶

This represents an enormous source of wasted labor, which could largely be eliminated in a communist society. Assuming an average necessary labor time of 7.15 hours per worker per week for all branches of essential industry, we can calculate the total necessary labor time. The total necessary labor time per person is thus equal to 1.7 hours per week, once we have adjusted for the inclusion of workers who are unemployed and those who are engaged in superfluous labor. Clearly, the technological innovation and development has reduced the overall socially necessary labor time to a bare minimum. It is therefore reasonable to assert that the capitalist division of labor can indeed be superseded in a communist society.

Conclusion

One of the early and most consistent criticisms of Marx from the anarchist-communist milieu has been the accusation of “determinism;” essentially a charge that Marx wrongly believed in “iron laws of history” which slowly wrought social change as a result of economic developments. The most important specific aspect of determinism with which Marx has been charged is the notion that capitalism will inevitably give way to communism, regardless of the actions of any group of people, simply through capitalism’s progression along its own lines of logic. Regardless of the validity of the specifics of these criticisms, there is certainly a tendency in Marx that seeks to deny the importance of self-activity among the working-class in resisting capitalism and eventually fomenting a revolution. As we have just seen demonstrated above, technological development advanced under capitalism has already reduced the socially necessary labor time to the barest of minimums, yet capitalism has yet to collapse. This alone goes some distance in discrediting determinist notions of historical processes.

Without the comfort of a religious faith in the inevitable implosion of capitalism, birthing a libertarian communism in the process, we are left with a host of strategic questions regarding the

⁶ The divide between essential and superfluous industries is not a precise measure, but an approximation based on easily available data from the 2000 census. Some essential industries, doctors for instance, are included with management, scientific research, and professionals in the census data. Further, the census data does not specify what percentage of workers in any given industry represent production workers or management. We assume here, therefore, that all calculations are merely estimates, though their accuracy should be considered fairly high.

very nature of capitalism and the best path towards its destruction. The capacity of the capitalist order for adaptation has long been witnessed in its unfortunate resilience, and we in turn must constantly try to gain a more complete understanding not only of capitalism as a whole, but also the changing specifics of capitalist production, which is simultaneously an understanding of the nature of the struggle between the proletarian class and the capitalist class. Such an understanding should inform our activity as members of the proletariat to focus our interventions in the class struggle in a more effective manner. Ultimately, however, I think that active participation in the class struggle is more important than formulating precise theories on the current nature of capitalism. Theoretical understanding is at its best, and most useful, when it simultaneously informs, and is informed by, our activity in actual struggle.

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