

The Socialist Principle: Four Propositions Flowing from Marx's 'Key Link' of Human Development and Practice

The Key Link

For Marx, the whole point of socialism was the creation of a society that removes all obstacles to the full development of human beings. Right from the outset of his work, he rejected the preoccupations of the political economists of his time and envisioned a 'rich human being'—one who has developed his capacities and capabilities to the point where he is able 'to take gratification in a many-sided way'--- 'the *rich* man *profoundly endowed with all the senses.*' 'In place of the *wealth* and *poverty* of political economy,' Marx proposed, 'come the *rich human being* and *rich human need.*'¹

It was not only the Young Marx, however, who spoke eloquently about rich human beings. In the *Grundrisse*, Marx continued to stress the centrality of this concept: 'When the limited bourgeois form is stripped away,' he asked, 'what is wealth other than the universality of individual needs, capacities, pleasures, productive forces etc., created through universal exchange?' In continuing to envision a rich human being 'as the most total and universal possible social product,' Marx revealed his understanding that *real wealth is the development of human capacity.*²

In short, in contrast to a society where the worker exists to satisfy the need of capital to grow, he looked to what he called in *Capital* 'the inverse situation, in which objective wealth is there to satisfy the worker's own need for development.'³ In that society of associated producers which would replace capitalism, each individual would be able to develop his full potential--- i.e., the 'absolute working-out of his creative potentialities,' the 'complete working out of the human content,' the 'development of all human powers as such the end in itself.'⁴ The result, in short, would be the production of rich human beings. But, *how* are rich human beings produced?

For Marx, the key to the development of our capacities is 'revolutionary practice'--- 'the simultaneous changing of circumstances and human activity or self-change'.⁵ Marx introduced this concept in the course of criticizing Robert Owen's idea that you can change people by giving them gifts. That was the essence of the utopian socialism of his time--- that if we change the circumstances for people (for example, by creating new structures, new communities, and the like, and insert people into these), they will be themselves different people. And Marx said, no, you are forgetting something rather important: you are forgetting really existing human beings. You are forgetting that it is *they* who change circumstances and that they change themselves in the process.

¹ Karl Marx, *Economic and Philosophical Manuscripts of 1844* in Marx and Engels, *Collected Works*, Vol. 3 (New York: International Publishers, 1975), 302, 304.

² Marx, *Grundrisse* (New York: Vintage, 1973), 488.

³ Marx, *Capital*, Vol. I (New York: Vintage, 1977),

⁴ Marx, *Grundrisse*, 488, 541, 708.

⁵ Karl Marx, "Theses on Feuerback," in Marx and Engels, *Collected Works*, Vol. 6 (New York: International Publishers, 1976).

Further, who is this ‘we’ that would change circumstances for people? This idea that we can change circumstances for people and thus change them, Marx noted, divides society into two parts—one part of which is superior to society. Indeed, is there a group of people at the top of society who will change circumstances for us? A group that knows how to build socialism for us? A group that knows enough to bestow that gift upon those whom they consider to know nothing? You are forgetting, Marx remarked, something else rather important--- that ‘the educator must himself be educated.’

This combination of human development and practice was the ‘key link’ for Marx. Make the key link of human development and practice our starting point and there is a simple answer to the question of how the development of human capacity occurs--- *we develop through all our activities*. Marx was most consistent on this point when talking about the struggles of workers against capital and how this revolutionary practice transforms ‘circumstances and men,’ expanding their capabilities and making them fit to create a new world. Indeed, the process of struggle was essential for preventing workers ‘from becoming apathetic, thoughtless, more or less well-fed instruments of production.’⁶

Marx, though, did not at all limit his view of this process of self-change to the sphere of political and economic struggle. In the very act of producing, ‘the producers change, too, in that they bring out new qualities in themselves, develop themselves in production, transform themselves, develop new powers and new ideas, new modes of intercourse, new needs and new language.’ The worker as outcome of his own labour, indeed, enters into Marx’s discussion in *Capital* of the labour process--- there the worker ‘acts upon external nature and changes it, and in this way he simultaneously changes his own nature.’⁷

Here, then, is the absolutely critical point to understand about this key link: every act of production, every human activity, has as its result a ‘joint product’--- both the change in the object of labour and the change in the labourer herself. Thus, we need always to ask two questions about every human activity. (1) how does this change circumstances and (2) how does this change human beings and affect the development of their capacities?

Proposition I: the relations within which people produce affect the nature of the people produced.

Starting with his earliest work, Marx understood that the precise character of productive relations matters. Comparing productive activity based upon relations within a community to those which start out ‘from the *relation of man to man* as that of *property owner to property owner*’ (the perspective of the political economy of capital), Marx stressed the joint product which emerges from our activity.⁸ ‘Let us suppose we had carried out production as human beings,’ he commented in 1844. In this case, producing

⁶ See the discussion in Michael A. Lebowitz, *Beyond Capital: Marx’s Political Economy of the Working Class* (New York: Palgrave Macmillan, 2003), 178-83.

⁷ Marx, *Grundrisse*, 494.; Marx, *Capital*, Vol. I, 283.

⁸ Karl Marx, “Comments on James Mill,” in Marx and Engels, *Collected Works*, Vol. 3 (New York: International Publishers, 1975), 217).

as members of a human family, if I produce consciously for your need, I know my work is valuable, I know that I am satisfying your need, and I gain from this. 'In my individual activity,' Marx commented, 'I would have directly *confirmed* and *realised* my true nature, my *human nature*, my *communal nature*.' My work in this relationship is a '*free manifestation of life*, hence an *enjoyment of life*. And, in this way, we not only produce ourselves--- we also produce our relation, our connection as members of a human society.'

What is so obvious here is the joint product characteristic of this relation--- in producing directly and consciously for others, we not only satisfy the needs of others but we also produce ourselves as rich human beings. This theme of the realisation of human potential only by producing within and for others in a community permeates Marx's early writing. In this new society, he proposed, there is '*communal activity and communal enjoyment*--- i.e., activity and enjoyment which are manifested and affirmed in *actual direct association* with other men.' Here, 'man's *need* has become a *human need*' to the extent to which 'the *other* person as a person has become for him a need--- the extent to which he in his individual existence is at the same time a social being.'¹⁰

And this understanding of how we develop our potential and our capacities by producing within a society based upon solidarity remained with Marx. Realisation of the worker's own need for development, Marx and Engels noted in *The German Ideology*, depends 'on whether we live in circumstances that allow all-round activity and thereby the full development of all our potentialities,' and that is only possible when 'the world which stimulates the real development of the abilities of the individual is under the control of the individuals themselves, as the communists desire.'¹¹

Further, in the *Grundrisse*, Marx stated explicitly that the premise for producing as social beings and thereby producing ourselves as rich human beings is *community*--- the association of producers within society. Here, 'a communal production, communality, is presupposed as the basis of production. The labour of the individual is posited from the outset as social labour.'¹² Begin from this presupposed communal society, and social production which is 'directly social,' which is 'the offspring of association,' follows. Begin with communality, and 'instead of a division of labour... there would take place an organization of labour.'¹³ Here, is the basis for the development of rich human beings. Here, in this society, Marx envisioned 'free individuality, based on the universal development of individuals and on their subordination of their communal, social productivity as their social wealth.'¹⁴

In contrast, consider the result when individuals relate as owners. Implicit in our relation of property owners is the possibility of exchanging our property. Why does that take place? As Adam Smith noted, exchange occurs when it is in our individual self-interest. In this process of exchanging our products, Marx observed, 'I have produced for myself and not for you, just as you have produced for yourself and not for me.' In other words, I am not producing for you as another human being. 'That is to say, our

⁹ Marx, 'Comments on James Mill,' 227-8.

¹⁰ Marx, *Economic and Philosophic Manuscripts of 1844*, 296, 298.

¹¹ Marx and Engels, *The German Ideology* in Marx and Engels, *Collected Works*, Vol. 5 (New York: International Publishers, 1976), 255, 292.

¹² Marx, *Grundrisse*, 172.

¹³ Marx, *Grundrisse*, 172.

¹⁴ Marx, *Grundrisse*, 158-9.

production is not man's production for man as a man, i.e., it is not *social* production.' And, of course, 'since our exchange is a selfish one, on your side as on mine, and since the selfishness of each seeks to get the better of that of the other, we necessarily seek to deceive each other.' We struggle against each other, and 'the victor is the one who has more energy, force, insight, or adroitness.'¹⁵

In short, when we relate as *owners*, your need does not induce me to help you as another human being. On the contrary, your need gives me *power* over you. Your needs make you dependent upon me: 'Far from being the *means* which would give you *power* over my production, they are instead the *means* for giving me power over you.' At the same time, however, my needs give you power over me. We struggle against each other because we are, in fact, separate self-seekers.

What kinds of people are produced in this relationship which begins from 'the separation of man from man'? Very clearly, people who remain alienated from each other, from our activity and from our own products. Indeed, we are the property of our own products; we are in 'mutual thralldom to the object.'¹⁶ Marx never moved away from this view of the exchange relation. In the *Grundrisse*, he wrote that in exchange, despite 'the all-round dependence of the producers on one another,' those producers are separate and isolated; there is 'the total isolation of their private interests from one another.' What exists, accordingly, is 'the connection of mutually indifferent persons.' And, 'their mutual interconnection--- here appears as something alien to them, autonomous, as a thing.' In the 'reciprocal and all-sided dependence of individuals who are indifferent to one another,' the connection of people exists as a relation 'external to the individuals and independent of them'; it is, in fact, a power over them.

We have an overwhelming need, the 'real need' produced in this system--- *money*. We must transform our products and our activities into money, which gives us 'social power' over the activities of others; money here is 'our bond with society,' and we are dominated and subordinated by this connection. We must function in the market. Our own social product, this connection of 'mutually indifferent individuals,' drives us and gives us impulse. The market is our connection as mutually indifferent individuals; the market is a power over us.¹⁷

In the case of capitalist relations of production, though, the power over the producers is more than the market. The results of past social labour, the means of production, our social heritage, dominate us--- as capital. This was the central point that Marx attempted to explain --- the essence of that power above us, the essence of capital. His answer was unequivocal: it is the workers' own product that has been turned against them, a product in the form of tools, machinery--- indeed, all the products of human activity (mental and manual). What you see when you look at capital is the result of past exploitation.

Insofar as workers sell their capacity to work to the owner of the means of production in order to satisfy their needs, they surrender all property rights in the products they produce. By purchasing the right to dispose of the worker's power, the capitalist has purchased the right to exploit the worker in production; and the result of that exploitation goes into the accumulation of more means of production. The power

¹⁵ Marx, 'Comments on James Mill,' 225-6.

¹⁶ Marx, "Comments on James Mill," 227.

¹⁷ .Marx, *Grundrisse*: 156-8.

over us represented by the means of production, in short, is the power yielded to capital by generations of wage-labourers.

What does this mean for the nature of the workers produced within the system? Consider the joint product, the way the capacities of producers are shaped, within capitalist relations of production. While Marx recognised that the ‘ceaseless striving’ of capital to grow creates ‘the material elements’ for expanded human capacity (compared to the barriers presented by ‘the traditional, confined, complacent, encrusted satisfactions of present needs, and reproductions of old ways of life’), he was very clear that capital produces its *own* barriers to the production of rich human beings.¹⁸ Indeed, capital produces *poor* human beings.

Within capitalist relations of production, people are subjected to ‘the powerful will of a being outside them, who subjects their activity to his purpose.’ Human beings in this case are mere means for capital’s growth. And, these productive relations create in workers a ‘state of complete indifference, externality and alienation’ in relation to the conditions of production and the combination of producers:

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, and he would be completely indifferent to the wastage of this property if he were not himself constrained to economize on it.¹⁹

Under capitalism, the creative power of the worker’s labour ‘establishes itself as the power of capital, as an *alien power* confronting him.’²⁰ Fixed capital, machinery, technology, all ‘the general productive forces of the social brain,’ appear as attributes of capital and as independent of workers.²¹ The world of wealth, we understand, faces the worker ‘as an alien world dominating him.’

And, that alien world dominates the worker more and more because capital constantly creates new needs to consume as the result of its requirement to realize the surplus value contained in commodities. For workers, producing within this relationship is a process of a ‘complete emptying-out,’ ‘total alienation,’ the ‘sacrifice of the human end-in-itself to an entirely external end.’²² And, we fill the vacuum of our lives with *things*--- we are driven to consume. (Consume, consume! That is Wal-mart and the profits!) In short, in addition to producing commodities and capital itself, the joint product of capitalist production that Marx identified in *Capital* is the fragmented, crippled human being, whose enjoyment consists in possessing and consuming things. Only one thing really matters for the worker in capitalism--- money.

There is the picture of the producer within capitalism that Marx offers. In capitalism, ‘all means for the development of production undergo a dialectical inversion,’ Marx indicated; ‘they distort the worker into a fragment of a man,’ they degrade him and

¹⁸ Marx, *Grundrisse*, 325, 409-10, 415-6..

¹⁹ Karl Marx, *Capital*, Vol. III (New York: Vintage, 1981), 178-9.

²⁰ Marx, *Capital*, Vol. I, 450; Marx, *Grundrisse*, 453, 307.

²¹ Marx, *Grundrisse*, 694; Marx, *Capital*, Vol. I, 1053-4, 1058.

²² Marx, *Grundrisse*, 488.

‘alienate from him the intellectual potentialities of the labour process.’²³ Yet, contained within his critique of capitalism (and, indeed, the premise for that critique) was the vision of an alternative. It was the vision of a society in which the development of productive forces does not cripple the producers but, rather, permits the development of their capacities. Can we doubt at all that socialism is Marx’s premise in *Capital* when without any logical development in this supremely logical work, he suddenly evokes a society characterized not by the capitalist’s impulse to increase the value of his capital but, rather, by ‘the inverse situation in which objective wealth is there to satisfy the worker’s own need for development.’²⁴

Indeed, that ‘inverse situation’ is precisely the perspective from which Marx persistently critiques capitalism. After all, he describes the fact that in capitalism means of production employ workers as ‘this inversion, indeed this distortion, which is peculiar to and characteristic of capitalist production.’ But, an inversion and distortion of what? Simply, an inversion of the ‘relation between dead labour and living labour’ in a different society.²⁵ Read *Capital* with the purpose of identifying the inversions and distortions that produce truncated human beings in capitalism, and we can get a sense of the necessary conditions for producing the rich human being whose ‘own realisation exists as an inner necessity, as need?’

For one, it is clear that to develop the capacities of people the producers must put an end to (what Marx called in his *Critique of the Gotha Programme*) ‘the enslaving subordination of the individual to the division of labour and therewith also the antithesis between mental and physical labour.’²⁶ It is no accident that Marx indicated in *Capital* that the ‘revolutionary ferments whose goal is the abolition of the old division of labour stand in diametrical contradiction with the capitalist form of production.’²⁷ Head and hand, in short, must be reunited. Yet, more is needed than simply the combination of mental and manual labour within the sphere of production. As Mészáros indicated in his *Beyond Capital*, the ‘full development of the creative potentialities of the social individuals’ and of the abundance flowing from their cooperation, is only possible in ‘a society in which there is no alienated command structure to impose on the individuals,’ only possible in a society in which ‘the associated producers are themselves in full control of their productive and distributive interchanges.’²⁸

In short, it is not simply a matter of replacing capitalist authority with the plan and authority of others external to the workers. As in the case of the capitalist state, that ‘public force organized for social enslavement, [that] engine of class despotism,’ the inverted character of capitalist production cannot be used by workers for their own goals. The ‘systematic and hierarchic division of labour’ characteristic of capitalist production, with its own ‘trained caste’ above workers (‘absorbing the intelligence of the masses and turning them against themselves in the lower places of the hierarchy’) must be replaced with a new social form appropriate to the ‘all-round development of the individual’.²⁹

²³ Marx, *Capital*, Vol. I, 548, 643, 799.

²⁴ Marx, *Capital*, Vol. I, 772.

²⁵ Marx, *Capital*, Vol. I, 425.

²⁶ Marx, *Critique of the Gotha Programme*, 24.

²⁷ Marx, *Capital*, Vol. I, 619.

²⁸ Istvan Mészáros, *Beyond Capital: Towards a Theory of Transition* (New York: Monthly Review Press, 1995), 817, 822..

²⁹ Marx, *Capital*, Vol. I, 173, 450, 482; Lebowitz, *Beyond Capital*, 193-96.

That form is the cooperative society based upon the common ownership of the means of production. Within it, *every* aspect of production must be a site for the collective decision-making and variety of activity that develops human capacities and builds solidarity among the particular associated producers. When workers act in workplaces and communities in conscious cooperation with others, they produce themselves as people conscious of their interdependence and of their own collective power. The joint product of their activity is the development of the capacities of the producers--- precisely Marx's point when he says that 'when the worker cooperates in a planned way with others, he strips off the fetters of his individuality, and develops the capabilities of his species.'³⁰ Very simply, in the words of the Bolivarian Constitution of Venezuela, protagonism and conscious cooperation by producers is 'the necessary way of achieving the involvement to ensure their complete development, both individual and collective.'³¹

Proposition II: the principle of distribution in accordance with work, 'the socialist principle,' is a relation of exchange.

Marx distinguished between the 'Becoming' and the 'Being' of an economic system--- between the historical emergence of a particular form of society and the nature of that society *once it has developed upon its own foundations*. The new society which emerges from capitalist society, he indicated in his *Critique of the Gotha Programme*, inevitably is 'in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society from whose womb it emerges.'

That new society, like every emerging organic system, is infected because it inherits its premises rather than produces them as its own result. And, Marx stressed that characteristic of socialism as it emerges was a *particular* 'defect'--- an 'inevitable' defect. The nature of that defect is revealed by the continued existence of an exchange relation: 'accordingly, the individual producer receives back from society--- after the deductions have been made--- exactly what he gives to it.' It is an exchange not of commodities ('the producers do not exchange their products'), but it *is* an exchange--- an exchange of one's labour with society: 'the same amount of labour which he has given to society in one form he gets back in another.'

'Give me that which I want, and you shall have this which you want.' This is a relation between an owner and the one who owns the use-values he desires, an exchange of equivalents. 'The same principle prevails, Marx pointed out, 'as in the exchange of commodity-equivalents: a given amount of labour in one form is exchanged for an equal amount of labour in another form.'³² And, Marx explicitly called this a 'defect'; there was a defect in the relation of distribution--- a relation often described as distribution in accordance with work (or contribution).

Yet, as he pointed out, it was a mistake of the Gotha Programme to stress 'so-called *distribution*.' Relations of distribution, after all, are only the 'reverse side' of

³⁰ Marx, *Capital*, Vol. I, 447.

³¹ Michael A. Lebowitz, *Build it Now: Socialism for the Twenty-first Century* (New York: Monthly Review Press, 2006), 89-90.

³² Marx, *Critique of the Gotha Programme*, 23-4.

relations of production; they cannot be treated ‘as independent of the mode of production.’ So, precisely what is the relation of production that generates this particular distribution rule? The answer is obvious if we remember that there is more than one kind of ownership in capitalism:

The capitalist mode of production... rests on the fact that the material conditions of production are in the hands of non-workers in the form of property in capital and land, while the masses are only owners of the personal condition of production, of labour power.³³

Private ownership of labour-power, ‘the personal condition of production,’ after all, is the necessary condition for workers to be able to sell that labour-power to the capitalist. Despite, then, the common ownership of the ‘material conditions of production’, labour-power remains here the property of individual producers. And, it can be seen that the relation of production that underlies the principle of distribution in accordance with work involves *production by private owners of labour-power*.³⁴:

Consider, for example, the behaviour of producers to the extent that they relate to each other as the ‘owners of the personal condition of production, of labour power.’ Each producer (or group of producers) demands a *quid pro quo* for the expenditure of her (their) activity. Each owner seeks to maximize income for a given quantity of labour (or to minimize labour for a given income). And, if the equivalent of one’s labour is not seen as satisfactory? ‘Give me that which I want, and you shall have this which you want’ implies its *opposite*: if I don’t get the equivalent, you shall not have what *you* want. If income is too low, less labour will be performed (or there will be a search for other sources of income). That is precisely the behaviour of people who relate as owners: ‘That is to say, our production is not man’s production for man as a man, i.e., it is not *social* production.’

So, what kinds of people are produced in this relationship? Very clearly, people who remain alienated from each other, from our activity and from our own products. People who produce themselves as separate and isolated; there is ‘the connection of mutually indifferent persons.’ This continuation of ‘*bourgeois right*’, where the claims of individual producers upon society’s output are determined not by their membership in society but, rather, are ‘*proportional* to the labour they supply,’ is an endorsement of inequality, as Marx pointed in his *Critique of the Gotha Programme*.³⁵ The people produced in this relation are not produced as members of a community.

Proposition III: the orientation of producers as owners (and the distribution principle that it generates) exists in combination with other relations.

Obviously, ownership of the personal condition of production, labour-power, by the masses coexists within capitalism with capital’s ownership of the material conditions

³³ Marx, *Critique of the Gotha Programme*, 23, 25.

³⁴ See the discussion in Michael A. Lebowitz, ‘Contradictions in the “Lower Phase” of Communist Society,’ *Socialism in the World*, No.59 (Belgrade, 1987) and Michael A. Lebowitz, ‘La acumulacion originaria de relaciones comunistas,’ in *Marx Ahora: Revista Internacional* (Havana, No. 11, 2001).

³⁵ Marx, *Critique of the Gotha Programme*, 23-4.

of production. Similarly, in the struggle of workers against capital, another relationship emerges, one in which workers develop their own links and themselves in the course of these struggles. Thus, there is a complex combination of these relations, and their balance determines the nature of the workers produced within capitalism. As we have seen, in the absence of struggles by workers within capitalism, they become ‘apathetic, thoughtless, more or less well-fed instruments of production.’

Similarly, there is a complex combination of relations in ‘the co-operative society based upon the common ownership of the means of production.’ Social ownership of the means of production implies that everyone in society has equal access to the means of production and benefits from them; thus, the tendency which flows from common ownership of the means of production is egalitarian. For its part, we have noted that cooperation of producers in production and in planning is essential for ‘the all-round development of the individual’ so that ‘all the springs of cooperative wealth flow more abundantly.’ These two sides of what President Chavez of Venezuela has called the ‘elementary triangle of socialism’ (social property, social production and production for social needs) coexist with that initial defect of socialism as it emerges from capitalist society--- the self-orientation of the producers as owners of their labour-power.³⁶

What are the implications of this coexistence? The self-orientation inherited from the previous society *infects* these other two relations. There is no better example of the effect of the continued presence of elements inherited from capitalism than the case of market self-management in Yugoslavia, where enterprises were socially owned and workers councils were the legal decision-making body in these enterprises.³⁷

Having rejected the Soviet model, Yugoslavia began in 1950 to introduce worker management in state industry. The initial hope that workers would ‘be able to master the complicated techniques of management of factories and other enterprises’ as the result of their practice, however, was disappointed. Further, social ownership was itself undermined. At the root of this problem was the overwhelming focus upon self-interest--- justified as being the only way to develop the productive forces,

In every enterprise, the goal was to maximize income per member of the individual enterprise. Since the managers as well as workers benefited from the success of the enterprise, it was accepted that they all had a common interest in making money. Accordingly, the workers’ councils (which had the power to decide upon critical questions like investments, marketing, and production) tended to rubber-stamp proposals that came from management and its technical experts. The division between thinking and doing, thus, remained.

Further, as Yugoslavia moved increasingly away from state initiatives and to the market, inequality grew--- inequality between firms in one industry, between industries, between town and country, and between republics. There was also *another kind of inequality* that emerged: these self-managed enterprises used the funds no longer taxed away by the State (supporting extensive development) for machine-intensive investments that could generate more income without adding more members to their collective. Not

³⁶ Michael A. Lebowitz, ‘New Wings for Socialism,’ *Monthly Review* (April 2007); Michael A. Lebowitz, *The Socialist Alternative: Real Human Development* (New York: Monthly Review Press, forthcoming in 2010).

³⁷ See the discussion of the Yugoslav experience in Chapter Six of Lebowitz, *Build it Now*.

surprisingly, then, unemployment was high because people coming from the countryside couldn't find jobs; so, they went to countries in Western Europe as 'guest workers.'

What is the real content of social property in such a situation? While these enterprises were legally property of the state and were viewed as social property, there was *differential access to the means of production*. Some workers had access to much better means of production than others, and the unemployed obviously had access to *no* means of production!³⁸ Growing inequality, in short, was the result of monopolies--- the ability to exclude others from particular means of production. Rather than social property, what existed was *group property*. 'Although social property may be legally established,' the leading Yugoslav economist, Branko Horvat noted, 'this difference in incomes or the relative size of nonlabor income in privileged industries reflects the degree of privatization of social property.'³⁹

That 'inevitable' defect in socialism as it emerged 'economically, morally and intellectually, still stamped with the birth marks of the old society', that defect rooted in the private ownership of 'the personal condition of production, of labour power' took its toll on social property and social production organized by workers. And on Yugoslavia itself. When you focus upon the self-interest of groups of workers, you do not build a community based upon solidarity. The joint product of productive activity remains isolated, mutually indifferent groups of workers. In short, what was *not* built was solidarity among workers in different enterprises, in different regions and in Yugoslav society itself; and, this was especially significant in the context of growing inequality and economic crisis. Not only did the country itself disintegrate but the managers, who developed their capacities through their practice, emerged as the new capitalists. The 'defect' was inevitable--- but the toll was not.

Proposition IV: to build the new society it is necessary to subordinate its defects, not build upon them.

Should we be surprised that, even with state ownership of the means of production and the institution of workers councils for the purpose of worker management, the overwhelming emphasis upon self-interest undermined the development of socialism in Yugoslavia? That was precisely CheGuevara's observation in his *Man and Socialism in Cuba*:

The pipe dream that socialism can be achieved with the help of the dull instruments left to us by capitalism (the commodity as the economic cell, individual material interest as the lever, etc.) can lead into a blind alley. And you wind up there after

³⁸ See a discussion of the general problem of differential access to the means of production in Michael A. Lebowitz, 'El Pueblo y la propiedad en la construccion del comunismo,' *Marx Ahora*, No. 16, 2003 (Havana). The Yugoslav experience is developed more fully in Lebowitz, *Studies in the Development of Socialism* (in progress).

³⁹ Branko Horvat. *The Political Economy of Socialism* (Armonk, N.Y.: M.E. Sharpe, Inc., 1982), 238.

having traveled a long distance with many crossroads, and it is hard to figure out just where you took the wrong turn.⁴⁰

If we begin from the recognition of the ‘key link’ of human development and practice, we understand that every process of activity, every process of production, generates a joint product. Why should we ever assume that self-interest can lead to the new society? On the contrary, the people produced in an exchange relation are not those who will build a new socialist society.

We know that Marx understood that every new system as it emerges is inevitably defective, that it is ‘in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society.’ This point is at the core of a dialectical perspective. As Hegel put it, the ‘new world is perfectly realized as little as the new-born child’ but it realises its potential ‘when those previous shapes and forms... are developed anew again, but developed and shaped within this new medium, and with the meaning they have thereby acquired.’⁴¹ A new system develops into a totality by transforming and subordinating the defects it has inherited. ‘Its development to its totality,’ Marx indicated so clearly, ‘consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks. This is historically how it becomes a totality.’⁴²

How, then, does the new socialist society *subordinate all elements of society to itself and create the organs which it still lacks*? How does it produce its own premises in place of those that it has inherited historically? How does it build the organs it lacks, thereby enabling it to rest upon its own foundations?

Not by building upon the defect of private ownership of labour-power and self-interest! Marx pointed out so clearly that the result of such defect was inequality. An exchange of equivalents by which a producer is entitled to receive ‘the same amount of labour which he has given to society’ is a ‘*right of inequality*’, he declared; it ‘tacitly recognizes unequal individual endowment and thus productive capacity as natural privileges.’ But, how could this be accepted as a just relationship in a socialist society? The only thing that matters in such a social relation is how much labour an individual has contributed. *This is an entirely one-sided perspective!* Unequal individuals are considered, Marx pointed out, ‘from one *definite* side only, for instance, in the present case, are regarded *only as workers* and nothing more is seen in them, everything else being ignored.’⁴³

Everything else being ignored! Exactly *what else* is ignored in this perspective? Very simply, individuals as human beings! In short, *just like the political economy that Marx criticized in his earliest writings*, the conception of distribution according to contribution looks at the producer ‘only as a *worker*.... It does not consider him when he

⁴⁰ Tablada, *Che Guevara: Economics and Politics in the Transition to Socialism* (Sydney: Pathfinder Press, 1989), 92.

⁴¹ . It is well-known that Hegel stated, ‘The truth is the whole.’ However, it is important to recognise that *he continued*: ‘The whole, however, is merely the essential nature reaching its completeness through the process of its own development.’ G.W.F. Hegel, *The Phenomenology of Mind* (New York: Harper Torchbooks, 1967) 75-6, 81.

⁴² Marx, *Grundrisse*, 278.

⁴³ Marx, *Critique of the Gotha Programme*, 23-4.

is not working, as a human being.’⁴⁴ Marx always rejected that perspective. Indeed, precisely because differences in ability imply no differences in needs, *The German Ideology* argued that ‘the false tenet, based upon existing circumstances, “to each according to his abilities,” must be changed, in so far as it relates to enjoyment in its narrow sense, into the tenet, “to each according to his need”’; in other words, a *different form* of activity, of labour, does not justify *inequality*, confers no *privileges* in respect of possession and enjoyment.’⁴⁵

As Marx stated clearly in his *Critique of the Gotha Programme*, it was the expansion of what a person is entitled to ‘in his capacity as a member of society’ that marks the development of the new society. ‘*That which is intended for the common satisfaction of needs,*’ he pointed out, ‘such as schools, health services, etc... grows considerably in comparison with present-day society and it grows in proportion as the new society develops.’ This portion grows as we look upon others as human beings---as we move *away* from viewing people from ‘one *definite* side only,’ where they are ‘regarded *only as workers* and nothing more is seen in them, everything else being ignored.’

To build the new society, as Che Guevara knew, it is necessary, simultaneous with new material foundations, to build new socialist human beings. Understanding Marx’s ‘key link’ means that we recognise that the relations within which people act must be those which produce those new people. In this combination of social ownership, social production organised by workers and the defect of self-oriented activity of private owners of labour-power, it is necessary to strengthen the two sides of the socialist triangle and to subordinate the defect. That defect is subordinated by the new society through a process of building a communal society, where productive activity is undertaken not out of self-interest and where there is not an exchange of things but an exchange of activity for communal needs and purposes.

⁴⁴ Marx, *Economic and Philosophic Manuscripts of 1844*: 241.

⁴⁵ Marx and Engels, *The German Ideology*, 537-8.