

The Economy in the Transition to a “Communist” Society Critique of the theses of the GIK and "labor coupons"

(Excerpts from an exchange with Kees)

Kees, you write:

"The problem that I see is the following: as we are not in a situation of ‘abundance’ but in a situation of ‘scarcity’ there will inevitably be ‘exchange’ (or else total arbitrariness) based on some kind of calculation. The only possibility would seem to be take labor time as the basis of the calculation."

The link between scarcity and exchange is something that also seems to me to be very important. Exchange and its main instrument, money, are an extremely effective means to ensure the circulation of goods in conditions of scarcity and a developed division of labor, as history has amply demonstrated. Too often we believe that it suffices to declare money "abolished" for it to disappear.

We cannot do away with money without eliminating the necessity for exchange. The Argentine experience of 2001, the “Movement for a social money” (1) shows how, in a situation of scarcity, if the "official" money disappears, other forms of money reappear “spontaneously” as a product of the need to exchange in order to survive. Cigarettes were used as commodity-money during the Second World War by prisoners, and still are today in prisons in the United States. During the 20th century there were many situations, especially in times of war or in statist regimes particularly where governments have tried to ban free exchanges and limit the role of money by imposing mechanisms of rationing. The result has always been that the market and money did not disappear, but developed in their most pernicious form: the black market.

As long as "abundance" or rather a "sufficiency" of goods has not been reached, the tendency to have recourse to commodity exchange and therefore to money will remain. In the “internal” world of free software, for example, money has practically disappeared not only because of ethical convictions but mainly because of the intrinsic nature of digital goods, freely reproducible, making them "abundant" as soon as they are created.

If money is spontaneously generated by the need for exchange, and if exchange is unavoidable for the distribution of non-abundant goods, or at least some of them, it is likely that, during the "transition" to a communist society, for a longer or shorter period, a form of "money" will subsist, side by side with a non-commodity economy and interwoven with it.

The instinctive and natural repulsion every communist has for money is probably why this reality is so often ignored. Yet from the moment one knows that money and exchange will not disappear in an instant, simultaneously across the globe, their coexistence with the developing non-commodity "communized" sector, would appear inevitable. This coexistence is not essentially a geographical one, but rather one shaped by areas of economic activity. So I certainly agree with the idea of a tendency for the persistence of exchange as (and where) scarcity remains.

That said, two remarks are important:

- In no case, within the sector where the producers have become masters of the productive machinery, can labor power be treated as a commodity. Even assuming that a portion of the share distributed to the individual producer must take a “monetary” form, it must not be determined on the basis of the "value" of labor power.

- Exchange is not the only way to manage scarcity. Rationing, free distribution, based on what is produced can also deal with such a situation, "by avoiding the vicious detour of a calculation based on labor time", in the words of Paul Mattick who made that very point in his critical introduction to the republication of the text of the GIK (2), to which I will come back.

I had written: "No, it does not seem that "exchange" disappears with the system advocated by Marx in his Critique of the Gotha Program."

You replied: "Correct, but, given [the] context, I obviously spoke not of "exchange" in general terms (such as in an "exchange of letters," but indirect "exchange" via value, in contrast to direct "exchange" by labor time. You do not dispute that for Marx money, exchange (via value) and wage labor will disappear when we directly calculate labor time instead of indirectly via value. But you do not say if you agree here with Marx."

I'm not sure if I understand you: you seem to think that, according to Marx, "exchange" as long as it is not done by using money, is no longer, strictly speaking, "exchange"; as long as the quantity of what is to be exchanged is not measured "via value" but "directly" via "labor time" there is no "exchange" in the strict sense of the term but only in the vague sense, as in the expression an "exchange of letters."

I don't agree with such an interpretation. It is true that the term exchange may have a very general sense that does not involve strict reciprocity, as in the example you give of epistolary exchange. That is why very often, especially in English, I specify "symmetrical exchange" to remove any ambiguity. But when Marx uses this term in the *Critique of the Gotha Program* he does so in the sense of the exchange of equivalents. Whether we measure that value by market mechanisms or by "scientific calculation" (if that is possible, to which I shall return), does not change the fact that what takes place is a symmetrical exchange; an exchange of equivalents. Marx specifies in this text: "Clearly, the same principle is at work here as that which regulates the exchange of commodities as far as this is an exchange of equal values. (3)

If indeed in Marx's vision of the "lower phase of communist society" there is no longer wage labor that is not because there is no longer symmetrical exchange, but because that which the producer receives ("the same amount of labor he has given to society in another form") no longer corresponds to the value of his labor power. His labor power is no longer a commodity; it is no longer for sale.

As for money, Marx indeed said that in this phase money disappears. Or rather, he said, among other places, in *Capital* volume II: "There is no reason why the producers should not receive paper tokens permitting them to withdraw an amount corresponding to their labour time from the social consumption stocks. But these tokens are not money; they do not circulate." (4)

And in *Capital* volume I, speaking of Owen's labor vouchers, Marx seems to repeat what he wrote: "On this point I will only say that Owen's 'labour money' [voucher], for instance, is no more 'money' than a theatre ticket is." (5) Engels, in *Anti-Dühring*, cites this same reference of Marx.

I have doubts about the fact that such vouchers do not circulate or would not tend to be used to fulfill monetary functions, especially for the exchange between individuals of "individual consumer items" which, for Marx, remain the "property of the individual".

What calculation?

You say that the exchange, in the "transition period" must be done "on the basis of a calculation" and that "the only possibility appears to be to take labor time as the basis for that calculation."

For the GIK one of the main arguments to justify the need for this calculation is that it creates "an accurate basis for the relationship between producers and product." "The relation between social product

and producers is defined in an immediate way" and is no longer dependent on the goodwill of "higher" economic organs, which inevitably transform themselves, as in Russia, into organs of exploitation: "... in every society where the relation between producers and product is not exact, where it is determined by persons, there necessarily arises an apparatus of exploitation, even after the elimination of private property in the means of production."

But the question that arises is whether this "exact" calculation is possible. This calculation requires, firstly, the measurement of the average social labor contained in each product; secondly, the measure of labor time provided by individual producers. Now these two evaluations clash over "qualitative" difficulties.

For the measurement of the labor contained in each product, there is the problem of assessing the contribution of all activities whose outcome does not apply directly to a specific product but contributes to the productive capacity of society in general, especially those related to knowledge, science, social organization, etc.

Marx, in the *Grundrisse*, already noted that:

"To the degree that labour time – the mere quantity of labour – is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production – of the creation of use values – and is reduced both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination in total production on the other side – a combination which appears as a natural fruit of social labour (although it is a historic product). Capital thus works towards its own dissolution as the form dominating production." (6)

or :

"Capital itself is the moving contradiction, [in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as sole measure and source of wealth (..) On the one side, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labour time employed on it. On the other side, it wants to use labour time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value." (7)

If the measure of wealth by direct labor time is already a problem in capitalism, why continue on this basis to organize production and distribution with the end of capitalism? With the development of new technologies and the ubiquity of digital software, having become essential at all stages of production, but where the measure of the labor time contained in each utilization is practically impossible, it appears all the more as an absurdity.

At the other end of the exchange, it is necessary to measure the labor done by the individual producer. For Marx, as for the GIK, this measure must be reduced to that of labor time, regardless of its intensity, regardless of the producer's physical or intellectual qualities. One hour of labor as an engineer gives a right of consumption identical to an hour of labor as a sweeper. (8)

Marx points out the inequalities that the application of such a system entails, not only because it remunerates unequal labor equally, but also because the individual needs of producers are unequal: *"one worker is married, another not ; one has more children than the other, etc"*. He concludes that *"To avoid all these disadvantages, right should not be equal, but unequal. ... [But] these disadvantages are inevitable in the lower phase of communist society."* In this particular aspect, the system described by these lines written more than 130 years ago appears more indifferent to the individual needs of producers

than even the capitalism of the twentieth century with its welfare state which foresaw special compensations for the unemployed or large families.

But beyond the questions of compensation for labor, right at the outset there is the question of how to determine what should be considered as "work".

How to distinguish the activity "work", which alone would give one the right to obtain consumer vouchers, from other activities? Already in capitalism, an ever growing part of the digital goods are no longer produced by "work", in the sense of a separate, paid activity. "Peer production" (Wikipedia, Linux, etc.) are essentially the work of unpaid volunteers, who do it for the fun, and for the pleasure of being useful to others.

The disappearance of "labor" or of the distinction labor – leisure can be seen as one of the parameters making it possible to evaluate the progress of overcoming capitalism. To base the distribution of individual consumer goods on the measure of the "work" performed by each person, besides resting on criteria that are difficult to establish, tends to perpetuate a reality which precisely must be overcome as quickly as possible.

On a more general level, measuring the contributions of individual producers is deemed to create (or maintain) a motivation to participate in social production. But as such, this "motivation" is based on the old bourgeois principle: if you don't work, you don't eat; if you don't work enough, you won't have enough, and this independently of the existing social possibilities. Yet to learn how to participate in social production in another way than under the whip of the blackmail of hunger seems an urgent priority as soon as the collectivity will possess the main means of production.

The certainty that people will work, which is deemed to be guaranteed by the obligation to work and by the proportionality between work and the access to products, does not compensate for the negative aspects induced by the spirit of coercion which such a system demands.

Who would have thought 20 years ago that products like Linux or Wikipedia, which represent millions of hours of "work," could be accomplished without any economic coercion? Why would that not be the case for material production? The social atmosphere created by the fact that the means of production are in the hands of society, as a part of the common goods, should generate an enthusiasm and a collective spirit which would be the most powerful motivation to participate in production, without individual economic coercion.

What about the "loafers" who'd refuse to participate freely?

Even in flocks of birds there often are some "loafers" who don't participate like the others in the collective watch for predators, when the group sets down to eat. It doesn't mean the others condemn them to starve. In a society where the means of production are no longer privately owned, the concrete process of production can and must be organized by the producers themselves. The very concept itself of the means of production (machines, work spaces, etc.) can and must be essentially determined by the gratification they can give to those who use them. To transform productive activity so that it becomes satisfying must be FROM THE VERY BEGINNING be a priority of a post-capitalist transition. To the degree that things depend on human will, we should focus on that method, rather than on individual economic coercion, as an incentive to participate in production.

The system based on the principle "to each according to his labor" therefore seems inappropriate, not only because the calculations it implies seem obsolete and impossible to carry out rigorously, but also because:

- It maintains the principle of symmetrical exchange;

- It maintains the logic of individual economic coercion;
- It maintains the calculation of the parameters of production and distribution on the basis of labor time instead of being based on use values, the concrete physical quanta.

On this last point, it is, again, necessary to take into account the contribution of the new information and communication technologies.

The measure of human needs, on the one hand, and of the actual possibilities of production, on the other, in physical terms (e.g., the quantity of gallons of milk per child, on the one hand, and the number of dairy cows on the other), are far more simple to make than any assessments based on average social labor time.

Estimates of human needs are obviously more complex, since they involve subjective factors. From one point of view, human needs can be considered as infinite. An individual may possibly be convinced that he absolutely needs a rocket for himself in order to walk in space. But we can reasonably hope that in a revolutionary period or a less alienated society, most people can assess their personal material needs taking into account what is possible and in harmony with the collective welfare.

The big department stores and malls increasingly use electronic equipment to register, aside from their accounting in monetary terms (e.g. x thousand dollars from the sale of milk), the physical quantities of the products they sold (e.g. y thousands of milk bottles). This assessment in physical terms is critical to their inventory management, to foresee future orders. Through the networks on the internet this information circulates globally and is transmitted to producers, sometimes in "real time" and automatically, virtually without human intervention.

This measure of the needs and productive possibilities in physical terms today is skewed by the logic of capitalism. Human needs are recognized only to the extent that those needs are 'solvent', expressed by people with the means to pay; production possibilities are taken into account only to the extent they are profitable for capital. But freed from their capitalist matrix, informational links between production and consumption enabled by new technologies are an important asset to quickly dispense with the logic of the commodity.

You write:

"If you don't agree with my critique of the association of Proudhon's 'labor money' with Marx's 'consumer vouchers', what are, in your view, the differences between them?"

Your critique is correct. It would indeed be a mistake to confuse the "distribution coupons" or "labor vouchers" proposed by Marx with Proudhon's "labor money". For Marx these vouchers are not money because they do not circulate. And above all, they do not presuppose the same social conditions of production.

You ask: *"With respect to the two different 'stages' of communism not being opposed to one another, the same question: what are in your view, the differences between the two?"*

In the process described by Marx in the *Critique of the Gotha Program*, he distinguishes a "lower phase" and a "higher phase of communist society". In both, the proletariat has possession of the means of production, the old propertied classes have been expropriated, but in the first, the social and material conditions do not yet permit everyone to take "according to his needs." I share some essential aspects of the description outlined by Marx. But on other aspects, I disagree with interpretations that have often

been made; and Marx's text is consistent with them.

I agree with the idea that what characterizes communism in terms of social production and distribution is the universal application of the principle: *"From each according to his abilities, to each according to his needs"*.

I am in agreement with the elements provided by Marx to characterize the higher stage of communism:

"... when the enslaving subjugation of individuals to the division of labour, and thereby the antithesis between intellectual and physical labour, have disappeared; when labour is no longer just a means of keeping alive, but has itself become a vital need; when the all-round development of individuals has also increased their productive powers and all the springs of cooperative wealth flow more abundantly" (9)

Finally, I also agree with the idea that as long as *"all the springs of cooperative wealth"* do not *"flow more abundantly"* it will not be possible to distribute everything in a free and unlimited way.

However, I do not agree with two interpretations or deductions that are made of the picture drawn by Marx.

The first is the one that considers that, before a social revolution has put all the means of production in the hands of producers, no social relationship that is in some way "communist" can arise or exist, not even in embryonic forms. I believe that the relations of production that are developing in the sphere of digital goods, such as the peer production that created free software, Wikipedia, Open Science, etc., are real seeds of communist, non-market relations and that they will be a major asset in building a communist society.

The second interpretation is the one that concludes from the need to develop the productive forces that individual consumption needs must be considered as a secondary concern compared to the development of the means of production, especially industry. Such interpretations served to justify the Stalinist theories of "socialist accumulation" and the horrors of the construction of state capitalism. It's from the beginning, not after a long period of "sacrifices" that production should be directly oriented towards satisfaction of human needs.

Conclusions and alternatives

But recognizing that there are two "phases" in the transition from a capitalist to a communist society means recognizing that, in the first, there is the problem of how to organize production and distribution under conditions where there is not yet sufficient material affluence to allow unlimited free distribution. How then to limit consumption to the existing possibilities of production? If we abandon the wage principle "to each according to the value of his labor power"; and if we reject the principle "to each according to his labor", what principle can we use?

I see only one possibility: to each according to what's socially possible, averaging a "dynamic rationing", i.e. taking into account the evolution of the possibilities in real time. The terms of such a "rationing" of not yet abundant goods remain to be defined and may vary depending on the product, the geographical framework, and the imagination of the people involved.

It is a distribution according to the principle "to each according to his needs/desires", limited, rationed by what is really possible, as in house-hold economies, or as in a fishing village where, after having collectively pulled in the nets, the villagers receive from the catch, taking into account what has been taken and the fact that all those who need have a share.

It is a conscious and direct way to deal with scarcity. It's the logical consequence of the fact that the means of production are owned collectively (placed in the common domain). If we participate in production as collective owners, production can be distributed collectively, always taking into account, in a dynamic way, what is possible and what is necessary.

Computer networks make instantaneously available, everywhere, the information required for such a system to be possible. The question then is: will consumers voluntarily respect the restrictions when they exist? Will such a system not collapse due to multiple abuses?

Such a system requires a great degree of collective consciousness and of individual responsibility. This may seem a utopia, seen from the point of view of the capitalist social jungle. But let's not underestimate the change in attitudes that would be induced by a society where production is oriented directly and exclusively to the human needs, where the orientation of the production is collectively agreed upon. One of the most important contributions of open source and peer production was to prove by facts that humans can co-operate, share and produce the most complex things without the incentive of monetary profit and without state coercion. Some thought that Wikipedia would never develop because it would continuously be destroyed by "vandals". The intelligence of Wikipedia was to trust the collective mind of the participants, to base its rules on the needs of that trust, not on the danger posed by vandals. The vandals have existed since the beginning of Wikipedia, (7%, according to some estimates), but they remain a small minority and the attention of the majority contributed to neutralizing their negative action.

The collective consciousness will be a key element to manage the transition and, again, the new communication technologies will greatly facilitate the establishment of the "collective brain" which such an undertaking requires.

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Notes

1. See http://p2pfoundation.net/Argentine_Social_Money_Movement
2. Group of International Communists (GIK): "Fundamental Principles of Communist Production and Distribution"(1930). <https://www.marxists.org/subject/left-wing/gik/1930/>
3. Marx, "Critique of the Gotha Programme" in Marx, the First International and After, Penguin Books, p. 346.
4. Marx, *Capital*, Volume II, Penguin Books, p. 434.
5. Marx, *Capital*, Volume I, Penguin Books, p.188.
6. *Grundrisse*, Penguin Books, p.700.

7. Ibid, p.706.

8. The GIK questioned the possibility of rigorously applying this principle from the outset: “*Perhaps at the outset it will still be temporarily necessary to pay intellectual labor more; for example, 40 hours of labor would give one the right to a product equivalent to 80 or 120 hours of labor.*” But it is then pointed out that this must disappear as soon as “*things are settled*”.

9. Marx, *Critique of the Gotha Programme*, op.cit., p.347. The word labor is used here in a very general sense for the productive activity necessary to social life, and not in the strict sense that it has in societies based on exploitation. The term labor in romance languages [e.g. le travail] comes from the Latin word tripalium, which designated an instrument of torture for slaves in Roman antiquity. At the very least “labor” is inadequate to designate productive activity in an expanding communist society. Nevertheless, the idea that in such a society participation in social production would become “*not just a means to live, but also the first need of living*” seems to me to be correct and important. When Marx speaks here (as elsewhere) about the “productive forces” he doesn’t just mean the material means of production (machines, factories, etc.) as others have too often interpreted his words to mean. For Marx, the principal productive force is human beings with their knowledge, their science, their technologies, and their capacity for productive and social organization. It is in that sense that he sees the development of the productive forces as dependent on the full development of the individual.