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## THE POLITICAL ECONOMY OF WAGE LABOR

MICHAEL A. LEBOWITZ

**I**S IT REALLY TIME TO SAY “GOODBYE” to the working class? It seems that, for a significant group of theorists, the Marxist focus on the unique position of workers in the struggle for socialism amounts to little more than economism and reductionism. Society is more complex now (or, indeed, always has been). Accordingly, rather than a (“privileged”) class division, pluralistic social grievance stands as the basis for construction of a new society. The “new social movements” — movements organized around ecology and environmental concerns, feminism and human rights, peace, democratic and decentralized forms of economic and social interaction — all become in this view either favored or equal contenders as the source of revolutionary subjects. Even Gramsci’s seemingly non-reductionist focus on the hegemonic position of the working class in a multi-faceted struggle for socialism must be jettisoned, it appears, if we are to go beyond economism (Mouffe, 1983).

Economism, to be sure, is no stranger to Marxist currents. And, although the terrain now opened up for eclecticism and opportunism in both theory and practice is vast, the underlying concern of these theorists is entirely legitimate. Between the “purely economic” analysis of *Capital: A Critique of Political Economy* and the political struggle against capital, there is a vast chasm, one which, if acknowledged, is often bridged with the most makeshift theoretical constructions. The result is a peculiar combination of determinism in economics and eclecticism in politics. So long as an integral conception of the relation between the economic and the political is wanting, there is fertile ground for continuing disputes between fundamentalism and faddism.

To some extent, the problem originates in Marx himself: in

his failure to set out the side of wage labor in a logical and analytical manner equivalent to that developed for the side of capital. This silence yields a certain one-sidedness to the entire project (Lebowitz, 1982a, 1982b, 1983). But one person cannot do everything, and the master cannot be blamed for the failure of his disciples to find in his political statements the basis for an organic theoretical bridge between the “purely economic” and the political movement as a class. The guideposts are certainly there, however. And nowhere are they more apparent than in the “Inaugural Address” of the First International, where Marx called attention to the existence of *not one political economy but two* — the political economy of capital and the political economy of the working class.

“Two great facts,” Marx noted, went counter to the general pattern of decline in the English workers’ movement after 1848. Two victories had been achieved for “the political economy of the working class.” In the case of one, the Ten Hours’ Bill, not only was there a practical success (the effect of the shorter working day upon the “physical, moral and intellectual” conditions of workers); but there was also “something else to exalt the marvellous success of this working men’s measure.” This something else was that the Ten Hours’ Bill involved a victory over the “the blind rule of the supply and demand laws which form the political economy of the middle class.” It was “the victory of a principle,” the first time that “in broad daylight the political economy of the middle class succumbed to the political economy of the working class.”

“A still greater victory of the political economy of labour over the political economy of property,” however, was the emergence of the cooperative movement, especially the cooperative factories. These demonstrated in practice that modern large-scale production could “be carried on without the existence of a class of masters employing a class of hands” (Marx, 1962a, 382-3).

Except for those who see all victories this side of socialism as victories for capital, the description of the “two great facts” seems reasonable enough. Yet, a critical question has been begged. If Marx’s purpose was a critique of political economy as such, how could he speak with obvious approval of the political economy of the working class? What, in short, is this political

economy of workers which contests the political economy of capital — and which encompasses both “victories”?

There is always a great danger in taking selected quotations from Marx at face value without grasping the inner core which informs them. Our purpose here, then, is to attempt to reconstruct and unveil by analysis that core, the alternative political economy, and to indicate the intrinsic connection between the two aspects identified in the Inaugural Address. The starting point for analysis must be Marx’s description of “the blind rule of the supply and demand laws” as the basis of the political economy of capital.

### *Competition and Wage Labor*

Underlying Marx’s comment about the political economy of capital was his conception of the relation between the analysis of “capital in general” and the phenomena of “many capitals” in competition. Before one could understand the behavior and movements of capital on the surface, Marx considered it necessary to grasp the inner nature, the essential character, of capital. The understanding of “capital in general” — “an abstraction which grasps the specific characteristics which distinguish capital from all other forms of wealth — or modes in which (social) production develops” — this conscious abstraction from surface phenomena was required in order to comprehend the inner laws, immanent tendencies and intrinsic connections of capital (Marx, 1973, 449; Lebowitz, 1985; Rosdolsky, 1977). Only then could one proceed to consider capital as it really exists — as individual capitals, as many capitals, as capitals in competition. Only then could one understand the apparent movements on the surface:

A scientific analysis of competition is possible only if we can grasp the inner nature of capital, just as the apparent motions of the heavenly bodies are intelligible only to someone who is acquainted with their real motions which are not perceptible to the senses. (Marx, 1977, 433.)

Thus, with an understanding of the inner nature of capital and its tendencies, Marx proceeded to explore the relation of “capital in general” to capitals in competition. Competition, he

noted, “is nothing more than the way in which the many capitals force the inherent determinants of capital upon one another and upon themselves” (Marx, 1973, 651). What occurs at the level of competition, the real existence of capital as many capitals, is the execution and manifestation of the inner laws of capital-in-general: “the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition” (Marx, 1977, 433).

More than just making an epistemological assertion, Marx attempted to demonstrate exactly how the inner tendencies of capital are expressed through competition. Capital’s tendency to increase the working day (extensively and intensively) and to increase productivity (i.e., to increase the rate of surplus value) is manifested through the efforts of individual capitals to lower their costs of production relative to other individual capitals in the context of competition. The competition of individual capitals to expand, their action in their individual self-interest, is the way in which the inner tendencies of capital are realized. Precisely because separation and repulsion of individual capitals yields the optimum dynamic solution for capital as a whole, Marx described the laws of competition, “the blind rule of the supply and demand laws,” as forming the political economy of capital.

Yet, consider capital’s opposite: the side of wage labor. Although there is little in the way of a consistent treatment in *Capital*, Marx certainly was aware that capitalism involved more than just the tendencies of capital. There is, for one, his classic statement in *Wages, Prices and Profit*:

The fixation of its actual degree (that of profit) is only settled by the continuous struggle between capital and labour, the capitalist constantly tending to reduce wages to their physical minimum and to extend the working day to its physical maximum, *while the working man constantly presses in the opposite direction*. (Marx, 1962b, 443, emphasis added.)

It must be admitted, however, that *Capital* does not have as its object the examination of that “opposite direction.” Rather than a theoretical exploration of the inherent tendency of workers to struggle for a reduction of the working day, Marx focuses upon the effort of workers to retain the “normal” working day

(i.e., a defensive action). And, of course, there is no discussion at all about workers struggling to increase the standard of living; this is precluded by the assumption in *Capital* that the standard of necessity is given, an assumption which was to be removed in the missing book on wage labor (Lebowitz, 1978, 1982a). All this is part of the one-sidedness inherent in the limited object of *Capital*.

In general, while we see capital's tendency to increase the rate of surplus value, there is no treatment of wage labor's tendency to *reduce* the rate of surplus value. The very tendencies of wage labor in general which emerge from "the worker's own need for development" and which are the basis of the struggles of workers *for themselves* are absent (Marx, 1977, 772; Lebowitz, 1982b). Silent, then, on the theoretical basis for class struggle from the side of the worker (i.e., on *why* the worker "constantly presses in the opposite direction"), it is not surprising that *Capital* similarly does not reveal the precise nature of the political economy of workers.

Return, however, to the relation between the tendencies of capital in general and their execution through competition. Are the inner laws of wage labor similarly executed in competition? Marx's answer was a consistent "No!" As the General Council of the First International indicated, "What the lot of the labouring population would be if everything were left to isolated, individual bargaining, may be easily foreseen. The iron rule of supply and demand, if left unchecked, would speedily reduce the producers of all wealth to a starvation level . . ." (GCFI, 1867, 137)<sup>1</sup>. The logic was quite clear: competition between workers "allows the capitalist to force down the price of labour"; it brings with it an increase in the length and intensity of the working day of employed workers, forcing them "to submit to overwork" (Marx, 1977, 689, 789, 793). When workers compete among themselves, they press in the *same direction* as capital — the tendency is to *increase* the rate of surplus value!

In contrast to the side of capital, the effort of wage laborers as *individuals* to act in their self interest go counter to the interests of wage labor *as a whole*. Consider the effect of piece work:

<sup>1</sup> The address was adopted unanimously at a meeting which Marx attended.

The wider scope that piece-wages give to individuality tends to develop both that individuality, and with it the worker's sense of liberty, independence and self-control, and also the competition of workers with each other. The piece-wage therefore has a tendency, while raising the wages of individuals above the average, to lower this average itself (Marx, 1977, 697.)

Further, the self-interest of the individual wage laborer engaged in piece work similarly leads to the intensification of labor: "Given the system of piece-wages, it is naturally in the personal interest of the worker that he should strain his labour-power as intensely as possible; this in turn enables the capitalist to raise the normal degree of intensity of labour more easily" (Marx, 1977, 695). Thus acting in their individual interest and competing among themselves, workers do not express the inner tendencies of wage labor but, rather, the inner tendencies of *capital*. Insofar as wage labor competes, it does so as part of capital, as a component of capital: "the competition among workers is only another form of the competition among capitals" (Marx, 1973, 651).

So, then, how does the worker "constantly press in the opposite direction" to capital? How does the worker prevent capital from reducing "wages to their physical minimum" and extending the working day to "its physical maximum"? *Only by negating competition*, only by infringing upon the "sacred" law of supply and demand and engaging in "planned cooperation" (Marx, 1977, 783).

In short, only when wage labor struggles against competition does it go against the inner laws of wage labor. Rather than separation and competition, only combination and cooperation yields the optimum solution for workers. The struggle between capital and wage labor, the essential contradiction, assumes the form on the surface of a struggle between competition and combination.

### *Cooperation and Separation*

The recognition that capital and wage labor stand in inimical opposition with respect to competition and its negation is critical; it is, however, insufficient to reveal the basis for the political economy of wage labor. For that, we must delve deeper

and ask why? What is it in the essence of wage labor that yields the result that it is only through cooperation and combination that wage labor acts in its own interest, that the "worker's own need for development" can be realized? Our inquiry necessarily takes us beyond the question of wage labor as such to the consideration of some relations which are not unique to the capitalist form of production.

Two propositions in *Capital* are relevant to our investigation. The first proposition is that any cooperation and combination of labor in production generates a combined, social productivity of labor which exceeds the sum of individual, isolated productivities. Thus, when producers cooperate by working together side by side performing similar operations; or engage in different but connected processes; or where they produce differing use-values which correspond to the needs of others (the division of labor within society); the effect of their combined, social labor is increased productivity. Their cooperation results in "the creation of a new productive power, which is intrinsically a collective one" (Marx, 1977, 443).

This greater productivity of combined labor had been noted earlier by Marx in his comment that the combination of individuals to build a road is more than just an addition of their individual labor capacities: "The unification of their forces increased their force of production" (Marx, 1973, 528). This "association of workers — the cooperation and division of labour as fundamental conditions of the productivity of labour" is independent of any particular form of production (Marx, 1973, 583). Nor is it simply the combination of labor as such which increases social productivity; there is, further, the enhancement of individual productivity occurring when producers work side by side which "originates from the fact that man . . . is at all events a social animal": "When the worker co-operates in a planned way with others, he strips off the fetters of his individuality, and develops the productivity of labor as a positive function of the degree of cooperation in production" (Marx, 1977, 444, 447).

The second proposition is that separation and division in social relations among producers allow those who *mediate* among the producers to capture the fruits of cooperation in production. For example, in simple commodity production, profit is "derived from the two-fold advantage gained, over both the selling and



the buying producers, by the merchant who parasitically inserts himself between them” (Marx, 1977, 267). The merchant’s mediation between the extremes, the various producers, is the basis here for the formation of capital (Marx, 1981, 442-3, 447). Similarly, within precapitalist production, those who “round up” individual producers secure the surplus products which are the effect of the combined labor. Thus, the palaces and temples of early societies resulted from the ability to direct large numbers of producers in cooperation (Marx, 1973, 528; Marx, 1977, 451-2).

The same relation of mediation clearly holds true within capitalist production, where capital mediates between “individual, isolated” owners of labor-power “who enter into relations with the capitalist, but not with each other” (Marx, 1977, 451). We find, too, that the ability of capital to secure the fruits of cooperation depends on its ability to separate workers: “the workers’ power of resistance declines with their dispersal” (Marx, 1977, 591, 638). In capitalism, the productive forces of social labor — collective unity in cooperation, combination in the division of labor, the use of the forces of nature and the sciences — appear as the productive forces of capital, the mediator (Marx, 1977, 1054, 451; Marx, 1973, 585). “The socially productive power of labour develops as a free gift to capital”:

This development in productivity can always be reduced in the last analysis to the social character of the labour that is set to work, to the division of labour within society, and to the development of intellectual labour, in particular of the natural sciences. *What the capitalist makes use of here are the benefits of the entire system of the social division of labour.* (Marx, 1977, 451; Marx, 1981, 175; emphasis added.)

Thus the producers’ share of social product is positively related to the degree of association in social relations among the producers.

In this context, the emergence of combination and “planned cooperation” among wage laborers in capitalism is not a chance or contingent aspect of the tendency of producers-for-themselves. Rather, the struggle against the existence of a mediator between (and above) them is inherent in the “worker’s

own need for development” and constitutes the basis of the political economy of the working class. Indeed, latent in that drive of producers-for-themselves is the creation of a *social form which corresponds to social production* — social production subordinated to the association of free and equal producers.

Thus, Marx did more than develop a critique of the political economy of capital; he also revealed its antithesis, the political economy of the working class. It is a political economy whose realization is a communist society and which is inherent in the struggles of wage labor:

The present “spontaneous action of the natural laws of capital and landed property” can only be superseded by “the spontaneous action of the laws of the social economy of free and associated labour” in a long process of development of new conditions, as was the “spontaneous action of the economic laws of slavery” and the “spontaneous action of the economic laws of serfdom.” (Marx, 1971b, 157.)

As Marx noted in the Inaugural Address, “social production controlled by social foresight . . . forms the political economy of the working class” (Marx, 1962a, 383). Precisely how that political economy is manifested within capitalism (and the situation of the two aforementioned victories) remains to be shown.

#### *The Struggle Against Capital as Mediator*

The positive side of capitalism is that it socializes production and creates an interdependence within production far exceeding pre-existing levels. Capital has the tendency, thus, to create a collective worker: wage laborers who are part of a productive organism and, as such, are one within production. Of course, the increase in social productivity is not capital’s goal as such, but merely the means to appropriate relative surplus value. Nevertheless, it is one side of capital’s tendency.

The other side is that capital requires separation and division among wage laborers as a condition of its ability to capture the fruits of cooperation in production. (Thus, the tendency to “divide and conquer” wage labor is inherent in capital.) As wage labor is present in every moment within the circuit of capital, separation and division of workers in each moment is necessary if capital is to realize its goal (Lebowitz, 1982b).

This necessary separation is present initially insofar as each wage laborer is an individual, isolated owner of labor-power for whom capital is the possessor of value (M—Lp). Within production, however, the very process of cooperation brings workers together; thus, in order to enforce the production of surplus value (P), capital must develop ways (e.g., division of labor, piecework, etc.) to foster separation and assert its authority. Finally, as owner of the products of labor, capital separates the producers from those who consume, both individually and productively; the division of labor within society is mediated by capital as owner of means of production and articles of consumption (C'-M'). Each moment of the circuit of capital, thus, contains capital as mediator between wage laborers.

A. *The Cooperatives.* In this context, the significance of cooperative factories was quite clear in that they involved the replacement of capital as a mediator in all phases — in the purchase of labor-power, in the direction and supervision of production, and in the ownership of the products of labor. Rather than selling their labor-power as isolated owners, the particular cooperating producers combined it; rather than characterized by the despotism of capital, the supervision and direction required of combined labor on a large scale lost its “antithetical character”; and, rather than the products of labor embodying the power of capital, they signified the communal relation between the particular cooperators — which was presupposed from the outset (Marx, 1973, 171-3; Marx, 1981, 512). In this sense, the cooperative factories represented the “first examples of the emergence of a new form” (Marx, 1981, 571). Their great merit

was to practically show, that the present pauperising, and despotic system of the *subordination of labour* to capital can be superseded by the republican and beneficent system of the *association of free and equal producers*. (Marx, 1866, 346.)

Of course, Marx was emphatic that those cooperative factories, as they existed, necessarily reproduced the “defects of the existing system.” They did not go beyond profit-seeking and competition; cooperative production here remained an isolated

system “based on individual and antagonistic interests,” one in which the associated workers had “become their own capitalist,” using the means of production to “valorize their own labour” (Marx, 1981, 571).<sup>2</sup> Further, in the “dwarfish forms” inherent in the private efforts of individual workers the cooperatives would “never transform capitalistic society”:

To convert social production into one large and harmonious system of free and cooperative labour, *general social changes* are wanted, *changes of the general conditions of society*, never to be realised save by the transfer of the organised forces of society, viz., the state power, from capitalists and landlords to the producers themselves. (Marx, 1966, 346.)

In this context, focus on cooperatives as the means by which the working class could emancipate itself necessarily remained a “sham and a snare.” The experience of 1848 to 1864 had “proved beyond doubt” that, within their narrow circle, the cooperatives could not succeed in transforming capitalism (Marx, 1971c, 76; Marx, 1982a, 383). Nevertheless, Marx still declared those cooperative factories as a great “victory” they had shown that wage labor was “but a transitory and inferior form” of labor, “that the capitalist as functionary production has become just as superfluous to the workers as the landlord appears to the capitalist with regard to bourgeois production,” and “that to bear fruit, the means of labour need not be monopolized as a means of dominion over, and of extortion against, the labouring man himself” (Marx, 1962a, 383; Marx, 1981, 511; Marx, 1971a, 497).

The very existence of cooperative factories, then, was a practical demonstration that capital was not necessary as a mediator in social production. This “victory of the political economy of labor over the political economy of property” was an *ideological* victory.

2 See the two articles from 1851 on “Cooperation” by Ernest Jones, which the editors of the *Collected Works* propose were co-authored by Marx (ME, 1979, xxv, 687). Whether this suggestion is accurate is unclear, given Marx’s own comments in his letter to Engels on 5 May 1851 about Jones’ “truly splendid lecture” on the cooperative movement (ME, 1982, 346); however, it is clear that Marx did re-read the 1851 articles in 1864 and that the position in those articles is the same as that held by Marx in 1864 (ME, 1979, 686).

*B. Against Capital in the Labor Market* (M — Lp). The significance of the cooperative factories is that they pointed to the alternative to capital in each moment of its circuit. In each of these moments, however, workers were directly confronting the power of capital. The first and foremost task was the struggle against capital as a mediator in the labor market; the necessity here was to end their own disunion as sellers of labor-power, a disunion “created and perpetuated by their unavoidable competition amongst themselves” (Marx, 1866, 347). Through trade unions (“whose importance for the English working class can scarcely be overestimated”), workers attempted to check that competition and to “obviate or weaken the ruinous effects of this natural law of capitalist production (competition among workers) on their class” (Marx, 1977, 1069, 793). This action was necessary and could not be “dispensed with so long as the present system of production lasts” (Marx, 1866, 348). For, in “trades without organization of the work-people”:

The work-people gradually get accustomed to a lower and lower standard of life. While the length of the working day more and more approaches the possible maximum, the wages come nearer and nearer to their absolute minimum . . . (Engels, 1967b, 104.)

Capital’s power in the absence of combination of workers is the power of a buyer in a buyer’s market: each seller of labor-power, the weaker side in the labor market, “operates independently of the mass of his competitors and often directly against them” (Marx, 1981, 295). The relative weakness of workers, however, is no accident. Its basis is the existence of unemployment, a reserve army of labor which capital inherently reconstitutes through the cessation of accumulation or the substitution of machinery; this relative surplus of workers, then, is “the background against which the law of the demand and supply of labour does it work” (Marx, 1977: 770, 784, 792). It is the basis for the tendency of the price of labor-power to be driven downward.

The point, then, of the trade unions was precisely to counter capital’s tendency and to “prevent the price of labour-power from falling below its value” (Engels, 1967b, 106; Marx, 1977, 1069). And insofar as the organized worker “measures his demands against the capitalist’s profit and demands a certain share of the surplus value created by him,” there was the possibility of success in resisting capital’s tendency (Marx, 1973,

597). The workers would not permit wages “to be reduced to the absolute minimum; on the contrary, they achieve a certain quantitative participation in the general growth of wealth” (Marx, 1971a, 312). As Engels commented, the great merit of the trade unions is that “they tend to keep up and to raise the standard of life” (Engels, 1967a, 102).

For their success in expressing the interests of wage laborers as commodity sellers, the trade unions were viewed by political economy as an infringement upon personal freedom and competition (Marx, 1977, 793-4, 1070n). (The standard here, of course, is the political economy of capital, which rests upon individual self-interest and competition, rather than the separate political economy of the working class, apparent in the social forms of cooperation that workers create in their own interest.) Yet, Marx saw that success as necessarily limited — precisely because of the power of capital within production.

*C. Against Capital in Production (P).* What about the struggle against capital as a mediator in production, where capital attempts to exercise the property right it has purchased in the labor market, the right of disposition over labor-power? The central issue here is the struggle against capital’s “will” — and, in particular, against the capitalist character of direction and supervision within the labor process. Precisely because the worker’s activity in the capitalist labor process is in accordance with the purpose of capital and is not enjoyed by the worker “as the free play of his own physical and mental powers,” the worker’s own will must be subordinated to that of capital (Marx, 1977, 284). But it does not thereby disappear. Indeed, “as the number of the cooperating workers increases, so too does their resistance to the domination of capital.” And, the greater the opposition of workers to rule of capital in production, the “greater the role that this work of supervision plays” in order to subject the worker to capital’s purpose (Marx, 1977, 449; Marx, 1981, 507).

At the core of the contest is capital’s effort to ensure “that the worker does his work regularly and with the proper degree of intensity” (Marx, 1977, 424). But *Capital* shows, in the discussion of manufacturing, how the worker presses in the opposite direction to the capitalist. Here, Marx notes that the specialized workers learn “by experience how to attain the desired effect

with the minimum of exertion” (Marx, 1977, 458). They jealously guard their skills and secrets through methods such as long apprenticeship periods “even where it would be superfluous” (Marx, 1977, 489). All of this was the result of the combination of workers, in particular within craft unions. And it is apparent that, through their combinations within production, workers presented a barrier to the growth of capital.

Thus, Marx observed that, in manufacturing, “capital is constantly compelled to wrestle with the insubordination of the workers.” Standing against the despotism of the capitalist workplace and capital’s tendencies were “the habits and the resistance of the male workers” (Marx, 1977, 489-490). And despite “the pressure put on by capital to overcome this resistance” (and all others), “the complaint that the workers lack discipline runs through the whole of the period of manufacture” (Marx, 1977, 449, 490).

Until the machine. Modern industry and the factory brought a new form of competition — competition with the result of past labor, the machine. Not only did the machine substitute for the work of many wage laborers, but it also was “the most powerful weapon for suppressing strikes, those periodic revolts of the working class against the autocracy of capital” (Marx, 1977, 562). As well as freeing capital from dependence upon the skills of specialized workers (and breaking “the resistance which the male workers had continued to oppose to the despotism of capital”), the machine became the objective basis for the intensification of labor and for the emergence of a “barrack-like discipline” in the factory (Marx, 1977, 526, 536, 549). Not only did the conditions of labor come to dominate labor technological-ly, but also to “replace it, suppress it and render it superfluous in its independent forms” (Marx, 1977, 1055). Thus, capital, by restructuring production, could defeat the resistance of workers in production.

Yet, Marx *overestimated* capital’s victory from the machine at the time and underestimated the ability of workers to “set limits to the tyrannical usurpation of capital” by pushing in the opposite direction (Lazonick, 1983; Marx, 1962b, 439)<sup>3</sup> In part

3 Lazonick notes that, despite Marx’s focus on the self-acting mule as an example of capital’s triumph over workers through mechanization, the mule spinners emerged as the best organized union in Britain.

the problem results from the rather significant gap between the "real" machine and its concept (what is latent in the machine); were the worker really reduced to "watchman and regulator to the production process itself," the potential and form of opposition with production would be quite delimited (Marx, 1973, 705). As long, however, as the machine-operator has not yet "been deprived of all significance," the potential for opposition to capital within production is obviously still present (Marx, 1977, 549).

To this extent, there was an important counter-tendency inherent in the machine as fixed capital. The very growth in fixed capital makes the continuity of the production process all the more necessary; "every interruption of the production process acts as a direct reduction of capital itself, of its initial value." The development of machine industry makes capital more, rather than less, vulnerable to the weapon of strikes: capital is in a form in which "it loses both use-value and exchange-value whenever it is deprived of contact with living labour" (Marx, 1973, 703, 719; Marx, 1977, 529).

Thus, the potential for workers to assert their own will within production was not automatically removed with the emergence of large-scale industry. Why else would capital introduce piece work and other means of dividing workers if not to overcome the workers' own tendencies? Still, combination and unity of workers within production would remain the essential requirement for pressing in the opposite direction to capital.

This was not Marx's only point about the significance of the machine, however. Central to Marx's evaluation of the weakness of trade unions was his recognition of the critical feedback and interpenetration between developments in the sphere of production and those in the buying and selling of labor-power. In opposition to the sanguine view of the political economists of capital, Marx stressed machinery's tendency to displace workers and, thus, to add to the size of the reserve army of labor, leading to falling wages. In turn, this meant a tendency for workers to supply additional labor "to secure even a miserable average wage," a process which, under the Factory Acts, occurred through intensification of labor (via the mechanism of piece wages). The effect was to make "the supply of labour to a certain extent independent of the supply of workers"; wages dropped



even more, which “completes the despotism of capital” on the basis of the blind laws of supply and demand (Marx, 1977, 687-8, 699, 793).

Thus, in their struggles over wages, trade unions necessarily were “fighting with effects, but not with the causes of those effects” — causes emanating from capital’s power outside the labor market as such; and they necessarily were fighting a losing battle (“retarding the downward movement, but not changing its direction”) because the “general tendency of capitalistic production” was to drive down the standard of wages “more or less to its *minimum limit*” (Marx, 1962b, 416-7).

Of course, Marx was well aware that the introduction of machinery also increases the productivity of labor and thus brings about a fall in the values of commodities (and thus the value of labor-power). “It is possible,” he noted, “given increasing productivity of labour, for the price of labour-power to fall constantly and for this fall to be accompanied by a constant growth in the mass of the worker’s means of subsistence” (Marx, 1977, 659). Workers, through their struggles, might not permit the wage to be driven to the minimum limit; they might achieve that “certain quantitative participation in the general growth of wealth.” Trade unions in this case would not be weakened as “centers of organization of the working class” since only through such combinations would workers be able to prevent declining real wages and intensification of labor within the work place (Marx, 1866, 348).

Even in this case of quantitative participation in the general growth of wealth, however, Marx argued that “the abyss between the life-situation of the worker and that of the capitalist would keep widening” (Marx, 1977, 659). (Only if “the mass of the worker’s means of subsistence,” the real wage, increased as much as productivity — which requires a constant price of labor-power — would the rate of exploitation not rise). The result, then, of the growth of social productivity was clear:

The heaped-up wealth confronting the worker grows apace and confronts him as *capital, as wealth that controls him*. The world of wealth expands and faces him as an alien world dominating him, and as it does so his subjective poverty, his need and dependence grow larger in proportion. His *deprivation* and its *plentitude* match each other exactly. (Marx, 1977, 1062.)

Precisely because of capital's power as owner of the products of labor, trade unions necessarily were "fighting with the effects, but not with the causes of those effects."

*D. Against Capital as Owner of Products of Labor (C' — M').* How do workers struggle against capital's mediation between them as the owner of the products of labor? To understand the nature and requirements of this struggle, it is first necessary to recognize the nature of capital's mediation and power within this sphere.

Capital is the owner of articles of consumption. It thus mediates between the wage laborer as producer and the wage laborer as a socially developed human being with needs. There is no direct relation between producer and the bearer of needs. Rather, capital decides how much in the way of particular use values shall be produced and the terms on which they shall be transferred to those with needs. For capital, only a use value which is C' (i.e., a commodity containing surplus value) — and, indeed, only one whose surplus value can be realized (i.e., which can make the mortal leap from C' to M') — shall be produced. Thus, capital holds back the production of use values and the satisfaction of needs. It determines both the extent and the particular nature of those needs which shall be satisfied; it determines both the extent and the particular nature of the labor which shall be performed.

Capital, too, is the owner of the means of production. It thus mediates between the wage laborer who produces means of production and the wage laborer who uses them, between past labor and living labor, between scientific worker and manual laborer. There is no direct connection between these producers, the "limbs" and organs of the collective worker (Marx, 1977, 1040). Rather, their association is wholly external, mediated by their particular connections to capital: "the worker actually treats the social character of his work, its combination with the work of others for a common goal, as a power that is alien to him; the conditions in which this combination is realized are for him the property of another" (Marx, 1981, 178). Capital's power here is the power to dispose of all the results of socially combined labor. It is the power to determine how or whether the means of production, the result of social labor, shall be used — and the

power to exclude others from their use. As such, the ownership (monopolization) of the means of production is the necessary condition for the power of capital in the labor market and in the workplace.

There is, too, a critical difference between the power of capital as owner of the products of labor and that of capital as purchaser of labor-power and director of labor. There is no direct arena of confrontation between specific capitalists and specific wage laborers in this sphere comparable to that which emerges spontaneously in the labor market and the workplace. The power of capital as owner of the products of labor and as mediator of the division of labor within society appears as the dependence of wage labor upon capital-as-a-whole.

As the owner of articles of consumption, capital's power is hidden by the mystification which attaches to the product of labor as a commodity. Capital appears here simply as the individual seller of a commodity and wage labor as individual buyer — as participants in a relation of simple exchange (C—M—C). Thus, capitalist relations of production are not at all apparent here: in C'—M', all distinction between the contracting parties as capitalist and wage laborer is extinguished (Marx, 1973, 246, 639). Rather than as the result of capital's mediation, the existing social division of labor appears in the market as “an objective interrelation, which arises spontaneously from nature.” The relations of individuals to one another appear as an autonomous power over them — “although created by society, [they] appear as if they were *natural conditions*, not controllable by individuals” (Marx, 1976, 196-7, 164). In short, the unity and mutual complementarity in the division of social labor exist “in the form of a natural relation, as it were, external to the individuals and independent of them” (Marx, 1973, 158).

It is as individuals that wage laborers experience their powerlessness in this realm. Moreover, that powerlessness (in their inability to satisfy needs, etc.) does not appear foremost as the result of the power of capital as mediator within society; rather, it appears as a powerlessness of the individual with respect to society, a powerlessness which is expressed as the absence of a thing, money. Thus, arising out of capital's mediation as owner of articles of consumption, there is the basis both for the struggle over wages and also for the dependence of the

wage laborer upon capital as the possessor of money, "social power in the form of a thing" (Marx, 1973, 158).

Similarly, as owner of the means of production, capital "confronts society as a thing, and as the power that the capitalist has through this thing" (Marx, 1981, 373). The material conditions of production of the community of labor appear "as something independent of the workers and intrinsic to the conditions of production themselves" (Marx, 1977, 1053). They "confront the individual workers as something *alien, objective, ready-made*, existing without their intervention, and frequently even hostile to them" (Marx, 1977, 1054). This is especially true with the development of machine industry, where "objectified labour confronts living labour as a ruling power," and where knowledge appears as alien and external to the worker (Marx, 1973, 693, 695).

In this situation, "the product ceases to be the product of isolated direct labour; and the *combination* of social activity appears, rather, as the producer" (Marx, 1973, 709). Yet this very development of the forces of social production at the same time signifies the powerlessness of the individual worker: the "elevation of direct labour into social labour appears as a reduction of individual labour to helplessness in face of the communality represented by and concentrated in capital" (Marx, 1973, 700).

Thus, since the productive forces of social labor necessarily appear as the productive forces of capital, and "the development of the *social* productive forces of labour and the conditions of that development come to appear as the *achievement of capital*," it necessarily appears as a natural law that the worker is dependent on capital for the production of wealth (Marx, 1977, 1054-5). Capital's power as owner of the products of labor is, accordingly, both absolute and mystified.

Indicative of capital's power as mediator within society is that it transcends the ability of trade unions as such to combat it. Capital does not spontaneously engender a direct economic struggle by wage labor as owner of the products of labor; rather, insofar as there is a purely economic struggle, it is manifested within the labor market and within the workplace. How could wage labor compel capital (either individually or as a whole) to produce use values which will not realize surplus value? Or to use its property in means of production, the product of social

labor, to satisfy the needs of socially developed human beings? To demand as much is to demand that capital be not-capital. It is to demand that capital relinquish its claim as owner of property.

Further, what is the medium through which such a demand could be made? The center of organization of the working class, the trade unions, act in opposition to specific and particular capitals. Yet the power to be confronted is that of capital as a totality — and only insofar as it is a totality. In the absence of such a total opposition, the trade unions fight the effects within the labor market and the workplace but not the causes of the effects.

Precisely for that reason, Marx criticized the trade unions for restricting themselves to a guerrilla war against capital. They had failed, he argued, to recognize their potential power “of acting against the system of wages slavery itself. They therefore kept too much aloof from general social and political movements.” Trade unions, “apart from their original purposes,” now had to learn to act as organizing center of the working class “in the broad interest of its *complete emancipation*.” They had to go beyond purely economic struggles for that purpose: “They must aid every social and political movement tending in that direction” (Marx, 1866, 348-9).

It is in this context that we should consider the significance of the Ten Hours’ Bill. What precisely was the victory? Certainly, it revealed in broad daylight the class struggle of capital and wage labor over the working day; similarly, it suppressed competition among workers over the length of the working day. But its real victory is that it revealed clearly that wage labor required political struggle and the state to achieve success! The Ten Hours’ Bill, after all, was a legislative act — which it had to be:

As to the *limitation of the working day* in England, as in all other countries, it has never been settled except by *legislative interference*. Without the working men’s continuous pressure from without that interference would never have taken place. But at all events, the result was not to be attained by private settlement between the working men and the capitalists. This very necessity of *general political action* affords the proof that in its merely economic action capital is the stronger side. (Marx, 1962b, 443-4.)

In short, only by going beyond “a purely economic move-

ment'' to act as a class politically could the working class coerce capital ''by pressure from without'' to achieve a goal which was not to be attained by private settlement. Only through a ''*political* movement, that is to say, a movement of the *class*, with the object of enforcing its interests in a general form, in a form possessing general, socially coercive force'' (Marx to F. Bolte, November 23, 1871; ME, 1965, 270-1). To enforce the interests of wage labor in such a form meant, of course, to use the state, within capitalism, in the interests of workers. The Ten Hours' Bill proved ''in broad daylight'' that it was possible for the political economy of the working class to triumph over that of capital when workers went beyond guerrilla warfare.

Indeed, wherever capital's power was based upon its position as owner of the products of labor and mediator within society, the interests of workers as a whole had to be enforced in a ''form possessing general, socially coercive force.'' For, precisely here, we have the power of capital as a totality in opposition to the separate individual interests of workers. Private settlements ''between the working men and the capitalists'' can not suffice. Indeed, since they are contrary to the interests of workers as a whole, socially coercive force is necessary to bind not only capital but also wage laborers as individual self-seekers.

In the case of the limitation of the working day, for example, Marx noted that ''the workers have to put their heads together and, as a class, compel the passing of a law, an all-powerful social barrier by which they can be prevented from selling themselves and their families into slavery and death by voluntary contract with capital'' (Marx, 1977, 416).

Similarly, the struggle against existing child labor and for public education involved saving children not only from capital but also from the individual acts of their parents. Children, Marx noted, ''are unable to act for themselves. It is, therefore, the duty of society to act on their behalf.'' Since the future of society depended upon the vindication of the rights of children and their formation, Marx's ''instructions'' to the delegates of the First International stressed the necessity for political action by workers:

This can only be effected by converting *social reason* into *social force*, and, under given circumstances, there exists no other method of doing so,

than through *general laws*, enforced by the power of the state. In enforcing such laws, the working class do not fortify governmental power. On the contrary, they transform that power, now used against them, into their own agency. They effect by a general act what they would vainly attempt by a multitude of isolated individual efforts.” (Marx, 1866, 344-5.)

At the root of capital’s power in general is its power as owner of the products of labor — a power which workers can challenge only by acting politically as a class. “In its merely economic action capital is the stronger side.” This, of course, was the message of the First International: “To conquer political power has therefore become the great duty of the working classes” (Marx, 1962a, 384).

*From the Political Economy of Wage Labor to the Political Economy of the Working Class*

Those who mediate among producers have an interest in maintaining and increasing the separation, division and atomization among producers in order to continue to secure the fruits of cooperation in production. Capital achieves this by fostering competition—among workers in one firm, among workers in different firms, between past and living labor. Its power depends on the appearance that particular individuals and particular groups of individuals, by acting in their individual self-interest, can succeed in advancing their own particular interests. Individual self-seeking and competition constitutes the political economy of capital.

The political economy of wage labor, by contrast, stresses that only through combination and unity can wage laborers capture the fruits of cooperation for themselves and realize their “own need for development.” It focuses on the necessity to remove capital as mediator among workers as a whole — and thus on the intrinsic nature of both purely economic and also political struggles against capital. (This is precisely the position which Marx advanced against the Proudhonists within the First International.) The full dimensions of the political economy of wage labor are clarified only in relation to consideration of capital as a whole.

As we move through the circuit of capital, different aspects

of the struggle against capital as mediator become apparent. From sellers of labor-power, whose assertion of themselves as commodity sellers does not transcend the capital/wage labor relation; to producers within the workplace, whose assertions of their needs as producers implicitly go beyond capitalist direction; to wage labor as a class which politically asserts the needs of workers as human beings in opposition to the rights of capital as property — each moment contains the preceding and represents a higher level of struggle against capital.

Once we understand Marx's conception of the political economy of the working class, it is apparent that it transcends dependence on any one single "organizing center" of the working class. Just as workers are themselves human beings whose nature is not exhausted by their position as wage laborers, so also does their struggle against capital go beyond the trade union issues characteristic of the first two moments (M—Lp and ...P...) of the circuit of capital to encompass all their needs as socially developed beings.

To move from consideration of the political struggle of workers insofar as they are wage laborers to that of the working class in its other sides is a major leap only if we begin from a stereotyped conception of the worker in the first place. The needs of workers which require political action as a class clearly go beyond those conceived narrowly as the needs of workers only as wage laborers; they include all those needs of workers as socially developed human beings which are unrealized because of capital's position as a mediator between producers.

In this sense, then, there is no inherent opposition between the "new social movements" and the struggle of workers as a class against capital; rather, the former should be seen as expressing other needs *of workers* and as the development of new organizing centers of the working class, functioning "in the broad interest of its *complete emancipation*." If "goodbyes" are in order, they should be addressed not to the working class but, once again, to a one-sided conception of the working class.

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