The Illusion of State Socialism and
the Contradiction between
Wage Labor and Capital*

by Wolfgang Müller and Christel Neusüss

The following article provides a synopsis of different versions of the revisionist theory of the state, and of its immanent tendencies. Further, it outlines a critique of the establishment of income distribution as an autonomous sphere, independent of production, and of the way state socialism is presented as carrying out its specific functions, as Marx indicated by means of the Factory Legislation. Only on the basis of these preliminary considerations it is possible to relate the concrete manifestations of the state's social and political-economic functions to the process of capital realization and its contradictory development. Although this deals with revisionist theories of the state, it is not an actual analysis of contemporary state socialism. Thus, the historical and material conditions within which the illusion of state socialism has come about are only touched upon. The history of theory is generally kept separate from the history of capital. Yet, it is necessary to critically evaluate the revisionist theorists' reification of the state—or rather, of income distribution—as a preliminary analytical step.

I. The Political Significance of Revisionist Theories of the State

In the history of the labor movement, the relation between the state and capitalist society was crucial in the debates concerning the working class' political strategy and organizational form to separate revolutionary from revisionist positions. The conception of the state as an institution relatively independent of the contradictions of society has been and still is the basis for all revisionist strategy and praxis. Initially, the revisionist strategy claimed to transform capitalism into socialism with the gradual take-over of state power by the working class through legal reforms within the existing system.

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1. These considerations emerged from discussions held while preparing for a series of essays investigating so-called "interventions of state socialism" in the civil society of the Federal Republic of Germany. Aside from the authors, some of the other participants in the discussions were Elmar Altvater, Bernhard Blanke, Kristina Blunck, Ulrich Huttenlocher, and Alex Schubert. Altvater's analysis of the boom published in Sozialistische Politik 5 (1970) was used in these discussions. In addition, Altvater was directly involved in the preparation of Part II.
(Gradually, revisionist theoreticians abandoned the conceptual framework of the labor movement; thus, e.g., instead of talking about "working class," they speak of "democratic processes." ) But so far, this opting for a continuous "revolution from above" (here, too, revolutionary language is used as jargon) has only resulted in the explicit abandonment of socialism as a political goal. "He who pronounces himself in favor of the method of legal reform in place of and as opposed to the conquest of political power and social revolution does not really choose a more tranquil, surer and slower road to the same goal. He chooses a different goal. Instead of taking a stand for the establishment of a new social order, he takes a stand for surface modifications of the old order."  

A strategy focusing on the bourgeois state as the subject of social change can be deemed as potentially successful only if the state is seen as a "sacred vessel" to be filled with either capitalist or socialist contents (depending on the historical situation) and if the state produced forms within which to reproduce social life. According to Marx, however, "bourgeois society is combined in the form of the state" so that "existing society" can function "as the basis for the existing state." In other words, the existing state is the outcome of a developed commodity-producing society which includes all the contradictions inherent in this mode of production. Consequently, as an institution, the state is itself riddled with these contradictions. The

4. Karl Marx, Grundrisse, trans. M. Nicolaus (London, 1973), p. 102. See also the German Ideology (New York, 1968), p. 60: "Since the State is the form in which the individuals of a ruling class assert their common interests, and in which the whole civil society of an epoch is epitomized, it follows that in the formation of all communal institutions the state acts as an intermediary, that these institutions receive a political form. Hence the illusion that law is based on the will, and indeed on the will divorced from its real basis—on free will."  
5. Marx, Critique of the Gotha Program (New York, 1966), p. 17. See also Marx, Critique of Hegel's Philosophy of Right (Cambridge, 1970): "What then is the content of political adaptation, of the political end: what is the end of this end... What kind of power does the political state exercise over private property... Does the state isolate it from the family and society and bring it to its abstract autonomy? What then is the power of the political state over private property? Private property's own power, its essence brought to existence. What remains to the political state in opposition to this essence? The illusion that it determines when it is rather determined" (p. 100). "...[T]he inalienability of private property is the alienability of universal freedom of will and ethical life. Here it is no longer the case that property is in so far as I put my will into it, but rather my will is in so far as it is in property. Here my will does not own but is owned" (p. 101).  
6. Early on Marx demonstrated that in the case of government administration, social contradictions are reflected in the state. See his "Critical Notes on 'The King of Prussia and Social Reform' (1844)," in Easton and Guddat, eds., Writings of the Young Marx on Philosophy and Society (New York, 1967): "The state cannot transcend the contradiction between the aim and good intentions of the administration on the one hand and its means and resources on the other without transcending itself, for it is based on this contradiction. It is based on the contradiction between public and private life, on the contradiction between general interests and particular interests. The administration, therefore, must confine itself to a formal and negative activity
revisionists' rejection of this notion of the state is thus consistent with their implicit rejection of the idea that the capitalist mode of production can be abolished only by the revolutionary working class (rather than by the state apparatus).  

Since the bourgeois state is defined as the product of developed commodity-producing society, i.e., capitalism, and since the strategy of the labor movement must be determined accordingly, it is crucial not to limit the critique of revisionism to a critique of isolated political institutions. But to the extent that the debate has become politically relevant at all it is precisely this kind of interparliamentary critique, which has characterized the debate on revisionist theories of the state in the German New Left. Marx's, Engels', Pannekoek's and others' critiques of bourgeois parliamentarism were used during discussions on the question of participation in the Federal Elections (Bundestagswahlen), when the SDS (the Association of Socialist German Students, or Sozialistische Deutscher Studentenbund) had to define the role of a socialist party in a bourgeois parliament under conditions of monopoly capitalism. Along with Agnoli's Transformation der Demokratie (1967), these critiques were the basis for the position that the parliament was useless as an arena of class struggle and to bring about socialism—a position still held by the DKP (German Communist Party).  

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7. Lenin, State and Revolution (New York, 1932). In criticizing Hegel's mystification of the state (where the state appears as the embodiment of reason), Marx himself clearly shows that only the proletariat as a subject can overcome the contradictions of bourgeois society. See also Karl Polak, "Karl Marx über Staat, Eigentum und Recht," in Karl Marx. Begründer der Staats- und Rechtstheorie der Arbeiterklasse (East Berlin, 1968), p. 35 passim. In a critique of Hegel, Marx recognized "that the determining principle of reality is class struggle, i.e., the contradiction, and political power in the form of state is the expression of this contradiction of struggle" (Marx-Engels Werke, I, p. 51). And further: "The dictatorship of the Jacobins was the attempt to control the contradictions within civil society through political power. It failed and had to fail" (MEW, I, p. 42). For details, see A. Gurland, "Produktionsweise, Staat, Klassendiktatur" (unpublished dissertation: Leipzig, 1928).  

8. In this context, see the essays by J. Deppe and J. Agnoli in Neue Kritik, VIII, No. 44 (1967), pp. 48-66; IX, No. 47 (1968), pp. 24-33, as well as Pannekoek, Lukács, Friedländer, Rudas, Parlamentarismusdebatte (Berlin, 1968). A study group of the Freie Universität, Berlin, and B. Rabehl discuss the debate in their book, DKP—eine neue sozialdemokratische Partei (Berlin, 1969). [Translator's note: "German Communist Party" (DKP) is the new name of the Communist Party of Germany (KPD) taken in 1968 after it was legally permitted to exist again in West Germany.] The book also presents and criticizes the tradition and contemporary forms of
But the Left's uncertainty regarding the extent of the present SPD government's maneuverability and its possibilities to "manipulate crises," shows very clearly that the critique of parliament, i.e., the political critique of a political institution, can be no more than one aspect of the total critique of revisionism. Eventually, if it takes itself seriously, such a partial critique must not only become critical of the various functions of today's state—e.g., its set of instruments for "guiding" the economy," for "satisfying the needs" of society—but it must then become a critique of its concrete limitations and contradictions. The presentation and critique of government institutions as manipulatory tools of the ruling class fails to show its limitations. The latter can only be shown through an analysis which concretely demonstrates the needs for, and limits to, state intervention in terms of the contradictions of the capitalist mode of production, as a process of labor and realization.9

Along these lines, Lenin's theory of imperialism is more relevant than his presentation of the Marxist theory of the state in State and Revolution in evaluating the bourgeois state and its functions at the service of capital realization. This is because in the latter, Lenin tends to discuss the state in general, independent of the specific form that it takes in the various phases of the historical development of society's organization of material reproduction. Thus, the differences between feudal and bourgeois state fade in the polemic with Mensheviks and revisionist German Social Democracy shortly before the October Revolution. This follows consistently from Lenin's purpose in State and Revolution, i.e., a political critique of political institutions to demonstrate the necessity of the collapse and smashing of the state apparatus by the revolutionary working class. In State and Revolution, the problem is to determine the working class' political strategy vis-à-vis the political institutions of the state apparatus in a

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revolutionary situation. But if the problem is to determine the operating room and the perspective for practical strategies in the formative stages of a socialist movement, then a Marxist theory of the state in terms of Lenin's *State and Revolution* is of little help. For, while it refers to the general necessity of smashing the state apparatus, it does not provide the tools for evaluating the range and effectiveness of state intervention in the process of capital realization. (For the same reason, *State and Revolution* is useless as an introduction to "the" Marxist theory of the state). Today, it is necessary to develop criteria to determine the scope of the state apparatus' manipulative possibilities, their limitations, where they create new contradictions, where they entail—within capitalist forms—real socialization (e.g., in standardizing production), etc. in order to develop strategies. The issue then is not to come up with a general Marxist theory of the state, but to probe the specific functions of the state in safeguarding the process of capital realization in advanced capitalism, as well as the limits to these functions.

Revisionism is the means whereby the class enemy becomes entrenched in the labor movement and the ideology of the ruling class also becomes the ruling ideology of the working class. Of course, this diffusion does not "ride on the back of a mere idea," but occurs on the basis of actual experiences which constitute the background for both revisionism and workers' false consciousness. In the history of the labor movement the experience of "socio-political" bourgeois state legislation is essential for the emergence of revisionism. Such protective legislation limits certain forms of exploitation in capitalist enterprises and on the basis of a minimum wage guarantees the material existence of wage labor during times when it cannot sell its labor power as a commodity on the market (sickness, old age, unemployment). These laws can easily appear as curbs to capital's domination over living labor, particularly since the mediation of class struggles has always resulted in their enforcement. Through the eyes of the working class—but especially through those of its organizations—10—the state could thus appear as a possible instrument in the gradual usurpation of political and social power by means of the "salami tactic." As Sering correctly states: "there is a tendency that, up to a point, the influence of reformism parallels the development of this function of the state (transportation, education, social policy)."11 Increasing state intervention in economic and social policies, the

10. Is it not the case that the revisionist theory corresponds primarily to the consciousness of bureaucratized union functionaries, who no longer personally experience the conflict with capital but are essentially characterized by their partially successful activity as mediators in relation to top organizations and the state administration? In contrast, as many studies show, this dichotomized consciousness is still predominant among the mass of workers. Without an explanation of those organizational forms which actually mediate the class struggle, it seems altogether impossible to account for the formation of revisionist consciousness. It is doubtful that it is possible to talk about "actual experiences" without reference to the level of organization and the precise social situation where such experiences take place.

concentration of capital, and long periods of prosperity (primarily before World War I and after World War II) form the basis of that experience which suggests the possibility of capitalism's gradual transformation through the state apparatus. Prior to WWI, this possibility was expressed in Bernstein's theory. During the Weimar Republic, it can be found in the theory of organized capitalism and economic democracy (Hilferding, Naphtali, etc.) and in the early stages of the Federal Republic of Germany (the Munich Program of the German Federation of Unions [Deutscher Gewerkschaftsbund] in 1949). It is also expressed in those theories that define the present phase in capitalist development as state monopoly capitalism. Finally, it is expressed in the theory of the welfare and interventionist state, along the lines developed by the Frankfurt School (Habermas, Offe, etc.).

The relationship between workers' and students' empirical consciousness and revisionist theories occurs when theory is used to ground and legitimate experience, thus making it appear as necessary. This has two consequences. First, any political agitation among workers must take into account the long reformist tradition. The critique of reformist ideas is perhaps even more important with respect to agitation among university students since their position is tied to the state more closely than wage labor. But this debate can only take place if the relationships between economic conditions and political forms, between economic and political struggle, can always be concretely articulated. Secondly, this ultimately leads to the conclusion that revisionism and false consciousness cannot be eradicated solely by theory, but by social and class struggles.

II. On the Theory of State Socialism

1. The Sovereignty of the State in the Distribution of the Social Product.

Revisionist theories, political science, and many economic theories share the assumption that under capitalism the state can comprehensively and consciously regulate economic, social, and political processes. In this context, the state as "state socialism" would be independent of capitalist production in the "distribution of the social product." Allegedly, the state could use its leverage to improve capitalist society, or even to gradually

12. It seems that the experience of the indispensability of "successful" cooperation with the state apparatus during World War I (up to the denunciation of rebellious workers) was of decisive importance for the union apparatus. The memory of so-called war socialism was important for the illusion of "organized capitalism," as was the war economy organized by the state (i.e., essentially the representatives of the interests of the large military complex). This applies, for example, to Wissel and Hilferding. In this context, see Lapinski's essay above, which treats in detail the emergence of institutionalized class cooperation during WWI and demonstrates its continuation into Weimar. The formation of the Zentralen Arbeitsgemeinschaft (Central Council for Cooperation) between unions and business (November 1918) for the purpose of undercutting the revolution, albeit for different reasons, is only a highlight here. Cf. also Deppe, Freyberg, Kievenheim, Meyer, Werkmeister, Kritik der Mitbestimmung (Frankfurt, 1969), and Rabehl, op.cit., p. 74.
transform it towards socialism. Thus, this conception also assumes that "the spheres of distribution and of production are independent, autonomous neighbours." Consequently, "distribution" should not be affected by fundamentally non-manipulatable limitations posed by production and the laws controlling it. This notion can be found in revisionist theories as well as in numerous bourgeois theories (mostly in political science).

As an example, Otto Kirchheimer, whom the West German Left has been fond of quoting in recent years, distinguishes between the "sphere of direction" and the "sphere of distribution." The sphere of direction is controlled by "laws inherent in the capitalist economic order," whereas the sphere of distribution "is in the domain of the free play of political forces." A "sphere of direction," which Kirchheimer identifies with capital production, is postulated against an autonomous sphere of distribution that can be regulated by the state. In Paul Sering's *Jenseits des Kapitalismus*—the bible for a whole generation of Leftist unionists and Social Democrats—the separation of distribution and production is blatantly obvious: it is becoming 'more and more visible that the actual distribution of income is

13. Marx, *Grundrisse, op.cit.*, p. 90. In bourgeois science, the concept of "distribution" is a priori limited to the level of the net social product; thus, the possibility of distribution on a different level, e.g., that of the productive agencies—that of labor power and the means of production—is already excluded. In this context, it is usually claimed that the social product distributed by the state is in a process of continuous growth. This requires some comment: The proportion of the gross social product claimed by the state in the form of taxes and deductions for social security amounted to 11.8% (8.9 plus 2.9) in 1913; 23.1% (16.7 plus 5.6) in 1929; 34.4% (25.1 plus 9.3) in 1963, for the "Reich" and the FRG respectively, including Berlin. See K. Elsholz, "Strukturänderung der Sozialpolitik," Kleine Schriften zur Sozialpolitik und zum Arbeitsrecht, IV, No. 10 (Munich, 1963), p. 36. Disregarding the fact that during the last decades, there has been a definite decrease in the state's contribution to the gross social product, the increased proportion does not change the fact that prior to the government's collection of taxes and social security, the "distribution" of the social product takes place as a direct conflict between the two classes, i.e., concretely in wage negotiations, or in the underlying latent or open class struggles. Obviously, concerning the deductions for social security (9.3% in 1963), it would be difficult to argue here for a redistribution by the state, since nothing else is involved but an insurance guaranteed by the state. No one would seriously entertain the notion that a private insurance company, for example, would be state intervention into capitalist distribution. Social security simply means a redistribution within the wage quota, and from a general perspective, whether paid immediately in the form of wages or after the utilization of labor in the form of pensions, it all belongs to the value of labor power. Since its value includes its "educational cost" as well—e.g., a grade school education—in the final analysis, the proportion of government expenditures allocated for it is a proportion of the variable capital advanced by collective capital, which does not, however, circulate as individual wage. A very considerable proportion of government expenditures falls, therefore, into the category of variable capital or—loosely expressed—the wage quota. Similarly, it should be possible to attribute a portion of the collective social surplus to the various sectors of the budget, where part of it is merely redistributed to certain parts of capital (subventions, tax breaks, etc.) or is spent on the ideological, military, and other forms to protect capital relations. The idea of "redistribution" would thus become a lot narrower. This is one of the tasks that must be undertaken in a concrete analysis of interventionist state socialism.

not determined by immutable economic laws, but that it can be changed, instead, through political struggle to influence the government's economic policy."15 Just as the economism castigated by Lenin understood the economic sphere as ultimately determining the political, the opposite appears in revisionism as "politicism." Revisionism turns the political possibilities of the state, as opposed to economic laws, into an absolute by neatly separating the totality of capitalist society into spheres. Of these, the political sphere stands out since it permits crucial social changes without any essential changes in the economic sphere. To illustrate this point, revisionism points to the socio-political activities of the capitalist state. For example, Bernstein claims that "the classical conception of capitalism usually refers to three separate areas: the mode of production, the form of distribution, and the legal order. Only the mode of production has remained essentially unchanged in previous times. The two others, however, have undergone great changes."16

This absolute separation of the two spheres through which the state apparatus comes into its own, leads immediately to the autonomy of the state vis-à-vis the capitalist mode of production. This absolute separation of the two spheres is also expressed in the theory of "political wages," as formulated by Rudolf Hilferding. Wages are no longer determined by economic laws, but by the strength of the working classes' parliamentary representation, the strength of its organization, and the relations of social forces outside Parliament.17 The ability to control economic antagonism by means of cartels [Generalkartell] finds its counterpart in the political ability


17. *Protokoll des SPD-Parteitages in Kiel*, 1927, p. 170. Hilferding, who converted to revisionism during the Weimar Republic, already presupposed in his *Finanzkapital* (where he primarily deals with the circulation sphere and essentially ignores the production process) that the developmental process of capitalist production would tend toward the formation of general cartels, thus eliminating the anarchy of production. The primary task for the socialist revolution would then mostly consist of the elimination of inequalities in distribution. At that time, he qualified his remarks that such a development would only be possible economically, not socially or politically. Cf. *Finanzkapital* (Frankfurt am Main, 1968), pp. 322 and 405. During Weimar, Hilferding used these ideas as a basis to develop his theory of "organized capitalism," and in this context, his conception of the "political wage." For a critique of this theory, see M. Kriwizki, "Die Lohntheorie der deutschen Sozialdemokratie," in *Unter dem Banner des Marxismus*, III (1928-29), pp. 381ff, reprinted in Gegen den Strom, *op.cit.*, pp. 75ff; see also W. Gottschalch, *Strukturveränderungen der Gesellschaft und politisches Handeln in der Lehre von Rudolf Hilferding* (Berlin, 1962).
to control the income of the masses, independent of economic laws. Claus Offe's thesis is part and parcel of these revisionist attempts. Supposedly, individual income today falls under “political regulation” and can no longer be explained by the capitalist mode of production, but only by the socio-political constellation of different social strata.18

Thus, distribution is no longer seen as a necessary moment of the production processes and of the circulation of capital, but as an area of politically determined state activity. The proportions according to which the state distributes what is produced—“the cake of the social product” (Erhard)—depend on the intensity and vehemence with which the “interests” of the various social groups are presented to the state, on the amount of working class power, on the “citizens’ ” political consciousness, on the interest of the state in a “balanced system,” and on whether or not the process of forming political will [Willensbildungprozess] is democratic or authoritarian. It depends on the administration’s efficiency, on what party wins elections, on the degree of political participation, etc.19 In other words, since socio-political conditions are independent of economic laws, distribution depends on “social change.”20 Even so, “the economic tendency toward

18. See Claus Offe, “Political Authority and Class Structures: An Analysis of Late Capitalist Societies,” in International Journal of Sociology, II, No. 1 (Spring 1972), pp. 75-108. Habermas refers to severe state interventions in the “system of commodity production and distribution” (Habermas, et al., Student und Politik [Neuwied, 1961], p. 22), but then he is forced to concede that “private disposition over the means of production continues to be the basis of the economic process” (p. 23). In his theory of state socialism he relies heavily on the explication of the sovereignty of state power as distributive vis-à-vis the capitalist production process, which becomes most visible in his theses on the determinants of political actions of state power.

19. This is a brief overview of the decisive aspects in theories of state socialism in Hilferding, Sering, Offe, Habermas, Hennis, and others, concerning the distribution formula according to which the social product is divided among various “social groups” and state activities (social consumption, social investments, the military). There is a distinction between those theories of the state which already refer to the contemporary capitalist state as state socialism (Offe) and those which presuppose that state socialism could eventually gain ground through a gradual rolling back of monopoly power by means of democratic forces in Parliament. This distinction is primarily based on the latter’s assumption of the direct influence of the monopolies on the state and of thus seeing the state as an instrument of monopolies. The former presuppose that today it is “problematic” to impute “the dependence of political activities on economic interests.” Cf. Jürgen Habermas, Theory and Practice (Boston, 1973), p. 235. On p. 195 he refers explicitly to the “stage of organized capitalism” where the “sphere of commodity exchange” is already largely politically mediated. But since here in particular the theory of state monopoly capital argues on the level of political influence, no clear relation between the state and the capital realization process is visible (precisely in distinction to the mere “dependence” on “economic interests”).

20. Marx, Grundrisse, op.cit., p. 87. “The aim is...to present production...as distinct from distribution, etc., as encased in eternal natural laws independent of history, at which opportunity bourgeois relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded. . . . In distribution, by contrast, humanity has allegedly permitted itself to be considerably more arbitrary.” Here and in what follows, Marx suggests how, through the “ crude tearing-apart” of production and distribution, the production process appears as a natural process. As a consequence the distribution process becomes a phenomenon which is solely determined by “social laws” (p. 89) (which, in this context, are synonymous with “social chance”). The inability to understand capitalist production as the circulation process of capital results in the elimination of distribution from this context. From this, then, comes the
inequality" is not simply denied. Precisely because its political sphere has come into its own, however, the state is able to "politically compensate" the inequality necessarily resulting from the mode of production. Thus, on the basis of this alleged "autonomy" of political power from the economy, the keys to the distribution of the "social product" are rightly at the disposal of the state.  

Thus, through state intervention, capitalist production of commodities has become separated from distribution, both in order to expand production as well as individual consumption. The state appears as an autonomous subject with respect to relations of production. Consequently, bourgeois theory describes the state as the "distribution state," "welfare state," "interventionist state," "service state," the "obliging state"—in short, "state socialism." Accordingly, state socialism is characterized by the state's access to an increasing proportion of the social product. This product can be used and distributed according to political and social considerations in the form of social services, welfare and warfare projects. The creation of what is to be distributed, i.e., the production process, is not a distribution problem. Thus, state action can be seen as purely political, dependent on political power relations, but independent of economic laws governing the reproduction of capitalist society.

illusion of the redistribution by the state at the level of "income." From its very inception, revisionism ties in with the basic thought pattern of bourgeois economy (which does not prevent it from falling prey to much greater illusions). This is what Marx is criticizing here. See also his Critique of the Gotha Program, op.cit., p. 11: "Vulgar socialism (and from it in turn a section of democracy) has taken over from the bourgeois economists the consideration and treatment of distribution as independent from the mode of production and hence the presentation of socialism as turning principally on distribution." The real development of this critique is, of course, contained in Capital.

21. Cf. here Habermas, Student..., op.cit., pp. 42 and 50. The same can already be seen in Bernstein, Kautsky, Cunow, Renner, and others: see I. Fetscher, ed., Der Marxismus, seine Geschichte in Dokumenten, vol. III (Munich, 1965), pp. 41-56. In the Godesberger Program, op.cit., it is stated, "The market economy as such does not guarantee a fair distribution of income and wealth: for this, a purposive policy concerning income and wealth is necessary" (p. 16). See also Otto Brenner, "Technischer Fortschritt und Gewerkschaften," in Automation und technischer Fortschritt in Deutschland und den USA (Frankfurt, 1963), pp. 308ff: "Automation and technological progress permit greater welfare for everyone. But to what extent the labor force will share it depends on the way in which the higher national income is distributed... The declared goal of the unions has been and will be the increase of the workers' share in the national income" (p. 512).

22. As with original revisionism, today's apologists for capital in political science view the state's distributive activities as a new development. Thus, they denounce this function with concepts like "welfare state," the state as "the great equalizer," etc., since this function violates the principles of performance and market income. See Ernst Forsthoff, "Begriff und Wesen des sozialen Rechtsstaats," in Veröffentlichungen der Vereinigung der Staatsrechtler (Berlin, 1954), No. 12, pp. 8ff; Werner Weber, Spannungen und Kräfte im Westdeutschen Verfassungssystem (Stuttgart, 1951). In the following analysis of advanced capitalism we will repeatedly point out analogies between revisionists and reactionary bourgeois scientists in order to show that there is just no third way between Marxist and bourgeois social analyses and that revisionist theories necessarily flow into bourgeois theory. It is impossible to deduce completely different social conclusions on the basis of "scientific" findings, from Forstho to Hennis, as Habermas would like to do. It always remains a (moralizing) critique.
In contrast, economic theories generally have a more realistic assessment of these economic laws, and thus of the limits to state action. This is already expressed in the terminological distinction between “primary” and “spontaneous” as opposed to “secondary” and “political” distribution. In many cases (especially in conservative versions), there is a clearer perception of the limits on state redistribution inherent in “the requirements of sound economic processes” (they usually appear, e.g., in the experts’ warnings against “a runaway social policy” and in recommendations that the best social policy is grounded on sound economic policy). Yet, the actual relation between production and distribution is not recognized. Nor can it be otherwise. From the bourgeois viewpoint, product distribution—hence, income—cannot be understood simply as a moment in the circulation of capital. To do this would require dealing with the production sphere as the only point of production of surplus value, in accordance with the concept of circulating and self-realizing capital.

Following Marx, revisionist theories still refer to the “capitalist” organization of production. For example, Habermas and Offe—not to mention the pre-fascist revisionists, who could still naively operate with the concept of capitalism—glide right over the very thing which is specific to the capitalist mode of production: that the circulation of capital is the basis for the economic reproduction of society and that the sphere of income distribution is only a moment in the circulation of capital. Consequently, from capital’s standpoint, “political wages” are seen as variable capital since the amount advanced thus affects the rate of profit. This alone falsifies the idea that the capitalist mode of production and the state’s distributive function are two separate moments in capitalist society.

2. The Inability to Understand the Dual Character of the Production Process

As already suggested, overestimating the ability of the state to intervene in the distribution process takes different forms in various theories, ranging from the complete neglect of the production sphere to a limited consideration of it, thus following the division of labor as it exists in the bourgeois sciences. More recent state socialist theories are no longer formulated in terms of the social praxis of the labor movement (and hence, they are no longer really revisionist). They present themselves primarily as socio-political theories relegating the analysis of the “economy” to economic theories. From the latter, they lift out those statements that fit with their conceptions. Habermas thus relies on Joan Robinson for the “refutation” of Marx’s theory of value, Offe on Shonfield, and all of them on the Keynesian variety of bourgeois economics. They no longer understand that to postulate as absolute the

particular segments of the totality of the capitalist mode of production is already implicit in the particular sciences and in their division of labor with respect to theory construction. Glueing together statements in the various segments cannot result in a conception of the whole. Since Bernstein, however, all revisionists share the position that the production process—even where it is explicitly discussed—cannot be seen as the contradictory unity of the processes of labor and capital realization. Rather, it appears as a mere labor process which is still identifiable as capitalist only because of its specific legal and organizational forms.

Luxemburg already criticized Bernstein because, "by 'capitalist' [he] does not mean a category of production but of property rights; not an economic unit but a fiscal unit... By transferring the concept of 'capitalist' from the relations of production to property relations...he moves the question of socialism from the realm of production into the realm of relations of fortune—from the relation between capital and labor to the relation between rich and poor." 24 Here it is obvious how Bernstein’s reduction of the critique of capitalism to the issue of "fair distribution" is a result of his purely sociological-legal conception of capital relations. This, in turn, is the basis for his reformist strategy with the state seen as the subject of social transformation. Such a conclusion can be reached only if the production process is not seen in its two-fold character, but as mere labor process whose capitalist character is only contingent and can therefore be eliminated under capitalism through the good will of the capitalist and corresponding pressure by the working class.

What is lost is any notion that the production process, as the process of capital realization, is determined by certain regularities operating behind individuals’ backs and which turn individual capitalists into their instrument. Even though revisionists speak of “capitalist production,” thus believing that they are talking in Marx’s sense, they suppress the specific character of the capitalist production process. Every production process is also a labor process. Independent of the relations of production, it is the performance of useful labor with the purpose of producing commodities. “In the labor-process, therefore, man’s activity, with the help of the instruments of labor, effects an alteration, designed from the commencement, in the material worked upon. The process disappears in the product: the latter is a use-value, Nature’s material adapted by a change of form to the wants of man.” 25 The realization process, on the other hand, is characterized by the production of use-value, not for its own sake, but as depositories of exchange value. The capitalist’s aim “is to produce not only use-value, but a commodity also; not only

very beginning of Capital, i.e., that in capitalism, social wealth appears as an enormous abundance of commodities. The arbitrariness of the conceptualization indicates the overlooking of the specific problematic of the mode of social production: the dual character of the commodity as exchange value and as use value, and—accordingly—the dual character of labor and the production process.

use-value, but value; not only value, but at the same time surplus-value."  

The capitalist production process exists only if, on the one hand, it produces more value than the capitalist invested in it through the purchase of the means of production and labor power and, on the other, the values produced can be sold as commodities, to be finally converted into money.

All the methods and organizational forms of exploitation practiced in the history of capitalism, along with the crises and the misery they create for the total population, are a result of the law that applies to each individual capitalist: capital realization is a precondition for his existence. From the hierarchical organization of manufacturing to the technical design of the machines, from the outlay of factories to all the various speed-ups, the whole production process is characterized by the need to realize individual capital. All these methods are designed for the capitalist’s benefit, allowing maximum exploitation of the labor day—the labor time sold by the worker—down to the very last minute. The capitalist sees to it that labor power is “applied with the average amount of exertion and the usual degree of intensity.”

The specific legal and organizational forms of the capitalist production process are nothing but the necessary expression of the two-fold character of the production process under capitalism as both a process of labor and capital realization. But, almost without exception, revisionists see all of this as chance accident. This is especially obvious in the characterization of the capitalist’s role vis-à-vis the worker. In revisionist theory, this relationship is not explained in terms of economic relations between capital and labor, i.e., their relation within the process of capital realization. They are blind to the fact that the individual capitalist and the individual wage laborer are economic masks hiding capital relations. Their ideologies of economic and participatory democracy are also rooted in this blindness. Thus, Fritz Naphtali writes: “In the plant, the entrepreneur, or management in general, and the worker confront each other; here, the overcoming of managerial despotism requires workers’ right to participate in decision-making. Workers should no longer be treated as disenfranchised objects.”

Thus, capitalist despotism is only the result of arbitrariness and can be removed on the organizational level by the establishment of committees to participate in making decisions within the capitalist enterprise. Socialism becomes an ethical challenge and capitalism an issue of entrepreneurial morality.

Another rejection of the two-fold character of the capitalist production process can be found in Paul Sering’s theory of production hierarchy. He sees the capitalist enterprise as a rational organization, where the “intelligentsia of production” (technicians, market experts) “work unflaggingly toward further progress and the creation of cooperative forms of technical and economic organization,” and where managers are, “above all, people with the ability to

26. Ibid., p. 186.
27. Ibid., p. 196.
make and implement decisions concerning the maintenance of a complex organization... The only point where the old entrepreneurial function has been maintained is at the top of the pyramid—the monopolistic and financial oligarchy—where production management does, indeed, depend on the profit motive of the owner. And this oligarchy... becomes increasingly entwined with the organs of state economic policy."

Thus, the dual character of the production process as both labor and realization is ignored. But in the capitalist enterprise, managers simultaneously obtain from labor both commodities as well as surplus-value. Thus, in Sering's account, the subjugation of living to dead labor, the squeezing out of surplus-value, and the economizing of capital (which means that "in spite of cutting corners, it is thoroughly wasteful with manpower"), disappear from the organization of production in the capitalist enterprise. Instead, capitalism is seen as a technical and rational institution where only its organizational top remains capitalist. Thus, the introduction of socialism merely requires changing top personnel, rolling back the capitalist oligarchy's influence on economic policy through a strong social-democratic government, and gradually dismantling the top by replacing it with planning experts. The current strategy of the German Communist Party (which, drawing on the theory of monopoly capitalism, calls for the peaceful transition of capitalism to socialism) is based on such ideas. Thus, the power of monopoly capitalism is to be reduced on two fronts: through workers' participation in decision-making in their workplace; and through the establishment in economic policy of a democratic program to fight monopolies. The struggle is for gradually taking over the "apparatus to direct and manage the economy" and "subordinating it to the interest of the people." "Between the hegemony of monopoly capitalism and the establishment of the dictatorship of the proletariat for the transition to socialism, there is the phase of struggle to establish and develop a democracy opposed to monopoly capitalism." 32

3. Successful Boom Policy as a Precondition of Social Policy

The autonomy of the state's distribution policy presupposes that the state is independent of the laws of capitalist production governing realization, the "economy" generally flows without crises, and the economic reproduction of society grows continuously. As already indicated in the case of "political wages," all categories of "distribution" (which always refers to income) and the policies concerning them are, above all, categories of capital circulation.

29. See Sering, Jenseits... op.cit., pp. 47-49.
31. Ibid., III, pp. 77-173.
Consequently, stagnation in circulation must affect distribution. Unemployment and stagnation, or even a falling rate in social production, tend to turn any state distribution policy into a mirage. Consequently, all plans and prognoses of the West German government regarding its social policy have generally assumed the continued growth of the social product. This assumption of the absence of crises must, however, be justified; and theories of state socialism differ as to their justifications.

For Bernstein, as well as for the theorists of "organized capitalism" during the 1920s, crises were to disappear owing to capital's concentration and the formation of finance capital. In contrast to "competitive capitalism" and the "anarchy of the market," capital would be able to plan production with the assistance of the democratic state. After the world economic crisis, however, revisionist theories had to develop different explanatory models since the assumption of a crisis-free economy resulting from the uncontrolled unfolding of the laws of capital accumulation had been exploded by the world depression. Since then, almost all bourgeois and revisionist theories—from welfare state theories and neo-liberalism to the rightist and leftist spin-offs from Keynesian theory in the contemporary Social Democratic Party and in the unions—assume that the economy can be stabilized through state intervention. On this basis, the state can then develop freely as state socialism.

Today, it is no longer possible to naively attribute the overcoming of crises to the natural mechanisms of capital accumulation. Rather, the attempt is now made to establish crisis-free production through conscious state intervention, i.e., through a subject not involved in the processes to be regulated. Thus, the state's policy for crisis management and for distribution are interdependent: crisis-preventing state interventions are the precondition for its socio-political actions. In turn, the autonomy of the state in the sphere of income distribution is the precondition for its "crisis-preventing strategies."

This point can be easily illustrated with the following example. In bourgeois-technocratic thinking, the assumption underlying the notion of "political wages"—i.e., that wages can be politically regulated—is seen as the basis for regulating the economy through "income policies," "concerted action," and "wage guidelines." As an expression of state autonomy in distribution, "political wages" now serve as the unmediated economic instrument of manipulation to stabilize production against cycles. Thus, the state intervenes in the circulation of capital by taking initiative in distribution so as to "cushion" economic crises. Accordingly, the state's regulatory activity

33. Thus, for Secretary Auerbach of the Ministry of Labor, economic coverage of pensions and health insurance is insured only if gross wages and salaries increase annually by 5.8%, up to 1985. (See Tagespiegel, December 23, 1969.) Cf. also Sozialenquete, "Soziale Sicherung in der BRD" (Stuttgart, 1966), pp. 143ff, esp. p. 153, where it is shown that social security, and particularly unemployment compensation, would totally fail under conditions of mass unemployment.

34. See Eugen Varga's essay, "Probleme der Monopolbildung und die Theorie vom 'organisierten Kapitalismus'," in his Die Krise des Kapitalismus und ihre politischen Folgen (Frankfurt, 1969), pp. 11-41. See also Rabehl, op.cit., pp. 97ff.
presupposes that the assumed autonomy of distribution is limited so that state intervention in this sphere does not affect the production process.\textsuperscript{35} From this viewpoint, the separation of production from distribution is no longer total, but one-sided. Distribution policy is postulated as independent of the laws and limitations of the process of capital realization. But, at the same time, it is also assumed that the accumulation process, now under the neutral label of “continued economic growth,” can be actually affected through distribution policies as a form of crisis control. On this basis, the relative autonomy of the state in the distribution sphere and, hence, in determining distribution policies, are legitimated along with its strategy of “crisis prevention.”\textsuperscript{36} One becomes the precondition for the other, and both are anchored in the same subject. Consequently, the accumulation process and its internal laws become unproblematic, especially since during the last 20 years the effectiveness of state policy and the accuracy of the theories based on these assumptions have apparently been demonstrated in West Germany.

Most of the contradictions between capitalist production and social policy are thus eliminated. This is best exemplified in the left-Keynesian or unionist notion that effective “crisis management” is possible through wage increases meant to stimulate effective demand in the form of increased purchasing power. As early as 1928, Fritz Tarnow wrote: “the concern here is not with social issues, but with the economy’s need to enforce the increased use of consumer goods in order to clear the way for increased consumption and production.”\textsuperscript{37} This comfortable tradition of mere appeals to the state and to the “reason” of the capitalist class—rather than the actual preparation of the working class for revolutionary practice—counts among its followers I.G. Metall which in 1967 recommended that the state aid workers in the “purchase of a car through investment credits, thus simultaneously stimulating the auto industry.” At the same time, I.G. Metall also complained about the industry’s lack of integrity, for having cut social benefits and wages during a crisis out of sheer nastiness and against their awareness that only mass consumption could guarantee the market for their products.\textsuperscript{38} At least Tarnow was aware of the problem when he wrote: “Of

\textsuperscript{35} Here we are dealing with a problem that we could not fully agree on during our discussions. What are the practical consequences of the illusion of the distribution sphere’s autonomy or political wages under conditions of anti-cyclical boom policies? To what extent does it not involve \textit{de facto} recognition of the dependence of distribution on production, as well as the limits this dependence imposes?

\textsuperscript{36} J.M. Gillman, \textit{Prosperity in the Crisis} (New York, 1965), demonstrates how the welfare state theories of the New Deal era considered social security as a mechanism for crisis regulation (p. 132). Then Gillman tests this assumption on the basis of the cyclical movements of capital in the U.S. and shows that its significance is only of secondary importance that that it is \textit{not} a decisive factor for economic stabilization.


\textsuperscript{38} Metall, No. 16 (1967), and \textit{Weissbuch der I.G. Metall} (1968). It can also be seen how Brenner, in 1967 and 1968, argues for the theory of regulating the crisis through increases in general income.
course, the individual manager can continue to calculate as though a wage cut would be nothing but an advantage. But such manipulation would no longer be possible for management as such, whose interests in capital and profit would suffer severely from such a decision.\textsuperscript{39} He thus pleaded for a balanced distribution of the total purchasing power between consumption and accumulation which, by harmoniously integrating the interests of both capital and the working class, would provide the basis for healthy capitalism. But Marx had already commented on such ideas: "To each capitalist, the total mass of workers, with the exception of his own workers, appear not as workers, but as consumers... Of course he would like the workers of other capitalists to be the greatest consumers of his own commodity. But the relation of every capitalist to his own workers is the relation as such of capital and labor, the essential relation."\textsuperscript{40} In 1967, the praxis of crisis manipulation by the state had shown that it is up to "state socialism" to take into account this "essential relation": the state thus cut the social budget and had to permit stagnation and even some lowering of wages.

Thus, what is ignored is that capital exists only as individual capitals and that the state can represent collective capital only to the extent to which it represents the interest of individual capitals, or at least, of its most powerful faction. It is inherent in capitalist relations that the contradictory interests of each individual capitalist seek to develop the maximum consumption potential of all workers, with the exception of his own, whose wages are to be kept at a minimum. These interests cannot be eliminated by the state. This is further expressed in the fact that the "spontaneous" distribution of wages and

\textsuperscript{39} Tarnow, \textit{Warum arm sein?}, op.cit., p. 53.

\textsuperscript{40} Marx, \textit{Grundrisse}, op.cit., p. 419. See also p. 420: "Capital itself... regards demand by the worker i.e., the payment of the wages on which this demand rests—not as a gain but as a loss. I.e., the immanent relation between capital and labor asserts itself. Here again it is the competition among capitals, their indifference to and independence of one another, which brings about that the individual capital relates to the workers of the entire remaining capital not as to workers; hence is driven beyond the right proportions." And he states in \textit{Capital}, II: "But if one were to attempt to give this tautology [that crises are caused by the scarcity of effective consumption] the semblance of a profounder justification by saying that the working-class receives too small a portion of its own product and the evil would be remedied as soon as it receives a larger share of it and its wages increase in consequence, one could only remark that crises are always prepared by precisely a period in which wages rise generally and the working-class actually gets a larger share of that part of the annual product which is intended for consumption. From the point of view of these advocates of sound and 'simple' (!) common sense, such a period should rather remove the crisis. It appears, then, that capitalist production comprises conditions independent of good or bad will, conditions which permit the working-class to enjoy that relative prosperity only momentarily, and at that always only as the harbinger of a coming crisis" (pp. 410-411). See also M. Kriwizki, \textit{Lohntheorie}, op.cit., who shows that the theory of political wages is based on the assumption that the capitalist could economize in regard to constant capital and allot these savings to the worker: "In regard to Marx, when we find that he juxtaposes variable capital or wages against surplus value, wages are juxtaposed to constant capital in all cases that we have referred to, and changes in wages are related to changes in constant capital. Hence, the division of newly created value into the value of labor and surplus value is discarded. This eliminates the battle ground on which the clash between the two classes takes place... This is the same transfer of the analysis away from the relations of production onto technology, which is conceived as located outside of the social relations" (pp. 97ff).
profits is not regulated by the state at all, but via direct confrontation at the bargaining table. Briefly summarized, the activity of the state is limited to the redistribution of wage incomes ("social services," manpower training) and to a certain redistribution of profits among various groups of capitalists (subventions, tax breaks for investments, etc.). Thus, it is no longer possible to assume the complementarity of the state's functions as manipulating crises and as taking care of social policy. Under capitalism, the state is as unable as ever to even attempt the reproduction of economic power relations free of crises, while trying, at the same time to politically dissolve this relation of dominance. In so far as it is necessary to maintain a certain minimum of social "stability" for the smooth functioning of capital realization, an attempt is made by the state to reduce this general contradiction. This function is carried out through social policy as appeasement policy [Befriedigungs-politik], which thus remains a moment in the ongoing reproduction of capital relations. In this sense, it becomes the exact opposite of the state's political autonomy.

In this respect, and in this respect alone, bourgeois science has fewer illusions than all the revisionist trade union theoreticians since the Weimar Republic. Accordingly, the functions of state socialism are to be subordinate to the primary function of securing growth and prosperity. The conflict between these two state functions is fully recognized, but harmony is re-established by the claim that sound economic policies are the best social policies. In securing growth, sound economic policies give the state the needed means to carry out its function of social distribution while, in addition, preventing "unemployment." Along these lines, the Sozialenquete [the Social Inquiry of 1966] sponsored by the West German government (and undertaken by professors close to the parties in power) assumed that, as far as the function of social policy is concerned, i.e., fulfilling the people's needs for security and welfare, there is an identity between these tasks and the goals of economic policy. An economic policy that does not interfere with social policy by increasing costs at the wrong time (and it always turns out to be the wrong time) should thus be in a position to guarantee economic growth and "full employment." In general, social policy is by nature oriented towards the

42. Ibid., pp. 153ff. It is argued here that under conditions of a fired-up economy, social benefits have an inflationary effect, but they are economically possible and perhaps even reasonable during a crisis. (Here, the illusion is similar to that of the unions.) The latter is, however, not recommended on the basis of political factors, since such measures are difficult to revoke later on without the potential danger of social discontent.
43. Time and again, it is necessary to altogether avoid bourgeois-scientific concepts, which so obviously veil reality, or at least to put them in quotes. Thus, according to prevailing opinion, "full employment" includes an official unemployment statistic of "only" 3-5%. The figures of the official unemployment statistics are, in turn, misleading (particularly during a recession or a "low"), because they do not include foreign workers who have been returned to unemployment prematurely (especially female workers), or who went home on their own. The figures hide a much larger industrial reserve army, which is actually the appropriate concept for capitalist reality. This is another reminder indicating how—in bourgeois science—one constantly moves
long range and can only be rationally implemented if the economy succeeds in preventing excessive ups and downs."44 This results in the need to direct social policy and subsume it under economic measures, as long as it can be done without endangering "social peace." Maintaining "social peace" is, therefore, a determining factor for the lower limits of social benefits (just next to maintaining the capacity for "work and performance, educational training, and mobility"). "Price stability" and the "management's readiness to invest" define the upper limit.45 According to the authors of the Sozialenquete, this is the leeway given to the redistributive socio-political measures of the state.

4. State Socialism and Pluralist Democracy

The theoretical separation of economic conditions from production and distribution has political consequences. Historically, of course, the theory is the consequence of a revisionist praxis which it further confirms: the Social Democratic Party's attempt to justify its non-revolutionary politics, its collaboration with capital and the bourgeois state have led to recurrent attempts to show not only that today's capitalism is fundamentally different from that of Marx's day, but that there has been a qualitative change in the relation between the capitalist production process and the state. This subsequently legitimates the strategy which is actually practiced, i.e., the class cooperation in the bourgeois state. For revisionist theories of the state, the state's autonomy in distributing the social product and the disappearance of capitalist crises (either as a result of natural processes of capitalist development, or as a result of the state's crisis management) constitutes an essential precondition for the gradual transition of capitalism to socialism, of the bourgeois state to a socialist and democratic constitutional state. Once social-democratic theoreticians from Bernstein to Habermas have put state socialism on the firm grounds of a continuously increasing "abundance of goods," there are no longer any insurmountable obstacles to the realization of a democratic society: "From this perspective class conflict loses its revolutionary guise, a progressive democratization of society is not excluded from the outset, even within the economic order of capitalism."46

Bernstein wanted to formulate a non-revolutionary strategy for the working class: social reform instead of revolution. The claim that a working class around dummies, which, however, from the perspective of capitalist society and its science, are necessary and the only reality which actually determines the actions of capital's agents and of government functionaries.

45. Ibid., p. 144, where the limits to social policy are generally correctly outlined. On the other hand, the state, e.g., the U.S., is less able to take care of the lower limits. They are only considered as a phase of capital's prosperity. See also p. 145: "Industry's readiness to invest is necessary in the interest of the growth of general welfare as well as in the interest of full employment... In the interest of the continued international capacity of the economy, it is impossible to decrease the volume of exports... Hence, an extension of the social budget competes primarily with an increase in real income."
revolutionary struggle had become historically obsolete—socialism could be achieved through the state by means of labor parties and strong cooperation of unions—this claim led to the elaboration of the idea of the state's independence from the conditions of capitalist production. In the course of its further development (the Weimar Republic), the state has increased through mediation by parliamentary debate, its interventions in society, primarily in the distribution sector (an increasing proportion of the social product was distributed by the state). Therefore, the state's distributive function came to be viewed as the sphere of autonomous state power as opposed to capital accumulation. Here is the origin of Hilferding's theory of political wages and the corresponding notions of Kirchheimer, Sering, and other social-democratic theoreticians.

According to Hilferding, class power relations are constantly assessed by elections. These powers are immediately translated by Parliament into the will of the state, which, in a democracy, is the will of its citizens. This, according to Hilferding, results in the "adaptation of state power to changing power relations," which necessarily leads to an increase in the labor party's influence, since the proportion of workers in the population is increasing. This in turn should be followed by an increase in wages that are determined not economically, but politically. "Now the workers consider the state as a political instrument for the building of socialism."47 Elections and parliament are the means for the peaceful resolution of the struggle between wage labor and capital.

In 1949, the Social Democratic Party (SPD) endorsed the West German Constitution in the Parliamentary Council [Parlamentarischer Rat]. The provisional nature of the new state, its open attitude to socialization of large industries (Article 15), the strong position of the ruling party and of the Chancellor, the jurisdiction of the Republic's legislature, and the basically fixed clause concerning state socialism (Article 20), led the SPD to think that the new state would be sufficient to transform the capitalist society which by that time had already been restored, to a socialist society.

Firmly counting on election victories, the SPD sought to achieve their social and political ideals by taking over state powers with a parliamentary majority. The ambivalent and even negative position during debates on the Constitution of the SPD concerning the political right to strike, as well as the absence of any protection for mass action in the Constitution itself, indicate that revolutionary mass action and labor struggles were not included in this plan.

Similarly, the contents of their political ideas refer less to the working class as the historical subject of social processes than to the state. The difference between the Christian Democratic parties (CDU-CSU) and the SPD

concerning the relation between state and society culminated with the Christian parties ascribing to the state only a subsidiary, retroactive and corrective role in social and economic development, thus seeing social policy as an unproblematic by-product of unhindered economic growth on a capitalist basis. In contrast, the SPD emphasized the state's responsibility for social and economic processes: the realization of social justice through state intervention in the economy and through legislated planning and socialization. After fascism, the key issue in the SPD's political program was state socialism. Its social target was to "remove humanity from the situation of being an object" (Carlo Schmid), the historical agent being the SPD as a parliamentary party, with Schuhmacher as the Chancellor competent to set guidelines: thus socialism was to be ushered in through a "revolution from above." The task of socialism as set forth in the Godeberg Program and in the practical alignment with the Christian Democrats on ideas concerning social policy after the "Great Coalition," was nothing but the emergence of what was already inherent in the SPD's political conception right after the fall of fascism: this conception, in turn, was essentially an up-dating of the revisionist tradition of the Weimar Republic.

It must be conceded that post-war revisionist theory went a step further, fully developing the immanent logic of its approach prior to fascism—but this happened on the basis of specific historical developments: the resignation of the SPD as the self-proclaimed representative of the working class and its rebirth as a mass party. In this development, the state is not only seen as independent from the capital realization process, but society itself is conceived as pluralist and dealing with multiple conflicts of interest.

Following the logic of a theory which sees the antagonism between capital and labor as a mere conflict over the distribution of scarce resources, class conflict as such altogether disappears for modern revisionism. Class conflict becomes pluralist debate over a cake which is continually getting bigger; an increasing social product decreases scarcity. "Based on a high and rising level of the productive forces, industrially developed societies have expanded social wealth. This in turn lends realism to the consideration that the antagonistic sharpness of competing needs may be blunted in view of a continued, if not increasing, pluralism of interests and in line with the definite possibility to satisfy these needs." A "society living in abundance" makes obsolete "compromises dictated by scarce resources." Thus, class theory has turned

48. In this whole context, see H.-H. Hartwich, "Sozialstaatspostulat und gesellschaftlicher status quo" (unpublished manuscript), pp. 1-66.

49. Jürgen Habermas, Strukturwandel der Öffentlichkeit (Neuwied, 1962), p. 254. Here, parallels can be seen to the following statement by Erhard: "It is so much easier to grant to each individual a larger piece of a cake that is getting bigger than to try to profit from a fight over the distribution of a small cake." Erhard, Wohlstand für alle (Düsseldorf, 1957), p. 10. Rabehl points out that in the "sociology of the state," "it is not class struggles that determine this monopolistic society; rather, this era is based on the democratic struggle of the 'underprivileged' for recognition and support by the state." (Rabehl, op.cit., p. 93). This political idea rests precisely on the reduction of capitalist contradictions to distribution problems. Underprivileged
into the theory of pluralism. The "class struggle," to which revisionists still paid lip service during the Weimar Republic, is reduced to balancing pluralistic interests through competing organizations and representative practices.\textsuperscript{50} The Social Democrats of Weimar still assumed that the social interests relevant to the formation of political will would always be constituted by the conflict between capital and labor and that the conflict had decreased owing to economic developments. Hence, for them, the state apparatus (especially Parliament) became a useful instrument in the gradual transition to socialism. Post WWII revisionism moves further away from Marxist theory. The formation of political will and the decision-making process are seen as resulting from conflicts of interest among pluralist social groups. While the theory of state socialism claims the autonomy of the state from capitalist production in regulating crises and in distribution, it recognizes no corresponding autonomy of the state from social groups. Just the opposite: in this theory, the state is seen as a tool to implement or to merely mediate various social interests and interest groups, which consequently can determine state policy. Such a conception, on the one hand, sees the state as \textit{dependent} on social interest groups (with wage labor and capital still predominating), but at the same time it perceives the state as \textit{autonomous} in relation to the "economic process." Hence, it follows by necessity that the connection between the production process and the constitution of social conflicts are torn apart. If the state is understood as the real or potential subject of the distribution of the "social product" and of the regulation of the economic process, and if in principle the laws of distribution and regulation as laws of the capital realization process do not have priority over the state, then there can be no connection between the capitalist mode of production and conflicts of interest which then appear as merely "social." If the state can change the distribution of "social wealth" without abolishing capital relations, then social conflicts of interest over distribution can no longer be understood as merely the result of capital relations. Society is hypostatized to the arena of interests to be mediated by the state.\textsuperscript{51}

\begin{itemize}
\item social groups are those who are not given a big enough share by the state. As soon as the state puts bigger pieces into their mouths, their underprivileged status ends. Offe draws the correct conclusions from this when he writes: "In general, the repressive character of a political system—that is, those aspects serving to strengthen authority—is measurable in terms of whether...it accords equal prospects for political consideration to all the various classes of mutually incompatible social interests, needs, and claims, or whether these prospects are distorted or biased in some specific direction" ("Political Authority...," \textit{op. cit.}, p. 80). Here the underprivileged groups have refined themselves into underprivileged needs.
\item \textsuperscript{50} E. Fraenkel, "Strukturanalyse der modernen Demokratie," in \textit{Aus Politik und Zeitgeschichte} (supplement to the weekly \textit{Das Parlament}), December 6, 1969, p. 23: "Pluralism is the state theory of reformism. It implicitly rejects the thesis that the antagonism between capital and labor, whose existence it does not doubt, leads by historical necessity to the \textit{Aufhebung} of this antagonism in the classless society." See also by the same author, \textit{Deutschland und die westlichen Demokratien} (Stuttgart, 1964).
\end{itemize}
If all the state needs is "a positive indication of how to realize justice through the intervention of state socialism," then in principle the laws of capital realization could not prohibit it from doing this, given the contemporary conditions of capitalist societies and states. Other forces, aside from those of material production, must be at work here. For contemporary revisionism, the issue of the democratic and social constitutional state becomes the issue of its democratic potential, and the issue of the "political maturity of the people" becomes that of democratic and peace-loving forces. No longer is any attempt made to define such forces, except for the mention of the little word "anti-monopolist." Increases in democratic potential and the formation of political will require an automatic increase in the margin of state power to direct the realization of social justice. The continuous transition toward a society which is self-regulating is thus possible insofar as a growing democratic force usurps the state apparatus and uses it to establish a just and rational social order. Because "the state advances to become the bearer of social order," the kind of social order that is realized depends on the consciousness of those who use the state. Thus, the justification given by Frankfurt School sociologists, who polled students at the end of the 1950s, was that, since students provide the manpower for leadership positions in the "large industrial enterprises" and in the civil service, they are particularly relevant to this theory as democratic (potential. The political and social consciousness of managers and higher civil servants is thus essential in determining the reason or unreason of "political and social processes" and of the method and substance employed in satisfying needs. Social contradictions are ultimately reduced to individual consciousness: the good or ill will of the capitalists or their managers; the reactionary or progressive consciousness of civil servants; the question, for example, from which social strata the elite reconstitutes itself. Here we have already come to Dahrendorf.

Whether reason or unreason determines the organization of production and the satisfaction of social needs, as well as the question of reason in political decisions, becomes a matter of what is in individual heads (especially the heats of the elite). Democracy becomes a question of the ideological and political orientation of the ruling elites. The theory of democracy atrophies into the theory of elites. Even if various sociological categories are used to historically explain present social conditions and the formation of the

52. Habermas, Student..., op.cit., pp. 35 and 45.
53. Ibid., p. 35.
54. Ibid., pp. 52ff.
55. Critical research of the elite takes the same direction. See, e.g., Helge Pross, Manager und Aktionäre in Deutschland (Frankfurt, 1965), and W. Zapf, Wandlungen der deutschen Elite (Munich, 1965). See also the theory of state monopoly capitalism (as well as the corresponding numerous studies of contemporary history as published in the GDR), which attempt to prove the particularly aggressive and reactionary nature of the monopolies and the state on the basis of the identity of the elite structure in fascist and contemporary Germany. According to this approach, the most important argument for the claim that West Germany is a monopoly state is the existence of the same individuals in both economic and political elites.
political will, the analysis still concludes by promising the beginning of the end of domination through the recurrent appearance in the ruling apparatus of individuals with a critical consciousness.

By comparison, Offe’s theory of the welfare and interventionist state has no illusions. Offe’s theory of the welfare and interventionist state, which continues Habermas’ theory of state socialism, no longer involves the concept of social emancipation. Class conflict is eliminated as a dynamic force of social development and the critique of political economy is explicitly rejected as a theoretical approach to understanding the movements and laws of monopoly capitalist society. “In the planned capitalist welfare state, domination of man over man (or of one class over another) has largely given way to the dominance of a few spheres of social function over others... The gap that ran between the great position groups [read: classes] in the early stages of capitalism has shifted, as it were, to within individuals themselves.”

Offe’s theory has fewer illusions because it sees the boundaries limiting “the range of action given to the political-administrative center” as nearly insurmountable. State power is here defined as social-irrational activity. The processes and forms for the formation of political will have been run into the ground and ossified. Practical, i.e., rational activity of state power is ruled out, since the social mechanisms for the articulation of needs and for the self-definition of state power do not function to ensure the system’s equilibrium. The ossified forms in which social needs are now articulated are the boundaries to be overcome.

If these forms were to change, then the state’s actions would change as well. The road to change is a revolution of individual needs which alone would permit a change in those phenomena and organizational forms that have so far determined the formation of political will. At least, this conclusion could be drawn from Offe’s approach. But it is not expressly stated, and rightly so. For why should individuals revolutionize their consciousness and needs, so long as the state succeeds in “avoiding crises” and so long as sharp social contradictions can be ignored from the outset in anticipation of “success.” (Offe’s terminology brings his theoretical standpoint in line with this concept.)

What applies to Offe applies to Habermas as well. A fundamental change in the form and content of the state’s distributive powers, which they equate with the rationalization of the totality of social reproduction processes, does not require a basic revolution in production relations, but merely a change in the formation of political will. According to Offe, such change would mainly involve those processes which create the political will of parties (the pressure to mediate among particular group interests). as well as that of the “pluralist” system of federations. These processes present to the state only

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57. Ibid., p. 103. [English translation slightly altered.]
58. Ibid., pp. 85ff.
those partial interests which can be organized and can create conflict. Only by these means can the state be moved to action, as its function is to maintain the system's equilibrium through the avoidance of conflict. The partial interests would determine how and why the social product is distributed by the state. Accordingly, general social needs for schools, hospitals and for the development of public transportation systems, are not sufficiently dealt with by the state since these needs cannot be articulated by partial interests that alone can organize and create conflict. Thus, the organization of society into a pluralist system of federations and the specific effect this has on the process of political decision-making prevent the state's rational action towards satisfying general needs.

At this point, in spite of all reservations against authoritarianism, the analysis of "left" theoreticians of state socialism converges with that of the right. Conservative theoreticians of state socialism such as Hennis begin by assuming that in order to carry out its business efficiently and in terms of the general satisfaction of its citizens' needs, the state must be freed from the "accidents" caused in the democratic formation of political will. This is all the more so, since the state now can essentially fulfill needs through administrative and distributive functions. The state's democratic legitimation rests on its function to provide for its citizens' welfare; to this end, it must organize its institutional apparatus toward fulfilling these immanent "requirements" [sachgesetzliche Forderungen]. In order to democratically function according to its legitimation, the state would have to free itself from all forms of informal, pre-state [vorstaatlich] formations of political will. Thus, it would not be hampered in the fulfillment of its democratic tasks by social conflicts of interest. In this context, the "experts on behalf of the common good" recommended by Erhard play an increasing role, even if under changed names. Hennis, for example, refers to "institutionalized eyes and ears" who remind the state of its general tasks as opposed to the pressure of group interests. At last, a good use might be found here for political scientists. The process of forming political will requires the transformation of the state apparatus into more authoritarian forms and, in keeping with this, the creation of a "people able to be governed [regierungsfähig]" (Hennis), or more explicitly: "The maturity of a society corresponds to the degree to which it can be manipulated." "And from the perspective of scientific research, which is making great strides in this area, there are neither factual nor normative limits to manipulation." According to Erhard's 1965 proclamation, formed and informed society go together. Authoritarian state socialism and the manipulation of the "citizens" it provides for are only two sides of the same coin.

59. Ibid., p. 85.
Thus, the argument can be summarized as follows: If the state is to be
democratic, i.e., responding to the wants of its "citizens" and taking care of
their needs, then it must streamline its activities, if possible, on the
organizational level. In other words, it must transform itself into an
authoritarian state. Social pluralism of interests, or the "social articulation of
interests," hampers the state in effectively organizing distribution (e.g.,
shifting priority from "social consumption to social investments,"\(^{62}\) i.e., to
education, transportation, etc., was essential for the economy's continued
growth). Thus, pluralism must either be eliminated, reduced, or organized as
a corporation. This conclusion could also be drawn from Offe's analysis of the
obstacles to rational state power. According to this, there is no reason why
enlightened statesmen—who have succeeded in increasing their range of
maneuverability by liquidating that pluralism of interests which only limits
the state, and who lend their enlightened ears to the science that counsels
politics—there is no reason why these statesmen should not contribute to the
establishment of a better society as well. Why should they not consider those
needs for "housing, health, transportation, education, constitutional
government, and leisure"—needs which, however, are presently ignored since
needs are expressed by federations and by the parties which must always be
committed to their own interests because of election strategies.

Accordingly, Habermas perceives scientists as providing the ability to
"rationalize" political decisions.\(^{63}\) Scientists act as political advisors and, by
publishing their findings, create the enlightened masses which bestows
relevant political meaning onto their enlightened advice. "Citizens" thus form
the objects of "mass enlightenment" by the scientific elite. Widmayer, the
technocratic educational economist and planner, correctly refers to
Habermas and Offe when he recommends as a cure-all for society's ills the
scientific advisement of politics and the end to all influence on the state from
federations and from parties corrupted by elections.\(^{64}\)

The rightist theoreticians of state socialism see the solution to the problem
as obvious. State socialism means "taking care of" in the dual sense of the
term: providing for the necessities of life as well as for the political silencing
of those taken care of. A higher standard of living can only be guaranteed on
the basis of increased manipulation of the clients. Thus, the conservative
approach to state socialism models its conception of the distributive state
according to the organizational principles of the capitalist industrial
enterprise. As the "total entrepreneur" in the highly organized capitalist
"total enterprise," it is oriented towards efficiency, and its efficiency is
determined by "the degree of its organizational-instrumental adaptation to a

\(^{62}\) This expression was first used in industry publications and in Erhard's official address of
1965.


\(^{64}\) H.P. Widmayer, "Aspekte einer aktiven Sozialpolitik. Zur politischen Oekonomie der
given situation."  

Both bourgeois science and, of course, capitalists, hold that the capitalist dictatorship over the workers in industry has priority over the needs of the citizens as consumers for an increasing mass of commodities from which to freely choose. The need for improved working conditions can be considered only to the extent to which they do not interfere with the economic side of the enterprise: "If he becomes part of the production process, man must necessarily submit to its economic laws of efficiency. The economy is not an end in itself, and man is not really a means to the end. The purpose of the economy is to satisfy man's material needs, to give him the means to free himself for higher spiritual and moral goals. But this is possible only if man becomes part of the production process which requires his subordination to the goals of the enterprise, thus becoming a means to an end. This is certainly an inner contradiction which is, however, in the nature of this matter."  

In the jargon of the scientific apologists of capital, there exists an insoluble contradiction between the needs of the worker as consumer, and as a spiritual-moral being who must transcend his existence in the industrial enterprise as a "mere means to an end." In principle, since these needs oppose each other, participation in the industry's decision-making can be permitted only to the extent that "the relation between the factor of human performance and the enterprise is formed in a way that carries out the enterprise's goals as perfectly as possible... The individual worker should gain the impression that he is not a mere object but that he can somehow participate in shaping his own fate as part of the enterprise."  

But, against these sporty recommendations of capital's scientific apologists to use co-determination as a tool to increase efficiency (the union's efforts to make co-determination palatable to capital are nowadays not too different), capitalists argue, now as ever, that co-determination results in decreased productivity. To them, dictatorship rather than manipulation in the

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65. See Hennis, *op.cit.*, p. 429. See also p. 427: "If it is correct to perceive in the science of government something like a science of management of the modern state, then our field (political science) creates the impression of a management science, whose only theme is co-determination." This whole point is first made attractive to the public in the ideologies of the structured society (*formierte Gesellschaft*), a slogan that was also swallowed by some of the Left.  

66. Karl Hax, *Personalpolitik und Mitbestimmung* (Cologne, 1969), p. 16. See, in this context, Marx, *Capital*, I, p. 356: "It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organisation of labor of society, than that it would turn all society into one immense factory." The early bourgeois economists were not so bold as to ask of the wage laborer total submission during the work day, so that he would be free for his "higher mental and moral ambitions." Instead, they wisely distributed this "internal contradiction" among the different classes. Thus, Storch (1815) praises the advantages of capitalist society: "The progress of social wealth...begets this useful class of society...which performs the most wearisome, the vilest, the most disgusting functions, which takes, in a word, on its shoulders all that is disagreeable and servile in life, and procures thus for other classes leisure, serenity of mind and conventional (c'est bon) dignity of character," *ibid.*, p. 647.  

67. As an illustration, see the well-known slogan, as effective now as ever: "The democratization of the economy is as nonsensical as the democratization of schools, barracks, and jails." Quoted from the *Industriekurier*, 1965.
industrial enterprise appears as a more reliable instrument to extract surplus value.\(^\text{68}\)

But the real issue here is this: the crucial contradiction is not seen as obtaining between capital and wage labor, but between the citizen as consumer and as wage earner. For him, freedom and a good standard of living require his enslavement as producer. While there is of course no such problem for the capitalist, production and consumption oppose each other as irreconcilable differences within \textit{each and every} individual worker. Whether revisionist or conservative, the theory of state socialism ultimately reaches the point where it projects onto the individual himself the contradictions prohibiting the rational organization of society. "Leftist" theoreticians of state socialism describe this conflict of interest within the individual as the result of historical processes mediated by the way in which social interests are formulated. Rightist theoreticians perceive the conflict as a natural constant. Hence, the difference between political strategies: enlightenment of the masses administered by an enlightened elite, or manipulation. In both instances, the masses are objects to be handled by the elites.

Different political goals also follow from this. While the authoritarian state is an unavoidable necessity for the conservative, for the revisionist\(^\text{69}\) it is an historically developed institution, thus subject to change. But the revisionist's presentation of the historical conditions which have formed the "citizens'" present political consciousness and his conception of the economic reproduction of society indicate that, for him, social change is possible only as "revolution from above," meaning that his postulate, the abolition of domination, is nothing but empty rhetoric. Since the capitalist welfare state can now manipulate economic crises, it will not allow future crises and it will no longer be possible in the future for workers to become aware of social contradictions on the basis of their own experiences. "The relation of the client to the state is...not one of political participation, but a general attitude of expectation, of anticipation of welfare, but not an attempt to actually force decisions."\(^\text{70}\) How, then, can individuals by themselves change their consciousness if the state grants them welfare and if nothing changes in the given situation—or if it even improves, since a quantitative increase in state benefits can be anticipated if the state can indeed regulate crises? In sum, how can consciousness be changed if capitalist contradictions become blunted? "What we have here, in brief, is the foundation of the socialist program by means of 'pure reason' [\textit{reine Erkenntnis}]. We have here, to use

\(^{68}\) Hax, \textit{op.cit.}, pp. 24 and 16.

\(^{69}\) We also include under the concept of revisionism more recent West German authors because of an issue that should at least be suggested here. It concerns the relationship between a working class addressed to the state by its own organizers and its theoreticians. This relation is obvious in regard to Hilferding and Tarnow, for example, but it is not so obvious with Habermas and Offe. It is beyond doubt, however, as far as some Frankfurt sociologists are concerned who are around union headquarters. On the other hand, it must be clarified to what extent it is correct to still refer to reformism in relation to the contemporary role of unions and the SPD—a reformism that would tie in with revisionist theory as opposed to revolutionary Marxism.

\(^{70}\) Habermas, \textit{Student...}, \textit{op.cit.}, p. 52.
simpler language, an idealist explanation of socialism. The objective necessity of socialism as the result of the material development of society, falls away.\textsuperscript{71} As Habermas argues conclusively,\textsuperscript{72} the introduction of socialism by “pure insight,” by the enlightenment of the masses, is an issue for the enlightened elites.

Contemporary revisionists either totally eliminate the production process from their social analysis or else throw it overboard as the locus of exploitation and the production of surplus value (e.g., through “the value-creating potential of science”). Individual consciousness, therefore, can come into being only in relation to the distribution sphere. In this conception, political consciousness is primarily directed to the state and to politics. As “critical consciousness” its critique is limited to the norms relating to the distribution of “income” and “life chances”: are they just or unjust, sufficient or insufficient?

A scientific method that starts with the state as its object of investigation ultimately dissolves the totality of social processes into separate spheres. By deriving from the modes of the state’s appearance its autonomy from the production process, the method thus turns the state into the foundation of the social order, no longer perceiving social conflict as concretely constituted by the modes of social production. By doing so, it comes to the conclusion that the individual himself is to be divided into separate spheres as well. In contemporary revisionist theory, this appears in the concept of political consciousness, which refers only to the relationship between the “citizen” and the state. Seen in this way, it is easy to speak of the apolitical consciousness of the German proletariat, after it could not be led to stand up against the emergency laws—a highly charged political issue—in order to defend “the democratic state.” Struggles between wage labor and capital in the factory are put aside as “merely economic” and as guided by false consumer needs. Thus, the relationship between wage labor and capital as the empirical basis for the formation of political consciousness no longer figures as an issue at all. Those who complain about the proletariat’s lack of political consciousness easily forget that they are the very ones who eagerly collaborate in the creation of the ideology legitimating the state.

Above all, the history of “industrial society” is thus seen as the history of capital and of its state, but not as the history of the working class, its struggles and defeats.\textsuperscript{73} Presented in an upside down bourgeois version whereby dead labor dominates living labor, this history ensnares the revisionists’

\textsuperscript{71} Luxemburg, \textit{op. cit.}, p. 59.

\textsuperscript{72} Here, again, we refer to the logical consequences of non-revolutionary recipes against capitalism, whose logical consequences were already characterized by Luxemburg. As already indicated, she demonstrates how the non-revolutionary path, in the case of Bernstein, may lead to a different place, i.e., maintaining the usual state of affairs with a few improvements. Here, it must be added that Habermas very deftly translated this inner logic into its external manifestation.

\textsuperscript{73} Cf. the \textit{Illustrierte Geschichte der deutschen Revolution} (reprinted Frankfurt, 1968), where memories of the struggling people are frequently recorded.
consciousness, for whom the working class has always been a mere object in historical development. Concrete proletarian struggles are suppressed in the revisionist historical consciousness, along with the revolutionary struggles carried out by social-democratic organizations. If these intellectual critics complain today that the socialist state threatens to develop into an authoritarian state because of the “passivity of the working class,” then they should not forget that since the November revolution, at the latest, workers have been directed toward the state by the SPD (and also more and more by a party that conceives itself as communist after it had been legalized). They should remember that the SPD has presented the bourgeois state to the workers as the target for their demands, and that the workers’ initiative has been smothered time and again by the SPD and the unions, often in collaboration with the bourgeoisie. Last, but not least, they should bear in mind that such a working class consciousness (if the description actually applies) is the result of this historical experience and its theoretical affirmation by social democratic theoreticians since Bernstein. The ideology of state socialism is thus ultimately connected with the historical suppression of the working class as a conscious subject carried out through its organizations.

“Prosperity for all” becomes the basis for legitimating state power and its institutions. It appears as something which can be regulated by the state in conjunction with the economic ruling class (“the economy”), in order to distribute to the masses their due. Similarly, the masses can expect and demand this prosperity from the state. Here, the masses appear as demanding objects legitimately asserting their rights to welfare planning, whereas the state appears as the benefactor and the permissive subject: commodities seem

74. Rabehl, op. cit., p. 154: “Since reformism conceived of state monopoly capitalism as a guarantee for the introduction of socialism in society, it attached the workers to the democratic constitution, i.e., it conditioned them to passivity during crisis stages.” But it never becomes totally clear throughout the whole book why a negative fixation on the state should be juxtaposed as the only possible cure to a positive fixation, which is correctly criticized in terms of its consequences for the history of social democracy. Thus, Rabehl states on p. 106: “Revolutionary theory becomes the strategy for action, which observes the contradictions of capitalist and monopoly capitalist production, the distortions between the industrial classes, the stagnations, the partial crises, the process of the dissolution and formation of classes... but the strategy either brings out or intensifies these latent or open contradictions through class action. This requires the continuous attack against individual state institutions, whose task it is to direct certain social areas (e.g., education and training, the health and legal systems, police, army, etc.), in order to lay bare and prevent the functions of the state, so that they cannot be consolidated into a counterrevolutionary power.” If the level of contradiction is to be found on the level of capitalist production it would also exist on the level of the contradiction between wage labor and capital. But then it does not become clear why those concerned should develop their strategy for action primarily against the capitalist state and not against capital itself. This negative fixation on the state (rather than on capital and then, mediated through it, on the state) threatens to lose sight of the real enemy. This becomes evident, for example, as soon as the execution of state power is superficially diluted (e.g., amnesty, reduction of police and legal terror, or illusions about the SPD government in general). When this happens, the illusion arises of a fundamental change. This is further evident in the purely political concepts of organization that are determined by this conception of the state. At the most, they only verbally concede the necessity of an “economic” basis for class struggles.
to fall from heaven. But a really scientific social theory must assume that, prior to their partial distribution to the masses, all products have been produced by the masses as a whole. Thus, masses are not secondary, they are not recipients or, at most, claimants. Theory, on the contrary, must start with the assumption that they are subjects working and producing within a specific mode of production. Concretely, this means that they must be viewed as subjects used by capital, or rather, the objects of capital as subject. And the state cannot be investigated only as the “distributor,” as the “welfare” state or as “state socialism,” but its functions must be seen as stemming from the necessity to produce commodities before distributing them: i.e., the state, especially in state socialism, takes on special functions for reproducing capital on the basis of contradictions in the specific stages of capital’s historical development. A Marxist analysis must, therefore, consider “distribution of national income” as a moment in the production and circulation process of capital, and it must attempt to understand the functions of the state on this basis.

III. The Distribution of Income and the Circulation of Capital

As we have seen, the postulation of income distribution as a sphere separate from production (which presupposes the distribution of the means of production) is a crucial theoretical assumption for the revisionists to justify the basic power of the state to intervene in the distribution of income. The imagery is that of the social product as a “cake” whose pieces are to be distributed in isolation from the conditions of production, depending only on the resolution of conflicts of interest. But this imagery presupposes that after having produced the commodities, capital hands them over to society to freely dispose of and, with disinterested benevolence, watches the struggle of those wanting a piece of the cake. Capital itself is satisfied by what is obtained in the struggle of those associations which lobby on capital’s behalf. Thus, there exists only a political—and not an economic—relation between capitalist commodity production and capital, and the income distribution “emerging” from it.

75. The imagery of the “cake” is an extremely popular way of looking at things, and even big shots in economics like to indulge in it. See, for example, J.M. Keynes, The Economic Consequences of the Peace (London, 1917): “On the one hand, the labouring classes accepted from ignorance or powerlessness... a situation in which they could call their own very little of the cake that they and nature and the capitalists were cooperating to produce [1]. And on the other hand, the capitalist classes were allowed to call the best part of the cake theirs...”. And even today in “modern industrial society,” it is only one group of confectioners who bakes the cakes: “This national income is the actual creation of value of the West German economy. It is the ‘big cake,’ i.e., the total, which is available for wages and capital income, for ground rent, and national expenditures. Everyone tries to grab as big a piece as possible of this cake.” Cf. Kurt Walter and Arnold Leistico, Anatomie der Wirtschaft (Hamburg, 1969), p. 42.
1. Primary Distribution and State Redistribution

But bourgeois theories of economic distribution are certainly not so simple. According to them, the relation between distribution and redistribution is definitely determined economically and not regulated by political laws alone. The state's redistribution policy here appears as a secondary corrective to the primary distribution carried out through "payments to factors." Later corrections to primary distribution may no longer be executed more or less arbitrarily or according to the political balance of power, but only on the basis of the earlier primary distribution. As Preiser suggests, power can only affect primary distribution as part of the given economic system, since the influence of power is assumed to inhere in the economic laws determining distribution. This interpretation of the economic laws of income distribution appears decisively in the circulation theories of distribution, where "wages and profits . . . form the basic income for consumption and investment which, in turn, provide the means for payment of wages and profits the next time around." Thus, distribution is seen as a moment in the reproduction cycle: it loses its character as an independent process subject to political manipulation. Or, in other words: political redistribution policies must anticipate specific definite counter-measures. This, in turn, is expressed as political conflict over goals, since economic counter-measures now endanger the realization of other political goals.

Such a conflict over "goals" of growth or distribution takes the following form: it is "possible to start from a minimum limit on capital interest, which just barely maintains investment and employment, but which, if lowered, prevents the growth of the economic market from functioning. This minimum limit on capital interest is at the same time the maximum limit for real wages. If the maximum limit of capital interest, which is also the minimum limit of real wages, is exceeded, then a 'social revolution' is triggered, and the economic system breaks down as a market economy." The underlying economic contradictions between wage labor and capital surface in such conflicts over political goals, but they are not understood by bourgeois economics as the moving forces behind these conflicts. Thus, on the

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76. Erich Preiser, "Distribution. Theorie," in Handwörterbuch der Sozialwissenschaften, vol. II, p. 624. Preiser describes "power" as a political and social category that is also economically relevant, since economic categories and "pure" laws necessarily reflect social and political power. In this formal fashion, an attempt is made to express power as an "economic potential." Cf. Marx, Capital, I, pp. 751-758.

77. Wilhelm Krelle, Verteilungstheorie (Tübingen, 1962), p. 110. Here we refrain from discussing the various types of distribution (personal, functional, sectional). By "distribution" we mean "income distribution." Cf. Preiser, op. cit., and Leo Kowalski, Einkommensverwendung, Einkommensverteilung und Vermögensverteilung (Tübingen, 1967), which deals with more recent approaches to bourgeois economics. Here we are not concerned with distribution as such, but with the relation between distribution and capital realization.

one hand, there is the typical distinction between economic and political evaluations of state income redistribution (while revisionist theoreticians and political scientists assume a very wide scope for state manipulation, political economists are much more skeptical). On the other hand, economic distribution theories are still committed to the notion of the state's manipulatory powers. Thus, they can only describe potential conflicts of goals and indicate methods resulting in optimal outcomes for a rational economic policy should goals be contradictory. Bourgeois economists see information on such conflicts and the understanding of the reasons behind contradictory goals as means to deal with conflicts. Of course, such idealistic assumptions presuppose the state as an all-embracing subject in relation to the economic system. It requires only the continuous improvement of channels of information (especially regarding conflict situations) and of instruments of manipulation in order to meet the challenge for a rational economic policy: "rational politics must be goal-oriented and its method must be adequate."79 Revisionist theories and political science would also agree on this point.

Thus, by observing economic regularities, economic distribution theory consistently arrives at a realistic view of possibilities for political redistribution. In his "distribution theory," Krelle80 reaches the disillusioned insight that "short term policies within a market economy" must be "corrected" because of long-term counter-effects. Unlike unions' faith healers, who seek to cure the problems of capitalist distribution with placebos like "the placing of wealth in the hands of the workers," bourgeois economics reaches the concrete insight that this type of redistribution is impossible. No matter how Föhl and Hennis twist and turn matters, they also rediscover what has been confirmed by all surveys so far: a "real redistribution" of wealth is impossible.81 Attempts to change the distribution of income and wealth in favor of wage labor result either in a decreasing rate of income, employment and growth, and a flight of capital, or in a mere redistribution between the "state sector" and the "private economy," but not between wage labor and capital. Put briefly: "to him who has will more be given" [Mark 4:25, RSV].82 Bourgeois economists cannot get around the fact that the capitalist

80. If we look at the result of distribution theory as a whole, we find a totally unanticipated stability of the market economy system. Almost all short-term changes provoke long-term reactions, which can eventually cancel out the former...." Wilhelm Krelle, Verteilungstheorie, op.cit., p. 257. 
81. Carl Fölh and Manfred Hennis, Vermögensbildung in Arbeitnehmerhand (Pfullingen, 1966). 
82. Carl Fölh, Kreislaufanalytische Untersuchungen der Vermögensbildung in der Bundesrepublik und der Einflussbarkeit ihrer Verteilung (Tübingen, 1964), p. 40. This is nothing more than a bowdlerization of the law of accumulation. Marx, Capital, I, p. 645: "But all methods for the production of surplus value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of those methods. It follows therefore that in proportion as capital accumulates, the lot of the labourer, be his payment high or low, must grow worse... Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital."
accumulation process polarizes socially produced wealth in the form of private capital against the poverty of wage labor that cannot sell anything but its labor power. And this still holds for "modern industrial society." "For to him who has will more be given;" he who has nothing must work to live. As a consequence, to him who has will be given even more.

But the realism in such a conclusion is nothing more than "down to earth thinking" which is only in a position to grasp that those who have shall receive, but not the have-nots. Thus, the realism of economic theory stops abruptly if it turns to recommendations for state policy. Is it not precisely the "formation of wealth" that has been recommended for years by economic experts? But this formulation can be guaranteed only if redistribution is possible. Economic circulation analyses realize that capitalism requires a minimum of class conflict for its smooth functioning. The attempt to resolve class conflicts, however, necessarily leads to their reappearance at a higher level. Yet, these analyses conclude that redistribution as a possible means for such resolution is a pure illusion, either in the long run or permanently. There are two ways in which bourgeois scientists can pull out of this dilemma. They can either withdraw from the state decision-making processes and leave the arena to political decisionism, or they can suggest the redistribution of income and wealth to be done "prudently" (really meaning: ineffectively), with the goal of deceiving wage labor as to the actual state of affairs.

83. As a typical illustration of the bourgeois science view, see Georg Leber, ed., Vermögensbildung in Arbeiternehmerhand: Wissenschaftliche Beiträge, Dokumentation (Frankfurt, 1965). All contributors follow the direction anticipated by Leber in his Introduction: "It might be possible to take steps, on the safe grounds of scientific knowledge, towards changing an unjust and outdated income structure."

84. Erich Preiser and Gerhard Weisser, who co-authored the two-part article on distribution in the Handwörterbuch der Sozialwissenschaften, are polarized as to the procedure which is used by bourgeois scientists to deal with the problem. In his essay, Erich Preiser presents his version three times, just to be on the safe side: "If we want to discuss the problem [of capital formation] at all, then we must assume that [in the bargaining process] both partners act in good faith, which should result in some loss of profit for management, but which would not threaten its existence...." And: "The prospects for investment policies (and hence wealth) are all the better, the more cautiously these policies proceed." Erich Preiser, "Theoretische Grundlagen der Vermögenspolitik," in Georg Leber, ed., op. cit., pp. 34, 38, 41. But what does this "caution" actually look like? Gerhard Weisser, in "Distribution: Politics" (in Handwörterbuch, op. cit., p. 645) has an answer: "Corrections to the distribution policy partially conflict with the rule of compatibility. Extreme measures could be too strong to keep the market economy functioning. If for the sake of optimal autonomy of the participants in the system, a decision is made in favor of a kind of system that is basically a market economy, then one must recognize some limits for corrections in distribution. Of course, the determination of such limits cannot be undertaken here either in general or for West Germany. In this area, science is hardly able to achieve a position that would eliminate risks from political praxis...." Similar statements, by the way, can be found in Sozialenquete, op. cit. There is nothing new here: the bourgeois scientist gingerly leaves the field to the politician with the full knowledge that the functioning of the "market economy" will be taken care of. The actual goal of the policy concerning income and wealth is to "satisfy" wage labor. This is frankly admitted by innumerable representatives of our "democratic order." See, for example, Georg Leber, according to whom the task is "to guarantee freedom and property as the basic elements of our democratic order." Leber, "Die Gretchenfrage ist gestellt," in Die Zeit, October 2, 1964, reprinted in his Vermögensbildung in der Arbeiternehmerhand, Dokumentation, vol. II (Frankfurt, 1965), p. 68. More on this can be found in E. Altvater,
In this manner, goal conflicts appear as a contradiction inherent in society, which reappears in the realism of economic distribution theories and in the recognition of the need for redistribution. The contradiction between wage labor and capital is thus reproduced on the theoretical level. It is not, however, the result of deliberate attempts to veil reality. The veiling itself must be seen as closely tied to the reality of capitalist commodity circulation. Capitalist production is commodity production, i.e., commodities are produced for circulation. In the circulation process, however, the types of values comprising each specific commodity cannot be determined. Or, to put it differently: what laws of distribution affect the value realized by the sale of the commodities? What is the source of the money which is exchanged for commodities, and in which the prices of commodities is realized? Part of this money comes from workers, who spend their wages in exchange for commodities. As far as circulation is concerned, workers are only consumers provided with money, for whose purchasing power the sellers of commodities (the entrepreneurs) compete. Wages appear merely as income effective in demand. This income is exchanged for commodities whose origin in capitalist production, and hence their value composition as wages (as wages, surplus value, and constant capital) cannot be recognized. Illusions about possibilities for distribution are based in this sphere. Within the framework of these illusions the state seems to have the power to counteract the redistribution of purchasing power resulting from redistribution policies and their negative consequences.

These illusions, based on circulation relations, are inconsistent with a more realistic understanding of the limits of state distribution measures, which includes the production sphere in the economic analysis of distribution. Thus, the above contradiction is based on the economic relation between production and circulation, and can only be resolved through a precise analysis of the dual function of the value unit constituting variable capital for the capitalist and income (wage) for the worker.\textsuperscript{85} If this is expressed in a simplified form as the “dual character of wages,” then the contradiction between wage labor and capital is already inherent in the category of wage and thus already implied in distribution theory when it is concerned with the particular categories of income (wage, profit, rent), i.e., before it takes up the relation between wages and profits. In economic distribution theories, both aspects of the bourgeois analysis of capitalism reappear: on the one hand,

\textsuperscript{85} Marx, \textit{Capital}, III, p. 889: “The so-called distribution relations, then, correspond to and arise from historically determined specific social forms of the process of production and mutual relations entered into by men in the reproduction process of human life. The historical character of these distribution relations is the historical character of production relations of which they express merely one aspect. Capitalist distribution differs from those forms of distribution which arise from other modes of production, and every form of distribution disappears with the specific form of production from which it is descended and to which it corresponds.”
capitalist commodity production is simply conceived as the production of goods generally determined by the natural conditions underlying the industrial work process, without any social contradictions ("modern industrial society"). On the other hand, the theory is based on commodity circulation and money incomes (flow of goods and money). Thus, bourgeois distribution theory gets some idea of the repercussions of the contradictions within the production sphere as manifested in the circulation sphere. Only in this perverted form is it possible for this theory to arrive at correct predictions concerning limitations to measures for income redistribution. But if bourgeois science is to give expert advice, it must retreat to circumspection or political decisionism. The contradiction in economic distribution theories is anchored in capitalist reality itself.

The key to uncover the distribution relations on the level of "income" is in the analysis of the socio-historical determination of the distribution relations on the level of production, i.e., in the analysis of capitalist relations, where the means of production in the form of capital are opposed to "free" wage labor, i.e., wage labor free from the means of production. Thus, we must pursue the question: what is the relation between the two sets of distribution relations? To what extent is one only a moment of the other? Treated in detail, this question provides the core of the analysis of capital and the fetishes it produces which, in turn, include the corresponding modes of consciousness in economic theory.


In bourgeois theory, the sum of different forms of income ("income of employed workers," "income from business and assets") represents the "national income." This income corresponds to the total costs of the production factors of labor, land, and capital which have been expended during a given year by the enterprise. Consequently, national income is equated with the net social product at factor cost. What constitutes costs for the entrepreneur appears as the same amount as flow of income for the "owners of the production factors." Wage corresponds to work performed, ground rent (lease or rent) corresponds to land made available, profit corresponds to capital. Consequently, the subject matter of functional distribution theory is the "distribution of national income among the production factors of the national economy, labor, land, and capital, in the corresponding forms of income as wage, rent, and profit in accordance with their productive contribution and economic power." In bourgeois theory,

86. See Capital, II, pp. 392ff.
87. Here, we disregard the specific forms of state distribution that involve a statistical distinction between net social product at market prices and national income, which derive from indirect taxation and payment of subventions. This distinction is irrelevant to our argument.
89. Dr. Gabler's Wirtschaftslexikon (paperback ed.), vol. 6 (Frankfurt, 1969), column 2955.
regardless of attempts to bring it up to date, Monsieur le Capital and Madame la Terre\textsuperscript{90} thus still appear in beautiful harmony with labor as the creators of the “wealth of the nation.” What is counted as national income in the hands of owners of these “factors” appears in the enterprises as the creation of value in the national economy. The national income as the sum total of the creation of value corresponds to the net social product (at factor cost) as the sum of consumption and net investments.

So far, we have only dealt with bourgeois economic definitions which see income \textit{qua} income, since they all derive from the performance of the three “production factors.” Looking more closely, we discover, however, that this equation involves circular reasoning. The circularity results from the dual conception of income, i.e., from the perspective of its “receiver,” and from that of its “creative process.” All income is created through production in the economy. Thus, it is primarily mere income. Only later is it distributed to the various “groups of receivers”: workers and wages, capitalist and profits. Now this is an obvious fact of capitalist economy (we shall disregard ground rent here). But what conclusions follow from that? Capital is productive, because it maintains incomes; and it receives an income, because it is productive. All further arguments become an elaboration of this tautology, whether it concerns the theory of the marginal productivity of distribution or any other theoretical variation.\textsuperscript{91} Thus, we shall examine this circular reasoning in terms of the “creation of value” and in terms of “received income.”

Let us first consider the aspect of value creation. Or, in other words, in what ways it is justified to assume the productivity of capital? The basic problem lies in the fact that prior to distribution, values must be produced before they can be ascribed as income to whatever “factor.” Thus, the analysis of distribution must start with the production process. The capitalist production process has a dual character. It is simultaneously a process of labor and of realization. To the capitalist production manager, however, the commodities produced are significant only to the extent that they have use value, i.e., they can be exchanged for money on the market. But now another determinant is added, so that in return the capitalist receives the capital he advanced to the production process, plus a surplus. This surplus, however, cannot be derived from the exchange of commodities. The surplus received by the seller is a loss for the buyer, and since everybody is in the role of buyer and seller, surplus and loss balance out. Thus, surplus must have been created in the production process itself. The question is, how?

\textsuperscript{90} “In capital—profit, or still better capital—interest, land—rent, labour—wages, in this economic trinity represented as the connection between the component parts of value and wealth in general and its sources, we have the complete mystification of the capitalist mode of production, the conversion of social relations into things, the direct coalescence of the material production relations with their historical and social determination. It is an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters and at the same time as mere things,” Marx, \textit{Capital}, III, p. 830.

\textsuperscript{91} In connection with the presentation of these theories, see Erich Preiser, “Distribution,” \textit{op. cit.}
The answer of bourgeois economics is unambiguous: through the contribution of the factors in production, i.e., labor, capital, and land. This argument is based on a very superficial consideration: for the production of commodities, an enterprise combines land or a site, machinery, and workers. The natural requirements of the work process state that, during an historically given phase of technical development, work can be produced only in combination with the means of production. These requirements are molded into the theory that, as a result, 'income' must flow to the productive factors involved. Here, bourgeois economics ignores the fact that while goods are produced by such a combination of factors, it is not necessarily a capitalist production process, whose outcome results in commodities and—if successfully sold—in money. Secondly, this perspective omits the fact that machines and raw materials do not turn out products all by themselves (and products are the essence of the production process) but would sit around as useless objects unless used and transformed by living labor. In contrast, management science, which is concerned with the production process itself, does have some notion, however vague, of the dual character of the production process. It thus distinguishes between operation and enterprise, between productivity (in the technical sense) and pay-off (as realization of capital invested). All of this is eliminated, however, in the theory of productive factors (or is thrown into relief, if in the investigation of "optimal combination of factors," their technical interaction and their relation to prices are treated on the same level).

Let us first consider the share of capital advanced by the capitalist. It is spent to purchase the means of production (machines, raw material, etc.) and to purchase labor as a commodity on the labor market. The value of labor power as a commodity, like all other commodities, is realized by the worker (at least, averaged out over a cycle), i.e., it must be paid by the capitalist. The worker realizes labor-power's "exchange-value, and parts with its use-value." This use value of labor power, labor itself, now no longer belongs to the worker, but to the capitalist who bought it. Consequently, the capitalist owns what results from the application of labor power's use value. The fact that "half a day's labour is necessary to keep the labourer alive during 24 hours" provides the conditions to make the production of surplus value possible in the first place: "the value of labour power and the value which that labour-power creates in the labour-process, are two entirely different magnitudes; and this difference of the two values was what the capitalist had in view, when he was purchasing the labour-power. The useful qualities that labour-power possesses, and by virtue of which it makes yarn or boots, were to him nothing more than a conditio sine qua non; for in order to create value, labour must be expended in a useful manner. What really influenced him was the specific use-value which this commodity possesses of being a source not only of value, but of more value than it has itself."\(^\text{92}\) While the creation of value does

\(^{92}\text{Marx, Capital, I, p. 193.}\)
result from the combination of the means of production and labor, the various factors of the labor process, however, "play different parts in forming the value of the product."\(^\text{93}\) While the value of the means of production is simply maintained in the labor process through the transfer of its value to that of the product being produced, "each instant" of labor-power's activity "creates an additional or new value."\(^\text{94}\) Thus, it does not happen that, during the labor process, there is first the transfer of the value of the means of production, and then new value is created. On the contrary, these happen simultaneously, owing to the dual character of labor as concrete and useful, and as abstract and value-adding. For if labor power is to really be value creating, it simultaneously must be the expenditure of the worker's real abilities through the concrete use of the means of production. Thus, in the value-creating process, the value of the means of production is necessarily transferred through its use to the product. The worker "is unable to add new labour, to create new value, without at the same time preserving old values, and this, because the labor he adds must be of a specific useful kind; and he cannot do work of a useful kind, without employing products as the means of production of the new product. The property therefore which labor-power in action, living labor, possesses of preserving value, at the same time that it adds to it, is a gift of Nature."\(^\text{95}\)

The capitalist must advance capital for the purchase of labor-power as well as for the means of production. The part of advanced capital whose value is merely transferred, but not changed in magnitude, Marx called "constant capital" \((c)\). In contrast, the capital expended for labor power—which does, in fact, change its value in the production process—is referred to as "variable capital" \((v)\). While the capitalist is, therefore, advancing \(c + v\) for the production process, this finally results in commodities, whose total value is greater than \(c + v\); it is \(c + v + s\), where \((s)\) represents the surplus value produced by labor in the realization process. The values created in the production process—and this goes back to our original question—are products of living labor. The "productive function" of capital consists merely in its purchase of labor-power and the means of production in order to combine both in the labor process to produce value and, most of all, surplus value, i.e., a surplus beyond the capital advanced.

If in the theory of productive factors, the same productive power is assigned to both dead and living labor, it is because workers, who are deprived of all means of production, are dependent on the capitalist's purchase of their commodity, labor-power. Thus, the capitalist will combine it with dead capital (the means of production) as long as the worker needs the opportunity to become productive. As a result of antagonistic relations of distribution—the capitalist owns the means of production, the worker owns his labor

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93. Ibid., p. 199.
94. Ibid., p. 208.
95. Ibid., p. 206.
power—a labor appears as if it were merely one productive force among
others, next to land and capital. Just as the capitalist cannot produce
commodities without the worker, the worker is also unable to actively produce
as long as the capitalist does not make his means of production available. It is
also clear that the value of the capital invested in the means of production is
not value-creating, but its value is merely transferred to the commodity in the
work process. "A machine which does not serve the purposes of labor, is
useless. In addition, it falls prey to the destructive influence of natural forces.
Iron rusts and wood rots... Living labor must seize upon these things and
rouse them from their death-sleep, change them from mere possible
use-values into real and effective ones. Bathed in the fire of labor,
appropriated as part and parcel of labor's organism, and, as it were, made
alive for the performance of their functions in the process, they are in truth
consumed, but consumed with a purpose, as elementary constituents of new
use-values, of new products..." "This natural power of labour takes the
appearance of an intrinsic property of capital, in which it is incorporated,
just as the productive forces of social labor take the appearance of inherent
properties of capital, and as the constant appropriation of surplus labour by
the capitalists, takes that of the constant self-expansion of capital." 97

Unveiling the secret of value-creation and surplus value also shows why this
relation is necessarily incorrectly indicated as the "productive contribution of
the factor of capital" to the process of value creation. The parts of a given new
value, i.e., the value of the product (c + v + s) minus the merely transferred
partial value of (c), thus appear in bourgeois consciousness as contributions
by the "factors" and are designated as "national income" 98 through an
unconscious occlusion of facts. That the creation of value is solely the result of
labor bypasses this class consciousness, which does not constitute itself only on
the basis of "economic interests," but through the special mode of production
itself.

Having considered the above mentioned circular conclusion from the
viewpoint of value creation, we shall now investigate it in terms of income. So
long as the natural power of labor appears as self-maintenance of capital in
the production process (and capital is thus seen as a "creative force"), it is

96. "It may be said, of course that capital itself... already presupposes a distribution: the
expropriation of the labourer from the conditions of labour, the concentration of these
conditions in the hands of a minority of individuals..." These distribution relations "determine
the entire character and the entire movement of production." Marx, Capital, III, p. 879.
97. Marx, Capital, I, pp. 185 and 606-607.
98. To counteract the illusion that v plus s would be the Marxist expression of the bourgeois
category of "national income," it should be pointed out that bourgeois theory and statistics
includes everything into income that goes either to a private individual or to a corporate body.
But v plus s designates only the value added per annum, which can be statistically inflated
already by totalling incomes from wages and profits, to which are added the incomes of civil
servants, even though the proportion of the state comes from v plus s. This complex of problems,
which includes such involved issues as the relation between productive and unproductive labor,
would require a separate analysis. Here, it should merely be emphasized that it is impossible to
simply substitute v plus s for "national income."
necessary to analyze how the free gift of living labor appears on the level of income and how such phenomena are generalized and "scientifically" systematized by bourgeois economics.

The capitalist distinguishes himself from the worker by controlling the means of production which, under contemporary technological conditions, are essential to the worker in order to produce. Within total capital, 99 these conditions represent an important resource whose continuous maintenance and expansion is vital to the capitalist. What applies to the means of production also applies to the other parts of constant capital (raw material, etc.), i.e., their value in the work process is merely transferred. Even though they are fully integrated into the work process (the worker always works with all the machinery), they are only part of the realization process to the degree that they were used up or depreciated in the work process during the use of the means of production. This part, for reasons of capital maintenance, is the first thing to be written of as a deduction.

In terms of the formation of bourgeois categories, it is at this decisive point that the term gross social product is distinguished from the net social product (which is equated with the national income). The gross product includes the total annual deductions for depreciation of durable means of production (i.e., used for a given production year, but lasting longer than that). These deductions equal the sum of all replacement investments for a year, which serve to maintain fixed capital—the capitalist form of constant means of production. Thus, while the net social product refers only to the newly created values during a given year, the gross social product also includes the "costs" incurred for the replacement of invested capital used in the production process during that time span. Put differently: the net social product, which is to be ultimately distributed as national income, does not include the costs of replacing fixed capital. In the bourgeois conception, the annual creation of values resulting from the "performance of the three factors" does not contain the value of the depreciated and replaced means of production, although this must also be produced. Each capitalist who produces the means of production has no notion whether his products will be used for capital replacement or for accumulation. He would pretty soon terminate production if value were not created by it. While the three production factors appear in the creation of the net social product and

99. The total capital of the capitalist also includes the portion expended for the purchase of labor power. The buying of raw materials, etc., also constitute expenditures of money capital and its change of form into productive capital. The difference between the productive capital that functions longer than a production period and the other capital that is advanced for a short time period only is of great practical importance for the capitalist. It therefore demands conceptualization in the categories of fixed and circulating capital. This distinction approximates the distinction between investment funds and floating funds in management theory. In contrast, the categories of constant and variable capital have no such practical significance in bourgeois economy; hence they are not used. They actually could not be applied, because they express the class character of capitalist production, i.e., the production of surplus value.
national income, the production of replacement for depreciated means of production is, however, presupposed as a quasi-natural by-product of the production process. The free gift of labor, "to maintain value by adding value," is reflected in bourgeois theory by its exclusion from the national income, the net social product.

In bourgeois economics, this is expressed in the definition of capital, investment, and income. A.C. Pigou, who remains undoubtedly one of the fathers of welfare economics, compares capital to a lake "into which a great variety of things, which are the fruit of savings, are continually being projected. These things, having once entered the lake, survive there for various periods, according to their several natures and the fortunes that befall them." But everything that goes into the lake will also eventually leave it. Now, in order to hold the "water level" constant, things going in must have a specific magnitude. They must at least allow for sufficient drainage, just as with the depreciation of capital. But what is the depreciation of capital? Pigou only includes "the ordinary wear and tear which machinery and plant undergo when carrying out their functions." The necessity for maintaining capital rests on the fact that if "outflowing" capital were not replaced, not only would the flow of capital trickle away and the lake go dry: "In this event, however, humanity will take no interest, for the demise of the last capitalist item will certainly have been preceded by that of the 'last man'." Thus, Pigou reasons, it is necessary to first deduct the cost of replacing the value of "outflowing" capital, before the "national dividend" can be distributed among the production factors. Consequently, only the national income can be distributed, not the gross social product. The gross social product is used, but not distributed. In this way it could happen that in 1968 in West Germany 404.91 billion German marks were distributed, but 530.40 billion were used.

Prior to the distribution of "income" on the basis of each factor's specific "performance," the used capital that was invested in the means of production must be reproduced. Capital thus has the right to emerge from every production cycle at least without having incurred any substantial loss. Only what goes beyond replacement can, therefore, be considered as

101. Ibid., p. 46: "Maintenance of capital intact in our sense is thus equivalent to maintenance in an absolute sense save only that provision must be made against destruction by an 'act of God or the King's enemies.'" Pigou was able to put such a statement on paper in 1932, when capital destruction took place on an enormous scale during the world economic crisis. But it seems that the economic crisis was an emergency provoked by our Good Father with the proletariat in an unholy alliance.
102. Ibid., p. 49.
103. "The performance of management consists of the actual performance of management (!) and—at any rate, in a family enterprise (!)—in the availability of capital, land, and structures..." From Walter and Leistico's "treasure chest," i.e., Kurt Walter and Arnold Leistico, Eine Einführung in die Volkswirtschaftslehre, op.cit., p. 44.
104. Even the great Paul A. Samuelson makes it clear that the social and historical determination of these processes cannot possibly enter into a head filled with bourgeois ideas, so
an increase. "Social income (or product) is by definition the net output of the economy. But 'net' has two unavoidable implications. One is that capital is intact. The second is that 'capital' can be distinguished clearly from final or ultimate goods so that consumption of products through the year in ultimate uses is not confused with intermediate consumption. By definition, social income is then a measure of output—total net output, not ultimate consumption or any other larger or smaller total... We must value in terms of current welfare also such parts as represent a net addition to... the country's capital." Only the net result of annual labor is applied to welfare. Since, however, replacement for the depreciated means of production must be produced as well, the annual labor of a society can be split in two. That labor used to replace expended capital does not increase welfare. But that part of annual labor that produces the means for consumption and for net investment is applied to welfare. According to these categories, capital can thus demand priority in satisfying its claim to eternity—its claim not only to be considered as eternal as Nature (which provides the analogies for Samuelson and Pigou), but also to really exist in this form. The maintenance of labor, however, is delegated to the area of consumption under the category of "social income."

Consequently, the distinction between gross and net social product turns out to be not only a statistical-technical device, but the way in which the free productive power of labor (i.e., its ability to maintain the value of the means of production by transferring it to the product during the creation of new values) is reflected as a natural characteristic of capital. At the same time, this distinction requires that the maintenance of capital have priority over the distribution of the net social product. In this fashion, it is possible to first secure simple reproduction, which therefore has logical priority over extended reproduction as well (this is why Marx and Engels present simple and extended reproduction separately, at the end of the second volume of Capital). On the basis of this distinction, the first result of the production process is the reproduction of capital; the next result is wage and capital side by side, one serving to reproduce living labor, the other serving for the continuous extension of capital production, or accumulation. The reproduction of the two sides of capital relations, capital and wage labor, is thus completed. All of this appears as "given." The only technical problem remaining is to determine "gross" and "net," which comprises the bulk of texts on national economy. 

that these processes continue to appear as natural laws. See his Economics (7th ed., New York, 1967), p. 177: "One would not think much of a statistician who estimated the change in human population by ignoring deaths. If he just added up gross births, without subtracting a good estimate for deaths, he would get an exaggerated notion of the net change in population. The same holds for economic equipment and buildings; net change is always gross births (of capital) [I] minus deaths [!] (or capital depreciation)."


106. See also Erich Schneider, Einführung in die Wirtschaftstheorie (Tübingen, 1958), especially vol. I: Theorie des Wirtschaftskreislaufs.
The free gift of labor is thus used to maintain the value of that constant capital used in the process of value creation. This appears as the self-maintenance of capital on the level of value creation, and is expressed on the level of income determination as the replacement of used-up capital prior to all income distribution. The distinction between gross and net social product is not merely technical, but of fundamental importance, as long as business cycles are concerned. This fact, however, is picked up by bourgeois economics. As is well known, the "propensity to consume" plays a significant part in the short-term rates of employment and income in Keynes' theory. The more consumers use up their income in consumption, the greater the effective demand, the higher the number of orders, and the higher the rate of employment, and, consequently, that of total income. But if consumption can use only the net social product, the "national" income, then the amount of investment used in the production of the replacement for depreciated means of production suddenly becomes a factor of great importance. For now the amount of actual consumption, given a certain propensity to consume, also depends on the amount of write-offs: "It is important to emphasize the magnitude of deduction which has to be made from the income of a society, which already possesses a large stock of capital, before we arrive at the net income which is ordinarily available for consumption. For if we overlook this factor, we may underestimate the heavy drag on the propensity to consume which exists even in conditions where the public is ready to consume a very large proportion of its net income." 107 And this is why Keynes complains about the experience during the world economic crisis, when the tendency of each individual capitalist to postpone replacement investments generally intensified the crisis. Not only did the investment multiplier decrease because of lack of size, but the crisis broadened because all the money deducted from active capital in the form of finance capital for the replacement of machinery was held back. "They reduce the current effective demand and increase them only in the year in which capital replacement actually occurs. If the result of this is even worsened by 'financial astuteness,' i.e., because it seems wise to write off initial investments more quickly than the equipment is actually depreciated, then the cumulative results can become, indeed, very serious." 108 According to Keynes, the "financial astuteness" of individual capitalists, who claim higher, more careful deductions, helps to bring about the crisis of the whole capitalist economy. Amounts are thus written off to cover depreciation without replacement investments being made. This subsequently reduces the total demand by increasing production costs (the deductions or write-offs are, after all, costs that the capitalist wants returned by increased prices), but under these conditions, the investment policy does not create new income. Now the higher these write offs, the lower the income

108. Ibid., p. 100.
available for consumption. Thus, the pressure to maintain individual capital tends to make the crisis of total capital more acute.

What the distribution theoretician cannot understand when he deals with net amounts has now become obvious. His distribution theory floats off into the air, but the capitalist's attitudes on write offs and investments pulls it down, time and again, to the level of facts. Distribution theory is affected if capital realization so requires. The size of the cake to be distributed depends on the extent to which the preconditions for capital realization have been met. All distribution theories assuming the propensity to consume would increase through a more equitable distribution of income (a higher proportion of savings derives from higher income as compared to lower income), and, therefore, would increase effective demand as well, ignore the moment of capital realization. Here what is crucial is not effective demand, but capital realization expressed in the size of the profit rate on advanced capital. And this is why Keynes correctly attributes the decrease of effective demand to the "financial astuteness" of capitalists; they must be astute (i.e., behave as character masks for capital), regardless of what becomes of effective demand and distribution.

This is also apparent in business economics, i.e., regulations covering the write offs of individual capital, which demand from the "honest merchant" precisely the "financial astuteness" which has such disastrous effects on total capital. "The highest principle in judging the balance is the principle of business prudence. This prevents a reduction of the substance of the business, which would occur if profits were rated too highly and would consequently be distributed [as dividends]." For these reasons, the principle of minimum value is postulated. It states that, of the two possible bases of evaluation—present value and investment value—the lower one must be applied. Thus, the main purpose is to maintain the substance of business, capital. As long as there are no actual losses, and a minimum standard of living can be maintained by the capitalist class, then prudent (i.e., exaggerated) investments for capital maintenance and for "miscellaneous" profits are constants derived from various sub-totals, if not for statistical purposes, then for the individual capitalist. It is actually only a question of individual "financial astuteness" whether profits are declared or are immediately entered as reserves or balance. Deductions or write offs also follow the price trends in the means of production. If replacement costs increase, write offs must be higher; if they decrease, they may fall below the initial cost, if the write off of liquidated funds is actually used for replacement. Official statisticians are cognizant of this principle in their calculation of the net social product, and thus deduct the "write offs valued at replacement prices" from the gross social product. Thus, the individual

110. Ibid., p. 403.
111. Statistisches jahrbuch für die Bundesrepublik Deutschland, 1969, "Vorbemerkungen zu den Statistiken der volkswirtschaftlichen Gesamtrechnung," p. 485.
capitalist already applies the distinction between capital maintenance and value creation, between capital replacement and distribution, without malice. He simply acts as a "financially astute" capitalist. And as a capitalist, he does not care about income distribution as it results from his actions, but only as a precondition for his decisions on capital realization.

Now capital realization is expressed as the quantitative increase of advanced capital. The capitalist wants an increased return on the value which he expended in the form of money; and only if he gets it will he continue the production process. The costs of wages are crucial to the capitalist. They determine the amount he has to advance for the purchase of labor power as variable capital. "Production costs" increase with increasing wages; therefore, all else being equal, profits will fall. The fact that the distribution of income is highly relevant to the individual capitalist as a precondition for capital realization readily reveals the above discussed contradiction between redistribution and economic growth. This problem, which is crystallized in bourgeois economics as goal conflict, implies, as a mediating moment, the assumption that profits exist in order to be accumulated. How else could a contradiction between redistribution of income and economic growth be formulated, if not under the condition that growth is generated by profits? This assumption is based on capitalist production relations themselves. Capital, as homogeneous, can only change quantitatively, i.e., through growth. All the pressures of competition force onto the capitalist the character mask of capital, so that he can follow the imperative: "Accumulate! Thus say Moses and the Prophets." But accumulation goes beyond mere capital maintenance, it is realized through the value produced which we have equated with the net social product, or national product, in order to simplify matters. In other words, it is realized through the net social product which supposedly is available for distribution as "national income." Unbeknownst to bourgeois economics, the fundamental contradictions inherent in the accumulation process thus intrude into its theories in the guise of "goal conflict" between distribution and growth. But this necessarily has consequences for so-called distribution. The notion that distribution is a sphere where there is a cake to be distributed is rendered absurd not only by the pressures for maintaining capital—which are manifested as the slicing of write offs from the cake to be distributed prior to any distribution—but also by the pressures for capital accumulation. When write off deductions precede distribution, when the distribution of the left-overs, i.e., wages and profits, is carried out not according to the laws of an autonomous sphere of distribution, but according to the laws of capital accumulation—what is left, then, of the notion of a possible redistribution?

So-called state socialism thus has no control over what can be redistributed between the classes. Its possibilities and actions for redistribution lie within classes; this point has already been discussed but still requires concrete analysis. When the amount of wages is dictated solely by the laws of accumulation, the reproduction of labor power is no longer really safe-guarded. Only
in these cases can the state enforce a redistribution between wage labor and capital in order to maintain labor power as the basis for capitalist exploitation. But this does not affect the principle that the laws of distribution are identical to the laws of the accumulation and circulation of capital. Here, we reach the point where the inner logic of the argument goes beyond the investigation of the distributive power of state socialism and requires analysis of the extended reproduction of capital. But this would go beyond our present topic.

The illusionary character of revisionist theories of state socialism actually becomes visible only if relations of income distribution are referred back to distribution in capitalist production. Here, it also becomes clear that the revisionist theory of the state is directly derived from those misconceptions which the capitalist mode of production generates even in the consciousness of its own agents and, in turn, in the economic sciences based thereon. Yet, the bourgeois and revisionist conceptions are not simply veils or ideologies in the ordinary sense. They are necessary products of the way in which capital relations appear. This essential relationship which determines capitalist social production does not really appear as such, but as totally reversed in the sphere of circulation, a moment of which is income distribution. Here, the bourgeois illusion of freedom originates, starting with the individual’s freedom as “consumer” and “wage earner” up to the power of the “New Economic Policy” for “global guidance of the economy” or for “redistribution through income policies.”

As before, revisionist organizations today aim at changing the existing capitalist society (still called “capitalist”) in the direction of a “more humane” society, and this goal forms the basis for their participation in the existing bourgeois state. But, for reasons elaborated above, revisionist theory does not understand the extent to which this state can only exist on the foundation of capitalist production and how it takes on new functions. Neither does it understand how this capitalist foundation determines and circumscribes the state’s interventions in the “economy” down to the smallest detail. Participation in the bourgeois state and the more or less intense integration of historical working class organizations mean—first of all—an enormous strengthening of state authority. On the other hand, the complete absorption of bourgeois illusions is, at the same time, the first step towards their destruction. An important part in the initial phase of this disillusionment is the theoretical critique of these illusions. It must be shown how these illusions are internally consistent with the capitalist mode of production. More than a mere statement of the limitations to “government policies,” this critique can contribute to their understanding, which is possible only on the basis of these necessary illusions. Government policies cannot fulfill revisionist hopes and promises. Hence, the critique should lead to practical conclusions that aim toward real rather than apparent change.

112. See, finally, the illusions held by many Leftists concerning the coalition government of the Social Democrats (SPD) and the conservatives (FDP) [in West Germany—translator’s note].
IV. The Necessity of State Interventions for the Maintenance of Capitalist Society

1. The Enactment of Labor Legislation according to Marx

As we have seen, revisionist theories have one feature in common: they understand the state in its different functions, especially in regard to its social policies, as a "separate entity," detached from the production process of capitalist realization. But Marx conceives "existing society" as "the basis of the existing state,"\(^{113}\) and it is from society and its contradictory basic relations that an understanding of bourgeois society as "concentration... in the form of the state"\(^{114}\) must be developed, always in its concrete, historical modes of appearance. A Marxist theory of the state is meaningful only in these terms. It makes no sense as a formal theoretical structure. Hence, it is no accident that in all of his sketches investigating capitalist society, Marx always started with basic relations characterizing the sphere of production, i.e., capitalist relations. Neither is it accidental that he planned, but never wrote, a separate volume on the "State" (which he considered so important that he wanted to do it by himself, in contrast to his other works). But the general level of abstraction that Marx pretty consistently adheres to in his treatise on "Capital in General," is not maintained several times in the first and second volumes of \textit{Capital}. Marx abandons it in order to develop the specific modes in which the bourgeois state intervenes on the basis of the fundamental contradictions between the processes of labor and realization. This point can be illustrated by summarizing Marx's presentation of the emergence and passing of the factory legislation—how a specific function of the state came about—as described in the first volume of \textit{Capital}. Put differently, the presentation of a concrete example, i.e., the derivation of the "existing state" from "existing society," should demonstrate what Marx meant by the "concentration of bourgeois society."

This does not mean, however, that Marx's "historical sketch" (which is in places very detailed) can be taken out of the presentation in \textit{Capital} without reference to its systematic position. Characteristically, the revisionist interpretation of Marx merely refers to isolated historical facts with brutal disregard to their contextual significance (i.e., their relation to the presentation of the movement of "Capital in General"). Here the revisionist evaluation of the factory acts and the limits set to a normal working day by the state is no exception. When Marx speaks of the "victory of the principle" in relation to the introduction of the ten-hour day, the Social Democrats always interpret this sentence as acclaiming the gradual advancement of socialist principles in capitalist society. The factory acts, according to Bernstein, represent a piece of "social control" and hence a piece of socialism.\(^{115}\) Sering sees them as a "regulation of society according to human

\(^{113}\) Marx, \textit{Gotha Program}, \textit{op.cit.}, p. 17.
\(^{114}\) Marx, \textit{Grundrisse}, \textit{op.cit.}, p. 108.
\(^{115}\) Luxemburg, \textit{op.cit.}, p. 72.
needs, rather than according to automatic laws of the market." 116 It is therefore important to give some idea of that point in the systematic development of the concept of capital where Marx begins to discuss the legal restriction of the working day.

Marx starts the dialectical presentation of capital with that basic category from which all others (and thus all phenomena of capitalism) can be derived, i.e., the contradictory form which is bestowed on the product of labor during exchange as a commodity. He unravels how the contradiction between use value and value becomes embodied in the commodity and, hence, how the dual character of commodity-producing labor is expressed in money. He had already developed the different functions of money in the first section of volume I. The transition from money to capital takes place only in the second section. In the first section, the basic difference between the circulation of money as capital and the simple circulation of money is shown in detail. Simple circulation ends with the consumption of commodities; it is aimed at the commodity's use value. But the circulation of capital is an end in itself. Its purpose is capital increase, i.e., the self-realization of value: to squeeze out extra value from labor power. Thus, if the exchange of uneven values is excluded and each commodity is assumed to be exchanged at its value, the source of surplus value cannot be circulation as such. The source of surplus value can only be in the production process. As a precondition, however, this requires that the money owner must be able to buy in the market labor power as a commodity, along with other prerequisites for production. Hence, one precondition is the wage worker "freed" from the means of production: the free wage worker. (This relationship distinguishes capitalist social forms from all others. Either the material conditions for production are in the hands of producers, or these producers are mere appendices to the conditions of production, e.g., the serf tied to the soil and owned by the ruling class). The value of the commodity labor power equals that of all other commodities, i.e., the sum of the labor time spent in its production (which means the maintenance of the "labor race" as a whole, its education and normal existence depending on the cultural level of a given country). The use value of the commodity labor power, its application in the production process itself (this is the topic of the first volume of Capital) legally belongs to the buyer who—as a tool of capital—tries to squeeze maximum surplus value out of it. To the capitalist, the production process means the production of surplus value and not the satisfaction of needs. (The commodity cannot have value only, but must have use value in relation to certain needs: without use value, the commodity could not bear value.) To the capitalist, the use value of labor power as a commodity consists in the production of more value than the value

116. P. Serling, Jenseits des Kapitalismus, op. cit., pp. 50ff. See also Capital, I, p. 295. Further, F. Naphtali, Wirtschaft..., op. cit., p. 19, where he talks about a significant curb to capitalist arbitrariness (I).

117. This concept, frequently used by Marx, refers to the collectivity of workers as individual sellers of the commodity labor power, as contraposed to "working class."
that went into its production. Here, he has two alternatives: he can apply labor power to production as long as possible beyond the time ordinarily needed to replace only the value he advanced. This lengthening of the working day beyond the necessary extent creates absolute surplus value. On the other hand, the production of relative surplus value results from shortening the required labor time by increasing the productivity of labor (e.g., by speeding up the line). Of course, the production of relative and absolute surplus values have always gone together in the realization process. They are treated separately in order to show their specificity in pure form. But the sequence in which they are treated is not arbitrary. The main form of surplus value produced until the legal restriction of the length of the working day was absolute surplus value. Capital had been using this form to such an extreme extent that state intervention became unavoidable. Afterwards, capital greedily rushed into the production of relative surplus value which became its essential mode, though not the only one. (Time and again, especially during an economic boom, capital tries to lengthen the working day according to its needs.)

The maximum lengthening of the working day is a natural need for capital, and therefore for the capitalist as personified capital. It is his natural right, since he has bought the labor power at its value according to the laws of equivalent exchange for use during a day. Hence, he may dispose over its use value as with any other commodity. Shortening the working day, e.g., by taking a break, is theft from the capitalist's property. The worker as seller of his commodity, labor power, recognizes the law of commodity exchange, but it has a different content for him. The excessive lengthening of the working day beyond its ordinary duration prevents the normal regeneration of labor power. Consequently, the worker's only property is prematurely exhausted. To the worker, therefore, theft is the working time beyond the ordinary working day. The rights of the seller are opposed to those of the buyer: "...apart from extremely elastic bounds, the nature of the exchange of commodities itself imposes no limits to the working-day, no limit to surplus-labour. The capitalist maintains his rights as a purchaser when he tries to make the working-day as long as possible, and to make, whenever possible, two working-days out of one. On the other hand, the peculiar nature of the commodity sold implies a limit to its consumption by the purchaser, and the labourer maintains his right as a seller when he wishes to reduce the working-day to one of definite normal duration. There is here, therefore, an antinomy, right against right, both equally bearing the seal of the law of exchanges. Between equal rights force decides. Hence is it that in the history of capitalist production, the determination of what is a working-day, presents itself as the result of a struggle, a struggle between collective capital, i.e., the class of capitalists, and collective labour, i.e., the working class."¹¹⁸

The struggle between the two classes is inherent in the nature of the very relationship which constitutes the classes of owners of mere labor power and owners of the material conditions of production. There is no "rational solution" in this relation: only preliminary decisions after violent confrontations. This antinomy makes class struggle imperative. (Class struggle is different from the political forms in which it might also be carried out, or in which its formation is attempted. At no point does Marx characterize this class struggle as merely "economic.") Thus, the relationship between wage labor and capital obtains within a society of commodity exchange. This relation is not subsumed under normal forms of social regulation, i.e., commodity exchange and private property as governed by general laws. Specifically, because it insists on the law of commodity exchange, the working class is outside the social context that can be regulated by law.

On the basis of the history of capital in England, Marx documented in detail how this antinomy attains historical meaning. Here, a distinction must be made between two tendencies. The immense drive of capital to lengthen the working day overcame a variety of traditional limitations, and—most of all—the resistance of the workers themselves. In this process, capital received essential support from the state, which allowed it to impose compulsory legislation lengthening the working day. This type of legislation had accompanied the rise and predominance of capital since the late Middle Ages (primary accumulation). Here, the state was used directly as an instrument of the capitalist class. "But in its blind unrestrainable passion, its werewolf hunger for surplus labor, capital oversteps not only the moral, but even the physical maximum bounds of the working-day." Thus, the capitalist mode of production produced "the premature exhaustion and death of this labour-power itself and hence it had the tendency to eliminate the potential for its realization. Capital thus contradicts itself. Capital and the capitalist behaved according to the principle "Après moi, le déluge." But this tendency for self-destruction created a counter-tendency towards the maintenance of conditions for further capital realization. This counter-tendency consisted essentially in the resistance of workers, whose existence, as owners of a particular kind of commodity, is threatened. "The first conscious and methodological reaction of society against the spontaneously developed form of production" took shape through a process of complex mediations, and was repeatedly threatened by reversals. The factory acts were introduced as a negative expression of the werewolf hunger for surplus labor. "They curb the passions of capital for a limitless draining of labour-power, by forcibly limiting the working-day by state regulations, made by a state that is ruled by capitalist and landlord."  

119. Ibid., p. 270.  
120. Ibid., p. 265.  
121. Ibid., p. 480. Of course, this does not refer to society in general, but capitalist society.  
122. Ibid., p. 239.
Marx compared this counter-tendency with the necessity that forced English capitalist landlords to reproduce by artificial fertilization the soil's natural productivity exhausted by their blind exploitation of it. According to Marx, factory legislation was "just as much the necessary product of modern industry as cotton yarn, self-actors, and the electric telegraph." But this necessity does not occur automatically. Factory legislation is the result of a protracted, more or less open class struggle between the capitalist and the working classes. It is mediated by a plurality of political conflicts, even among factions of the ruling class and with the participation of relatively marginal groups. But this necessity, dictated by the very interests to maintain capital realization, is asserted more or less unconsciously on the level of specific conflicts of interests. Even here, however, it never achieves its ultimate assertion. How this state of affairs came to pass can only be documented through a concrete study. On the other hand, such a necessary empirical analysis can be called Marxist only if it relates in a conscious and methodologically sound fashion to the contradictory tendency within capital itself. Otherwise, we will have just another run-of-the-mill study in sociology or political science. Consequently, we will trace the background of Marx's "historical sketch."

Ever since the establishment of big industry, the working day was repeatedly lengthened with the greatest use of force. This occurred even after it had already been extended to twelve hours or more by the middle of the 18th century. "Capital celebrated its orgies. As soon as the working class, stunned at first by the noise and turmoil of the new system of production, recovered in some measure its senses, its resistance began, and first in the native land of machinism, in England. For 30 years, however, the concessions conquered by the workpeople were purely nominal. Parliament passed 5 Labour Laws between 1802 and 1833, but was shrewd enough not to vote a

123. Ibid., pp. 480ff. Isn't the comparison of the workers with the soil actually false? The exhaustion of the soil forces the capitalist landlord, who calculates in long terms, to give the matter some thought (just like the slave-owner, who would not waste his slaves, as long as there were no ample and cheap supply on the slave market to permit such waste). Soil cannot act as a conscious subject, there is no limitless supply of it as there is of the working population. Marx seems to contradict here the rest of his presentation, in which he shows how the necessity of supply and demand obtains precisely through the mediation of class struggles.

124. Marx himself refers to his presentation as an "historical sketch" (Capital, I, p. 298).

125. See E. Altvater on "Die Probleme einer marxistischen Konjunkturanalyse," in Sozialistische Politik 5. It is no accident that the approach of political science to pluralism in Germany has been formulated by some of the very same revisionist theoreticians who lived through and participated in such conflicts of interest within the union and the party. They were the first to raise the more or less isolated investigations of such "conflicts" into a discipline and put it on a theoretical basis. They thus arrived at their ideological consequences drawn from the practical way in which they perceived their "interest groups." This began at the latest after WWI, albeit frequently still in Marxist terminology. Ernst Fraenkel states it very succinctly: "Pluralism is reformism's theory of the state." Cf. Fraenkel, "Strukturanalyse der modernen Demokratie," in Aus Politik und Zeitgeschichte, op. cit., p. 23. Already in 1928, Fraenkel presented the essential elements of the pluralist conception under the title "Kollektive Demokratie" in Arbeitsrecht und Politik. Quellentexte, 1918-1933, Th. Ramm, ed. (Neuwied, 1966), pp. 79-95. See also F.L. Neumann, Behemoth (Oxford, 1944).
penny for their carrying out, for the requisite officials, etc. They remained a dead letter."  

The Factory Act of 1833 finally established an ordinary working day of 12 hours, although only for adolescents. For children between the ages of 9 and 13, it was limited to 8 hours. Capital, however, "began a noisy agitation that lasted for several years" against the implementation of the Act, with the aim of changing the categorization of children and adolescents to its advantage. But extra-Parliamentary pressures became more threatening, and the House of Commons refused to alter the Act. But capital found numerous other possibilities for evasion: the official reports of the factory inspectors teem with complaints as to the impossibility of putting the act into force." "In the meantime, however, conditions had greatly changed. The factory hands, especially since 1838, had made the Ten Hours' Bill their economic as they had made the Charter their political election-cry. Some of the manufacturers even who had managed their factories in conformity with the Act of 1833, overwhelmed Parliament with memorials on the immoral competition of their false brethren whom greater impudence, more fortunate local circumstances, enabled to break the law. Moreover, however much the individual manufacturer might give the rein to his old lust for gain, the spokesmen and political leaders of the manufacturing class ordered a change in the front and of speech towards the workpeople. They had entered upon the contest for the repeal of the Corn Laws, and needed the workers to help them to victory. They promised, therefore, not only a double-sized loaf of bread, but the enactment of the Ten Hours' Bill in the Free-trade millennium. Thus, they still less dared to oppose a measure intended only to make the law of 1833 a reality. Threatened in their holiest interests, the rent of the land, the Tories thundered with philanthropic indignation against the 'nefarious practices' of their foes."  

The 1844 Amendment to the Factory Act which protected women in the same way as adolescents, was brought about through class struggles, whose effectiveness was reinforced by factional insfighting within the ruling classes. "For the first time, legislation saw itself compelled to control directly and officially the labor of adults." In order to avoid future unrest, the Act set up various specific measures. Marx reported some of them in detail, concluding that: "It has been seen that these minutiae, which, with military uniformity, regulate by the stroke of the clock the times, limits, pauses of work, were not at all the products of Parliamentary fancy. They developed gradually out of circumstances as natural laws of the modern mode of production. Their formulation, official recognition, and proclamation by the State, were the result of a long struggle of classes."  

Thus, the years 1846-47 was the introduction of free trade and of a new Factory Act which was essentially the expression of the apex of the Chartist  

127. Ibid., pp. 281-282.  
128. Ibid., p. 288.
Movement and the agitation for the Ten Hours. The latter was also supported in Parliament by the Conservatives enraged over the victory of the Free Traders. Capital tried to prevent the actual introduction of the ten-hour day for adolescents and female workers through a class campaign. After the wage losses resulting from the 1846-47 crisis, there was a further cutback by about 25% with the gradual reduction of the work day. "Under such favourably prepared conditions the agitation among the workers for the repeal of the Act of 1847 was begun. Neither lies, bribery, nor threats were spared in this attempt. But all was in vain."  

Thus, this campaign was aborted, and on May 1, 1848, the ten hour day became a fact (although not for male workers). "But meanwhile the fiasco of the Chartist party whose leaders were imprisoned, and whose organization was dismembered, had shaken the confidence of the English working-class in its own strength. Soon after this, the June insurrection in Paris and its bloody suppression united, in England as on the Continent, all fractions of the ruling classes, landlords and capitalists, stock-exchange wolves and shop-keepers, Protectionists and Free-traders, government and opposition, priests and free-thinkers, young whores and old nuns, under the common cry for the salvation of Property, Religion, the Family and Society. The working class was everywhere proclaimed, placed under a ban, under a virtual law of suspects. [Emergency Laws]. The manufacturers had no need any longer to restrain themselves. They broke out in open revolt not only against the Ten Hour Act, but against the whole of legislation that since 1833 had aimed at restricting in some measure the 'free' exploitation of labour-power."  

Marx describes in detail how capital, in open class struggle, applies each and every means, in a terrorist and cynical fashion, against earlier compromises with the working class, e.g., by firing large segments of the working class protected by the Act, shortening the legally established lunch hours, splitting up the children's working hours, explicitly disregarding certain provisions of the Act, etc. Manufacturers frequently found support in the Courts, to which they appointed themselves. In addition, the Ministry of the Interior instructed factory inspectors not to interfere in certain instances where the Act was violated. Finally, the decision of one of the highest courts (the Court of the Exchequer), conceded that the manufacturers were certainly acting against the sense of the 1844 Act, but that this Act itself contained words that rendered it meaningless.  

But on this apparently decisive victory of capital, followed at once a revulsion. The workpeople had hitherto offered a passive, although inflexible and unremitting resistance. They now protested in Lancashire and Yorkshire... The Factory Inspectors urgently warned the Government that the antagonism of classes had arrived at an incredible tension."  

129. Ibid., p. 285.  
130. Ibid., p. 286.  
131. Ibid., p. 292.
(Government Inspection Officials thus carried out directly at the location of class struggle, the same function that today are, or should be, frequently carried out by union functionaries.) Some manufacturers even complained about the arbitrary application of the Factory Legislation, since it seemed to eliminate fair competition. "Under these circumstances a compromise between masters and men was effected that received the seal of Parliament in the Additional Factory Act of August 5th, 1850." This law secured a certain lengthening of the ten hour day, while also eliminating any bypass of the law through the widespread relay-system.\(^{132}\)

According to Marx, what won out in large industries was the counter tendency against the destruction of the "labor race" through the unbounded and destructive lengthening of the working day, i.e., the preservation of the source of surplus value in capital realization. Obviously, the result was to uplift the "physical and moral regeneration of factory workers"\(^{133}\) between 1853 and 1866. Even manufacturers, along with their scientific apologists, resigned themselves to the legal limitation of the working day. The victory also involved the eventual expansion of the Factory Acts to all branches of industry, i.e., consistent with the degree to which pre-industrial forms of craft, handwork and domestic industry developed into large industry. Two circumstances brought about this generalization of an exceptional law for particular and industrially developed branches into "a law affecting social production as a whole." "First, the constantly recurring experience that capital, as soon as it finds itself subject to legal control at one point, compensates itself all the more recklessly at other points; secondly, the cry of the capitalists for equality in the conditions of competition, i.e., for equal restraint on all exploitation of labor."\(^{134}\) This generalized protection of the working class simultaneously accelerated both the destruction of the pre-industrial forms and the concentration of capital, i.e., the factory system as the only form. Thus, it also accelerated the formation of the class antagonisms related to it.

Through the unbounded lengthening of the working day, capital produced

\(^{132}\) The law only applied to women and "young persons" and only within large industries where capitalism was fully developed. The relay-system, i.e., spreading the legal working time of, say, ten hours, over a much longer period through establishing numerous breaks, was totally arbitrary as far as workers were concerned, but made sense in terms of capitalist interests. See Marx, *Capital*, I, pp. 292-293.

\(^{133}\) Ibid., p. 295. Thus, Marx definitely did not understand this counter-movement in the sense of later revisionist interpretations, i.e., as a "regulation of humanity according to human needs" (P. Serig, *Jenseits des Kapitalismus*, op. cit., p. 50). In this context, he also refers to the "political economy of the working class" (this is within the framework of a political debate in the International Workers' Association: cf. F. Naphal, *Wirtschaftsdemokratie*, op. cit., p. 19). What is meant by this really becomes explicit only in the presentation of the Factory Legislation: It is impossible for capital, understood as the control by dead labor over living labor, to take into practical consideration the fact that it derives value from living labor. Ultimately, living labor is the "general wealth opposite to capital." Certain considerations for the "production factor man," i.e., restrictions on the wasteful use of labor power, are forced on capital through the class struggles as a precondition for its own existence.

\(^{134}\) Ibid., p. 490.
the premature exhaustion of labor power, destroying the health of present and future generations of workers. It caused psychological crippling and brutalization, shorter life spans, even epidemics that threatened the whole population, including the ruling classes. Capital was in danger of destroying its own basis for existence. At any rate, it did increase the value of labor power and, hence, the cost of variable capital by wearing it out too fast. "The value of the labour-power includes the value of the commodities necessary for the reproduction of the worker, or for the keeping up of the working class. If then the unnatural extension of the working day, that capital necessarily strives after in its unmeasured passion for self-expansion, shortens the length of life of the individual labourer, and therefore the duration of his labour-power, the forces used up have to be replaced at a more rapid rate and the sum of the expenses for the reproduction of the labour-power will be greater; just as in a machine the part of its value to be reproduced is greater the more rapidly the machine is worn out. It would seem therefore that the interest of capital itself points in the direction of a normal working day." 135

Capital, then, appears committed to a normal working day on the basis of its own interest. The fictional—i.e., the non-existent—collective capitalist corresponds to this appearance. For capital is "in practice moved" as much and as little "by the sight of the coming degradation and final depopulation of the human race, as by the probable fall of the earth into the sun." The individual capitalist, who as such is a mere personification of capital, cannot escape from the inherent laws of capitalist production. As external coercive laws, they have power over him in the form of competition. Looking at things as a whole, the "physical and mental degradation, the premature death, the torture of over-work," etc., do indeed "depend on the good or ill will of the individual capitalist. Free competition brings out the inherent laws of capitalist production, in the shape of external coercive laws having power over every individual capitalist." 136 The extent to which the capitalist exploits workers, how much he cooperates in the destruction of society and his own basis of existence, or whether he refuses to cooperate, does not depend on the capitalist's individual moral capacity. The process of capital realization, then, does not provide a moral barrier as such. As personified capital, the capitalist is forced to unlimited exploitation. For him, action as a moral individual is possible only if he gives up his existence as a capitalist. If the social average for a working day is 12 hours, and a capitalist reduces the

135. Ibid., p. 266. Of course, the value of the commodity labor-power includes not only the cost of food, etc., in their actual sense, which are bought by the worker and his family with his net income, but also "educational costs" which serve to qualify labor power, further costs for its restoration while sick, and finally, the expenses for the usually very miserable maintenance of labor power when it is no longer exploitable, up to its natural death. This portion of the value of labor power is redistributed by public institutions, such as public grade schools and vocational schools, health and retirement insurance. This is an essential component of the socio-political redistribution function of the state, a redistribution within wage labor.

136. Ibid., p. 270.
working day to only 6 hours, he goes bankrupt, i.e., he ceases to be a capitalist.137

Why, then, can only the forced intervention of "society" block this tendency? How is it that the working day is forcefully and effectively restricted by the state dominated by the capitalist and landowner if, as Marx explained, the rational collective capitalist is a fiction? "The creation of a normal working-day...is the product of a protracted civil war, more or less dissembled, between the capitalist class and the working-class"138 (i.e., not the individualized worker as a seller of his labor power). First, the resistance of workers as a class opposed to its own degradation and extinction results from the unbounded motion of capital itself. According to Marx, the labor movement developed "instinctively out of the conditions of production themselves." In this form, the workers must struggle for their existence as workers. The famous statement at the end of the chapter on the working day, therefore, must be interpreted in this sense rather than as a moral appeal: "For 'protection' against 'the serpent of their agonies,' the labourers must put their heads together, and, as a class, compel the passing of a law, an all-powerful social barrier that shall prevent the very workers from selling, by voluntary contract with capital, themselves and their families into slavery and death."139 The maintenance of the capitalist mode of production requires the organization of workers as a class, since they would not be able to safeguard their existence as individualized sellers of the commodity labor power. This is the source of the state's socio-political functions, the formation and recognition of unions, and the development of reformism in the labor movement.

But in the process of producing surplus value, capital is miles away from seeing the need for workers to organize as a class. Instead, the need is forced upon capital through lengthy struggles. For decades the workers brought about legal controls in the form of the Factory Acts as mere exceptional legislation applicable only to those branches of industry that have fully adopted the factory system. Initially, this legislation was worded so ambiguously that the loopholes seemed planned. Clauses providing for

137. The exploitation in West Germany that until recently has been disguised as an "economic miracle" and a "social partnership" is increasingly moving toward "international standards." The internal law of capital, which only becomes fully explicit in its effect on the world market, applies increasingly to West Germany in part through the agents of invading U.S. capital. The American director of a large West German electrical company taken over by U.S. capital, during a recent crisis suggested to the horrified German management that they release one third of the workers. This would save one third of the wages and result in the same performance as before, through increased "morale" (fear of further lay-offs). During the next crisis, the survival of many individual capitalists will depend on whether they want to "energetically lower costs" in this fashion. Thus, competition dictates the behavior of the agents of capital.

138. Capital, I, p. 299. It would require further discussion to evaluate the absence of such collective resistance as an historical possibility in particular instances and to determine the consequences this would have for either the continued existence or the rotting away of capitalist production.

139. Ibid., p. 302.
official control of their enforcement by inspectors paid by the state were added to the legislation only gradually. But at first the number of inspectors was totally inadequate. The real supervision over legal compliance was similarly ineffective, since courts were packed by representatives of the defendant class. And even the threatened sanctions were comparatively mild. Even already existing laws were not safe against counter-attacks by the capitalist class, particularly during periods of political weakness of workers as a class. At certain times, however, the situation was reversed, and the relative strength of the working class was the basis for concessions from capital.

Thus, historically, the practical enforcement of factory legislation and the recognition of the state's function to protect workers were not the result of an uninterrupted and continuous process during which the working class simply forced its will on the capitalist class (this does not mean, of course, that it was of the state’s “socio-political interventions”). Rather, this process was mediated through different struggles, through progress and set-backs, through coalitions, compromises, etc. In this process, several factors determined the working class’ economic and political power against the capitalist class. Conflicts with remnants of the pre-capitalist ruling class played an important part. These groups were not yet necessarily integrated into capitalist relations. As is well known, their weight was felt particularly within the state apparatus. More significant were the conflicts between various factions within capital, e.g., on the issue of import taxes on certain merchandise. Privileges for certain groups, e.g., exemption from legal regulations, were rejected by other groups insisting on their general application in the interest of equal competitive opportunities. At times, such conflicts within the ruling classes can significantly increase the weight of the working class. In a milder form, the same applied to the petty bourgeoisie (small-scale manufacturing, distributors, doctors, etc.). And even though the producers of ideologies (preachers, professors, teachers, scientists, journalists, etc.) were not directly in the service of the ruling class, they tended to share the consciousness of the petty bourgeoisie.

Within the context of factory legislation, these groups played a significant part through agitation in the press, the preparation of opinions and research reports through the “Royal Commission,” etc.140 But they enjoyed this “independence” only to the extent to which conflict between the decisive classes permitted them some leeway. This defines and limits the significance of the bourgeois “public sphere” which is usually overestimated by liberals,141 who exaggerate its role by elevating it to be the moving force in the history of the bourgeois state. Innumerable reports of factory inspectors, quoted by Marx, disappeared into archives for decades without making a dent.

140. See for example, Capital I, p. 495: “The Inquiry Commission of 1840 had made revelations so terrible, shocking, and creating such a scandal all over Europe, so that to save its conscience Parliament passed the Mining Act of 1842, in which it limited itself to forbidding the employment underground in the mines of children under 10 years of age and females.”
141. See Jürgen Habermas, Strukturwandel der Öffentlichkeit (Neuwied, 1962).
Enlightenment has no consequence for reality. The public sphere does have an important function. It can develop a bourgeois-critical consciousness which pinpoints problems that normally escape capital in the course of practical business. Being above direct interests, however, at this level public opinion encounters researchers and opinion producers paid to represent particular factions of capital whose interest they further by press campaigns, expert opinions presented in Parliament, etc. All these factors had their effect on the working class' ability to struggle. Yet, they must always be seen against the background of the need for factory legislation in England at the time, in order to maintain the "laboring race" as the source of capital realization. Furthermore, at that stage of development, factory legislation was tolerable to capital: in no way did it seriously threaten capital's existence.

A particularly important function of the independent public sphere consisted in drawing attention to the threat to society's basis of existence, i.e., its capitalist mode, and to impending open class struggle. Marx refers to these warnings concerning "incredibly tense class antagonisms" which were communicated to the government by factory inspectors. Here, the latter had a function similar to that of contemporary union officials who communicate the mood at the lower levels to higher-ups in order to pave the way for necessary concessions. An important aspect in the maintenance of labor power as a source of value is satisfaction through social policy. It is well known that Bismarck consciously legislated the stick of controlling socialism [Sozialistengesetze] together with the carrot of social security. With this, he substantially affected the orientation of the working class towards the state which was to have significant implications in the future. He did this, furthermore, against the will of the political representatives of capital. At this point, however, it is crucial to warn against the wide-spread opinion that the state, as a wise representative of capital, can always pull rabbits out of the hat in order to manipulate the proletariat through social policy, according to whim. The limits to the state's socio-political interventions are tightly drawn, and even those interventions that are possible at a certain historical level of development (regardless of their potential wisdom) are generally realized only after lengthy conflicts and in the face of actual or potential class struggles.

According to Marx, the antinomy between the rights of capitalists as buyers against the right of workers as sellers of labor power as a commodity is
resolved through power. This antinomy also constitutes the state in its dual character. On the one hand, the socio-political functions of the state can only be realized, if at all, through real or threatening labor struggles.\textsuperscript{143} Without them, the existence of the state as the ideal collective capitalist and seemingly independent institution would be impossible. On the other hand, class struggles always constitute workers as a class, i.e., as an acting subject with the tendency to overcome capitalism and its state. This tendency, in turn, is met by the state's function of military oppression. Police, etc., would be superfluous if the working class were not periodically forced to struggle for its right as seller of its commodity, or to at least threaten to struggle. Yet, the "socio-political" function of the state (i.e., to satisfy) would lose its credibility if the ever-present dominating character of the class state would become obvious at the wrong time. The Janus-face of the state apparatus, "welfare" and oppression, is a necessary expression of the antinomy of the capitalist realization process itself, as manifested in the exchange for the labor power as a commodity.\textsuperscript{144}

2. Capital as the Prerequisite for the Particularity of the State

The special particularity of social production based on the relation between capital and wage labor is that, under these conditions, people cannot anticipate the way in which they can sustain themselves, nor do they have any part in planning it. Instead, the contradictory inner tendencies anchored in capital relations and mediated by the actions of capitalist agents lead to consequences not consciously willed by the individual functionaries of capital and against which they are helpless as individual capitalists. No doubt, the state exists for the sake of private property and capital. Even so, it is "nothing more than the form of organization which the bourgeoisie necessarily adopts both for internal and external purposes, for the mutual guarantee of their property and interests."\textsuperscript{145} But this does not constitute a simple identity between the state and capital. Instead, the bourgeois state is characterized precisely by the fact that it is based on the separation of property as private property from the original unity of common property. On this basis, the state has become "a separate entity, beside and outside of civil society."

\textsuperscript{143} There is no lack of historical illustrations. In Germany, the greatest push for social policy reforms occurred in 1918-19 at the eve of the threatening revolution. In Italy, after two general strikes, etc., pensions were increased in 1969 from approximately 65\% to 74\% of the last earnings and, by 1976, should reach up to 80\% (in West Germany it is approximately 45\%). The question arises, however, to what extent concessions in one area are necessarily counterbalanced through cuts in welfare and wages in other areas. This would be a necessary consequence of the mechanism of capitalist accumulation as it affects individual capitals through the world market. It is well known, for example, that the concessions to the French working class of the summer of 1968 were partially undermined through price increases, etc.

\textsuperscript{144} See also P. Lapinski, \textit{Der Sozialstaat...}, \textit{op. cit.}, p. 36.

\textsuperscript{145} Marx, \textit{German Ideology}, \textit{op. cit.}, p. 59. The formulation in this early book does not completely preclude the misunderstanding that the bourgeois qua bourgeois would be something other than a mere character mask of capital (i.e., that the bourgeois would consciously take on this form of state organization).
It is important to emphasize that this particularization to an existence "beside and outside of" bourgeois society takes place on the basis of bourgeois society, i.e., on the inherently contradictory basis of capitalist production. The real particularization on the basis of this contradiction thus leads to the "wrong," "mystified," idealist conception which juxtaposes the state as independent vis-à-vis society. The state is the real subject, whose object is society. Marx criticized this conceptualization in his critique of Hegel's philosophy of law.\textsuperscript{146} Readers of \textit{Capital} will have no problem comprehending the development of the state as a "particular existence beside and outside of bourgeois society" if they remember the dialectical development of the form of value, and, further, the form of money as developed from the contradiction between value and use-value inherent in the commodity. Contained in the dual character of the product of labor as a commodity, this contradiction becomes visible only because it is manifested in a particular commodity, the commodity of money. The value form of the commodity, which cannot express itself in its own use-value, is manifested in the use-value of a particular commodity, which thus becomes money. Money appears as an independent entity, which is attached to either the particular, socio-historical character of value as "natural," or the character ascribed to it by men on the basis of conscious consensus. The form of the state possesses the same kind of "fetishism." According to bourgeois notions, the state has always existed. Man, by nature, "has been created in relation to the state [\textit{auf den Staat hin}]," or the state is a \textit{sine qua non} for human (i.e., bourgeois) life. But the state is also conceived as consciously established through a social contract.\textsuperscript{147} The fact that the state is a particularity of a specific capitalist mode of production has been inverted. This reification and objectification of the state is a necessary illusion based on the bourgeois mode of production, just like the illusions concerning the forms of money, capital, workers' wages, profit, production factors, income, etc. The particular mechanisms of the capitalist mode of production force these illusions on the agents of capital and actually determine their actions.

It is precisely for this reason that the bourgeois state is not the "real collective capitalist," but the "ideal," "fictitious collective capitalist."\textsuperscript{148}

\textsuperscript{146} In the final analysis, it already contains the critique of the revisionist theory of the state, even if in an abstract form. It pays lip service to the primacy of society and the antagonism between wage labor and capital, but it turns the state into the subject by postulating its ability to regulate the social contradiction.

\textsuperscript{147} Up to the present, this fiction applies to all constitutions.

\textsuperscript{148} Cf. Engels, \textit{Anti-Dühring} (Moscow, 1962), p. 382: "But the transformation, either into joint-stock companies [and trusts], or into state ownership, does not do away with the capitalistic nature of the productive forces. In the joint-stock companies [and trusts] this is obvious. And the modern state, again, is only the organization that bourgeois society takes on in order to support the general external conditions of the capitalist mode of production against the encroachments as well of the workers as of individual capitalists. The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of the productive forces, the more does it actually become the national capitalist, the more citizens does it exploit.
Capital's concern with maintaining its basis for existence comes about only afterwards when it is faced with the disappearance of the foundation of this mode of production. The essential relation that determines the real behavior of capital is that between individual capital to its individual source for surplus value, i.e., the wage labor it exploits. "What could possibly show better the character of the capitalist mode of production, than the necessity that exists for forcing upon it, by Acts of Parliament, the simplest appliances for maintaining cleanliness and health?" The process of this gradual "forcing upon," mediated by catastrophes and conflicts, victories and defeats, constitutes "state socialism," "state intervention," etc., as a particular enforcing power (Zwangsgewalt), extraneously confronting capital in each instance. Only this process creates those struggles of different "interest groups" as well as of fossilized institutions within the state itself and in its forefront, the "formation of the political will" (the latter, as a phenomenon torn from its roots, then becomes the object of political science). Since interventions in the immanent laws of capital realization must be forced upon capital in the form of compulsory legislation by an external institution, this institution requires controlling jurisdiction and effective sanctioning powers. In short, it must be equipped with an enormous and growing bureaucratic enforcement apparatus.

The mere existence of this "state apparatus" subsequently reinforces the illusion of the state's independence and of its ability to "intervene" in "the economy." But the actual existence of this apparatus does not indicate that it could really effectively intervene (let alone provide for the systematic construction of a counter-apparatus for evading or resisting the state's enforcing power, e.g., manufacturers' organizations, lobbies, etc.).

This particular existence of the state is thus not a simple and obvious matter, not even for a class society: the particular existence of an exclusively political enforcing institution, the state, has grown out of two sources which made it possible and necessary. First, the given all-encompassing living sphere, under precapitalist social formations, became individualized. Second, and in conjunction with it, there was the emergence of private as opposed to commercial property. As early as his critique of Hegel's philosophy of law (1843), Marx described the bourgeois "mysticism," which turned "the relationship between the family and civil society" (i.e., "the actual

The workers remain wage-workers—proletarians. The capitalist relation is not done away with. It is rather brought to a head. But, brought to a head, it topples over. State ownership of the productive forces is not the solution of the conflict, but concealed within it are the technical conditions that form the elements of that solution."

149. Marx, Grundrisse, op. cit., p. 419.
150. Capital, I, p. 481. The clumsy attempts to push legislation against water and air pollution, the feeble reactions against further increase of noise pollution by cars and planes, etc., demonstrate how this characterization by Marx has remained unchanged and is literally up to date. Recently, there was a report of a study according to which the already planned nuclear power plants, if in full operation, would increase the temperature of the Rhine River water to 122° F, and would destroy the climate, the river environment, exterminate the fish, create air pollution, etc.
producer”), and the state upside down, thus making a presupposition into a consequence: “the producing [is established] as the product of its product. “It is obvious that the political constitution as such is perfected for the first time when the private spheres have attained independent existence. Where commerce and property in land are not free, not yet autonomous, there is also not yet the political constitution... The abstraction of the state as such belongs only to modern times because the abstraction of private life belongs only to modern times... In the Middle Ages there was serf, feudal property, trade corporation, corporation of scholars, etc., that is, in the Middle Ages property, trade, society, man was political; the material content of the state was fixed by reason of its form; every private sphere had a political character or was a political sphere, or again, politics was also the character of the private spheres.”

The point Marx makes here concerning the Middle Ages, applies to every pre-bourgeois social formation; he later repeatedly elaborates this in the *Grundrisse* with regard to the *polis* of antiquity. In the old communal system the tribe, the community, the commune or the state did not exist as a “separate entity side by side with real social life,” but political organization, e.g., tribal membership, was the prerequisite and guarantee for the appropriation of the objective conditions for life through labor. This labor was engaged in the production of use-values needed by the members of the community. (Slaves or serfs, as a special kind of work animal, were not members of the community, but they received, as instruments of labor, more or less the product of their labor. If their owner wasted them, he knew what he was doing: he was hurting himself, just as if he would hack off his own foot or starve the mule that carried him. This is how Aristotle justified the impossibility of an ethical relation between master and slave.) The relation of the laboring individual to the soil, i.e., his working place and resource as the objective condition for labor, was “instantly mediated by the naturally arisen, spontaneous, more or less historically developed presence of the individual as a member of a commune.” (This occurred early on in the peaceful or aggressive appropriation of the soil, which was possible only in the communal system). As ownership of the objective conditions for labor, property did not exist as private property, but was from the very beginning property only insofar as it was socially mediated. The political community of the members of such pre-capitalist communal bodies is particularly evident in the shared organization of tasks, which seemed necessary for its future existence: river regulation, road building, supply storage, as well as the appropriation of land through the shared tasks of war, devotion to the gods thus symbolizing the


152. Marx, *Grundrisse*, op.cit., pp. 471ff. Here, the original unity of labor and its material preconditions as mediated through the community is juxtaposed to their separation through wage labor and capital.

unity of the community, etc. Here, the communal tasks did not arise as necessary *ex post facto*, they were not gradually taken on by particular political institutions only after complex arguments within the boundaries set by capital realization. From the very beginning, they were part of social survival through labor (which included the reproduction of the next generation).

The extent to which in pre-capitalist society the whole process of social survival, including the production of material use values, formed a unity, can be most graphically illustrated by the autonomous homestead or the feudal estate. The basic structure of such units of social reproduction of life was the same: from the Big House of Pharoah to the tent of the patriarch Abraham or the household of the free peasant. The only difference was in the structure of the communal unit: whether it was expressed in the form of a single person or the community of more or less free and equal persons (monarchy, oligarchy, or democracy). The respective master had under him the members of the “family,” including serfs, etc. Disregarding special forms, all of these units were based on land ownership, i.e., the appropriation of the riches of the soils through social labor. Old handbooks on the art of the “household” (“economics”) indicate what is included in such a household or manor. One such handbook from the 17th century\(^\text{154}\) instructed the master in the following tasks, among others. (Of course, he could delegate these, but he was ultimately responsible for them, and had to plan them in advance.) In the first place, there was the relation to God (this task he could leave to a priest), then to his wife and children, to the farm laborers and to the serfs. This relation of domination included guidance, instruction and sanctions. Further, there were instructions pertaining to the threat of epidemics, how to watch the calendar with schedules for the various tasks (“Geese should be slaughtered in late fall”), and how to watch the weather. The wife’s special tasks included the following: education, especially of daughters, cooking, baking, preparation of food supplies through preserves, smoking of meats, salting, how to make and mend clothes, medication and sick care, the kitchen, herb, flower gardens, etc. Further, there was reference to vineyards, cellars, how to grow fruit, general agriculture, including brewing, milling, keeping horses, cattle, sheep, bees and silkworms; drinking water and the building of dams (for water-mills), fisheries, forestry, and hunting, mills and brick-burning, quarries and mining. This enumeration must appear disjointed in terms of the bourgeois departmentalization of science which splits up this holistic approach into the separate disciplines of theology, ethics, education, medicine, meteorology, sociology, management, etc. But the enumeration can give an idea of the totality of social reproduction which can only be formed and planned again after the abolition of capital relations. There was no separation between society and state, between economics and

\(^{154}\) Hohberg, "Georgica curiosa." 1682: the quote is taken from O. Brunner, "Das 'ganze Haus' und die alteuropäische 'Oekonomik'," in his *Neue Wege der Sozialgeschichte* (Göttingen, 1956), pp. 33-61.
politics. The master fulfilled the function of total control which, however, was precisely circumscribed by tradition. There was stratification of rank, positioning his wife, the children, and laborers. It included the right to corporal punishment, even the death penalty. If the master was not the only one in control, then the ruler (as the Inca in Peru) could delegate parts of his rights and privileges to lower masters (feudal system). He could also fulfill his rights and duties together with other masters on an equal footing, e.g., in the senate or the tribunal assembly (in principle, these include only free masters on their own soil). The most important task was warfare.\footnote{\textsuperscript{155}}

For such pre-capitalist communal systems, catastrophes occurred either as real natural events, or through clashes with other communal systems. But they did not happen as social natural catastrophes, as a necessary consequence of capitalism. In \textit{Capital}, after having developed the category of absolute surplus value, Marx immediately turned to catastrophes which occur to living labor as the result of the production of surplus value. From this, he derived the particularity of the state with regard to factory legislation. As long as labor sought the production of use-value and the reproduction of the lives of social individuals, there was no need for a particular controlling and enforcing institution meant to prevent individuals and society from killing themselves through an excess of labor. Only capitalist commodity production that destroyed this web and created the problem of social self-destruction.

The concentration of bourgeois society in the form of the state, i.e., its incorporation in an institution that appears as external to society and seems to float above it, is necessary because it is only in this form that the existence of capitalist society can be assured at all. The direct aim of production is not the social reproduction of life, but the production of surplus value. Thus, the production process is driven by laws which are hidden from the conscious will of individuals and take place behind their backs. Still, because of those individuals' activities, the need arises for this particular social institution contraposed to productive society. This late and most primitive control of the state over the natural form of the social reproduction process is necessary to maintain the production of surplus value: the appropriation of the surplus labor of one class by another. Thus, this control supports the class character of society. It is one of the functions which the state must assume. (In this context, there is no reason to discuss the state's function of \textit{direct} oppression, since it is not a primary function of particularistic society. But a misunderstanding of this crucial fact frequently leads to wrong conclusions concerning revolutionary change and strategy.)

Thus "social policy" (i.e., state activity intervening in society \textit{ex post facto} to solve "social problems") has the character of a supervision disenfranchising the producer: a control down to the specifics of everyday life, called "Welfare." (Every ill or injured worker is familiar with this, because he has to

\footnote{\textsuperscript{155} In this context, the meeting (or \textit{thing}) in ancient Germany is an interesting illustration, since it served for the election of the leader (\textit{Herzog}) of the troops from among equals.}
go back to work: Lining up to wait his turn to see the social bureaucrat behind the welfare desk, getting checked and certified by the official “health service,” etc.) While policies of state socialism offer a certain security to individual producers in case of partial or total loss of labor power, they altogether fail in regard to conscious, planned care for the maintenance, innovation and extension of the social labor power of the collective worker, i.e., the associated producers themselves. In a truly communist society such conscious pre-planning would merely be part of a holistic social reproduction process. It will be a public task for every member, just like the rest of social reproduction. Yet, it will not be the object of abstract bureaucratic activity of a particularized political organization.156

A certain reduction in state functions is already clearly recognizable for example in East Germany but there it is frequently hidden under the traditional state label (“Staatliche Plankommission”). This is so, because this state professes the right to make decisions on all essential issues of the total social reproduction process. Particularly interesting for the present context are those areas of the process which, in the bourgeois state, are barely taken care of as far as “social policy” goes, and which are marginal to “actual” production. This involves, for example, qualifying labor in accordance with developing the essential conditions for production. (The successes of East Germany in this area, which are not only more progressive, but qualitatively different, do not require elaboration.) It also involves the pre-planned welfare assuring the health of the collective worker through a comprehensive network of clinics and out-patient care, counselling, preventive check-ups and innoculation, the strict enforcement of regulations to prevent work accidents, and vacation travel for all workers. (It is a well known fact that in West Germany only a few workers can go on a vacation.) Numerous statistics show that East Germany is ahead of West Germany in this respect,157 despite the

156. See Marx and Engels, “The Communist Manifesto,” in Lewis Feuer, ed., Marx and Engels: Basic Writings on Politics and Philosophy (New York, 1959), p. 29: “When, in the course of development, class distinctions have disappeared and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organized power of one class for oppressing another.”

157. Some illustrations: in 1968, there were 6.9 new cases of tuberculosis per 10,000 (in 1950: 50.4) in East Germany, as against 36.8 in West Germany. During the same year, only 7 years after the borders to West Germany had been closed and hence the emigration of doctors had ended, the ration of the population per physician in East Germany was almost that of West Germany (one to 751 as against one to 677). It must be remembered that the West German total includes a large proportion of plastic surgeons, fashionable high-priced doctors, etc., whose primary concern is to tend to the bourgeoisie. In the socialist camp, whose industry is still partially “underdeveloped,” medical care is significantly better than in Western Europe. The number of work accidents in East Germany is significantly lower than in West Germany. These statistics indicate something about the real situation of producers as against the means of production: the constant evasion of, or disregard for, the rules to protect workers confirms Marx’s observation in Capital. Cf. Wo lebt man besser? edited by the Staatssekretär für westdeutsche Fragen (State Secretary for West German Issues—East Berlin, 1970), esp. p. 57; Statistisches Jahrbuch der BRD (1969), p. 35; cf. also G. Tittel, Die Legende von der Bonner Sozialstaatlichkeit (East Berlin, 1967).
latter's high standard of living." In East Germany the state insists on planning in this comprehensive manner, and it has the power to do so. In this respect, it differs fundamentally from the bourgeois state. But still, it remains a state to the extent that, to a large degree, individualized producers are still removed from the total social planning of the reproduction process. This is also evident in the fact that producers are not yet really associated, but still rather individualized and are driven to increased output through individual material incentives, just as unconscious parts of a machine are driven by a lever. (In this context, if the control of the individual plants over surplus labor is further expanded so that they can expand their means of production, then there is a potential for increased independence of the plants. Hence, social planning is weakened.) The road to building communism does, however, include revolutionizing the consciousness of the producers in comprehending, and actively planning and controlling the social reproduction process through associated individuals. Only then can the state lose its political character and really become "civil control" (öffentlich Gewalt). Thus, the realization of a communist society presupposes the full development of the material and human productive forces, i.e., an increase in the material productive forces as well as the comprehensive development of the productive forces of social individuals. As a matter of fact, the overall progress of the material forces of production specifically requires more and more its comprehensive control through associated individuals that are self-conscious and fully developed as social beings. Man himself is the greatest productive force. This comprehensive control also includes aspects of the social reproduction process which is ignored by capital in its production of surplus value, and is safeguarded by the state in a primitive way within the limits imposed by capital.

V. On the Relation between Economic and Political Struggles of the Working Class

1. Materialist Justification of the Illusion of the State

Capital's tendency to destroy living labor, i.e., destroying itself through destroying its basis for existence, is counteracted by the struggles of the workers over the price of their labor power and, accordingly, over the regular working day, which allows the normal maintenance of their labor power. In this sense, the class struggles of workers are moments in the movement of capital itself since they safeguard the existence of capital.

158. In the following, we want to draw some conclusions concerning problems involved in some widely held opinions on the relation between economic and political struggles based solely on a critique of state socialism. The imperialist function of the state, which is purposely ignored here, plays, however, an essential part in the relation between the working class and the bourgeois state, as demonstrated by the discussions of imperialism within the German labor movement before, during, and after WWI. Therefore, we leave open the question as to what extent the character of the relation between working class and state (which we developed exclusively in terms of state socialism), might be altered if the imperialist functions of the state would be included in the discussion. Disregarding the question of imperialism's consequences for
Thus, class struggles cannot avoid the dilemma of simultaneously functioning to "maintain the system" while struggling to maintain the workers' labor power. The working class and its organizations cannot simply avoid this element of the class struggle through an act of the will. Thus, at this level the distinction between working class struggles that perpetuate and those that explode the system is prematurely idealistic. Whether economic conflicts on the level of subjective demands tend to maintain or explode the system can be conclusively decided only in relation to the reciprocal action of both sides of the struggle—when, for example, unions and management agree from the very beginning in what way profits might best be secured, i.e., if in "sweetheart contracts" the organization of the workers strives at nothing more than to safeguard the condition for capital realization. This means that they, too, treat workers merely as objects used by capital. But even the concerted action is a remnant of institutionalized class struggle: behind it lurks the open struggle. In contrast, so-called economic demands—e.g., 15% more and not one percent less—also take place on the level of the antinomy described by Marx: right against right, the right of wage labor as against the right of capital, both determined by the laws of commodity exchange. This antinomy cannot be resolved through laws: it is the core of the class struggle.

The contradictory character of class struggles, i.e., the fact that they temporarily stabilize capital realization, brings about changes in the organization of the workers during the history of class struggles. As a consequence of struggling, the working class learns that the state takes on socio-economic functions by forcing compulsory legislation onto capital, i.e., the state appears as a particular entity confronting capital. Thus, the illusion is created that state power is neutral with respect to classes—hence the existence of bourgeois reformism within the working class and revisionist theory. The retroactive coincidence of capital's interests and those of wage labor (cf. the Factory Acts), was accomplished by compulsory legislation of the working class of capitalist countries, the following can be stated in regard to the relation of economic and political struggles to imperialism's effects on the countries that are kept underdeveloped: the political movements in these countries are also based on the movements of capital. But from the very beginning, this results in a different relation between economic and political struggles, as compared to the working class in capitalist countries. This is especially true for countries that have only recently come into the sphere of direct influence of capitalism, i.e., whose pre-capitalist tradition has hardly been broken. It is here, where the invasion of capital (which always includes the invasion by the corresponding forms of the superstructure, e.g., the creation of bourgeois individuals in missionary schools, who then can be reliable and predictable agents of capital in their own environment), is conceived as an attack on the old unity, which has been torn apart in capitalist society into state and society, i.e., as an attack on national dignity, the indigenous culture, the forms of collective life, etc. This is why the anti-imperialist struggle (which is more than a struggle of a class produced by capital against the capitalist class) is based on the "national liberation" of the "people" and the appropriation of their own history. These struggles are political from their very inception in the sense that they are not at all based on the separation of economy and politics, capitalist production and the particular existence of the state. On the other hand, the special nature of the political struggle does not permit experiences gained from these struggles and the forms derived from them, to be transferred directly to those societies where the relation between wage labor and capital is fully developed.
the state which, to be sure, contradicted the "practical movement of capital," but still safeguarded capital's existence. Such coincidence forms the basis of the illusion that a reconciliation of class contradictions may be possible, i.e., the eventual transformation of society through the state as a subject.

Yet, precisely because they have different interests, capitalists and the bourgeois state have also found themselves in the position to recognize the organizations of the working classes and to attempt to arbitrate the antinomy between wage labor and capital on the level of negotiations. Readiness for this kind of action emerged primarily on the basis of the interaction between capital and the state, i.e., the experience that capital's laws of motion generate the working class as a contradiction within society. This contradiction arises—and this has also been recognized—from capitalist production itself, and it cannot be even resolved in terms of politics or terror. Only institutionalization can be of some help. This has become particularly evident in the development of working class organization in West Germany.

But since there is a tendency for capitalists and the bourgeois state to recognize the organizations of the working class as partners in the bargaining process—for them, it is the simplest way to regulate conflict—working class organizations, in turn, feel compelled to perceive the state as a subject which is neutral, not hostile to them, and interested in their general welfare. At the same time, they perceive the state as an instrument to enforce the most comprehensive daily demands of the working class. But this, of course, requires a temporary postponement of their revolutionary goals in anticipation of their final task. As soon as social democracy perceives policy reform as the goal of its politics, it necessarily attaches itself and the workers to the existing form of the state and to capitalism: social reforms can only be accomplished through the capitalist state. In this way, the passive relation between citizen and state is reconciled with the concept of the "welfare state," whose earlier versions in revisionist theory already laid the foundation for the idea of "restraint in consumption." Along with the abandonment of the revolutionary telos—the overthrow of the old order and the seizure of power by the proletariat—there is also the abandonment of the self-initiated political struggle as a precondition for changing the quality of life. If the goal is social advancement, greater justice in distribution, and social reform, then labor organizations, unions and parties can substitute and take care of it. The road mapped out is one of cooperation between classes through the cooperation between their social and political organizations. But what's more: there really is no other way, since one keeps hoping that a little bit of power and riches can be whacked off the capitalists and the bourgeois state with their consent and that this bit can be distributed among the working classes.

159. Luxemburg, op. cit., p. 60.
2. Political and Economic Struggles

The Factory Acts were the result of lengthy class struggles. In his presentation, Marx did not specify if he meant by class struggles only those that addressed the demands of the working class directly to the state. Rather, class struggles in this context initially appeared as the collective struggle of workers against capital's arbitrariness. The demands were for governmental, i.e., general and officially sanctioned, limitations on the working day by the state: these demands were developed in the course of the struggle.

The general form of the demand sprang, in turn, from the proletariat's experience: if capital was constrained in one place, it still found another place where it could make the best of it. Nor can it be said that Marx, in the context of the Factory Acts, designated as class struggle only those phenomena carried out by a conscious political organization. The Factory Acts (ten-hour day) originated at a time when the Chartist Movement was destroyed, but when according to the reports of factory inspectors class antagonisms had nevertheless risen to an incredible height. Hence, it is evident that Marx did not go as far as to claim that class struggles occur only in those instances where the proletariat is led by a conscious political organization. Rather, the organizations of the proletariat are themselves essentially the result of struggles that develop from the antagonistic relation between wage labor and capital in the process of capital realization. Of course, Marx, in a letter to Bolte (1871), again summarized this point: “The political movement of the working class has as its ultimate object, of course, the conquest of political power for this class, and this naturally requires a previous organization of the working class developed up to a certain point and arising precisely from its economic struggles. On the other hand, however, every movement in which the working class comes out as a class against the ruling classes and tries to coerce them by pressure from without is a political movement. For instance, the attempt in a particular factory or even in a particular trade to force a shorter working day out of individual capitalists by strikes, etc., is a purely economic movement. On the other hand, the movement to force through an eight-hour, etc., law, is a political movement. And in this way, out of the separate economic movements of the workers there grows up everywhere 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. While these movements presuppose a certain degree of previous organization, they are in turn equally a means of developing this organization. Where the working class is not yet far enough advanced in its organization to undertake a decisive campaign against the collective power, i.e., the political power of the ruling classes, it must at any rate be trained for this by continual agitation against this power and by a hostile attitude toward the policies of the ruling classes.”

To summarize Marx's conception: the political movement of the working class grows from its economic movements. Its political organization as a class, no longer directed against the individual entrepreneur, but against the whole capitalist class, is not simply imposed upon it from without. It originates within the context of economic and political struggles. But the political organizations of the class then have the task to push on with the labor struggles by educating the proletariat that it is not the individual entrepreneur who is its opponent. Instead, it is the whole capitalist class and the class state; thus, political organizations must simultaneously create proletarian working class consciousness beyond the individual factory.

In this context, if one follows the political functions so designated by Marx in the history of the labor movement, i.e., struggles to enforce general legislation through the state, with the state as the recipient of the proletariat's demands, then it is no longer possible to make a simple distinction between economic and political struggles in a way that would make economic struggles exclusively economic. Thus, the constant danger of falling into opportunism would no longer be present. On the other hand, political struggles would be conceived as conflicts with the state, i.e., directed against the state. Thus, they would be defined as revolutionary struggles. Against that, it becomes apparant that there is a contradictory tendency as well: i.e., that focusing class struggles on the state could just as easily be the basis of the illusion of the state in the history of the workers' movement, in the sense that the state as a political entity could appear to break the power of capital through compulsory legislation. The conquest of political power as the telos of the movement does not result continuously and uninterruptedly from the political struggle of the working class for the enforcement of general laws protecting it from the brutalities of capital. This struggle might instead lose sight of the goal: the dictatorship of the proletariat and the smashing of the bourgeois state. The whole history of revisionism has shown just this.

The previously cited letter to Bolte is not to be interpreted to mean that only struggles that focus on the state directly are to be considered political struggles. The Factory legislation only served as an illustration of the kind of struggle in which the proletariat, as a class, confronts the ruling classes. In contrast to this, the following idea is typical for the contemporary discussion in the Left: "After Marx and Lenin, political struggles have been against capital organized as a class and supported by the state, i.e., struggles against state power."161 In this context, it is misleading to invoke Marx's distinction between economic and political struggles. And to support such a point by referring to the analysis of the Factory Acts in *Capital* is even more mistaken. There, the claim is made for a natural process, as it were, of the proletariat's constitution as a class through the mechanisms of the capitalist mode of production: "Along with the constantly diminishing number of the magnates

161. *Rote Presse Korrespondenz*, No. 48 (1970), p. 2. The letter to Bolte, which is used here to document this point, is quoted in a strangely edited version.
of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation; but with this too grows the revolt of the working-class, a class always increasing in numbers, and disciplined, united, organized by the very mechanisms of the capitalist production itself."

Marx, of course, did not and probably could not see at that time that the struggle of the working class for purely negative interventions by the state is an essential source of bourgeois-reformist strategies and theoretical notions for working class organization. But, on the other hand, the idea of the quasi-automatic constitution of the working class as an historically conscious subject seems mechanistic. This becomes especially visible in developments in the U.S. These two faulty judgements may be related: Marx was completely correct in his evaluation of the necessity for the origin of a working class organization in its economic struggles, but he could not foresee the reformist swamp in which such organizations could get bogged down. It is an historical fact that the working class must defend itself against the widespread and daily incursions by capital as a necessary condition for its existence. It is also an historical fact that this struggle creates organizations. But since the working class, in these struggles, often ends up safeguarding the existence of capital, it contributes to the deformation of the proletariat's own organizations. These deformations cannot simply be redirected, as Luxemburg still assumed, by the spontaneous struggles of the proletariat, which would be directed against the plans of its organizers. This applies to organizations that limit themselves to economic struggles, as well as to political organizations. These organizations weigh down the proletariat and they may temporarily suppress its self-initiated and united struggle against capital by gaining specific concessions for wage labor. But they are a burden only because they partially satisfy and represent these demands; this even applies to the fascist German Labor Front (Deutsche Arbeitsfront, or DAF). And they could not satisfy the demands without practical concessions by the capitalists — concessions which, however, are by no means a result of the capitalists' good will.

From this perspective, the demand to simply confront a run-down political organization with a new revolutionary organization is voluntaristic as long as the latter is not grounded in the necessary struggles of the proletariat. The conflicts between wage labor and capital are the basis for effective political organization; they must be anchored in the proletariat.

163. Tim Mason, "Der Primat der Politik," in *Argument* 14, p. 485: "Well into the war, it was vital for the National Socialist system to be sure of the positive participation of the population in its Weltanschauung and all of its policies. The attempt to involve the workers in these through propaganda, improvement of working conditions, recreational programs, etc., was a clear and obvious failure. Therefore, their acceptance of the system had to be bought through high wages, paid holidays, etc. . . . The Deutsche Arbeitsfront was given the task of winning the workers over to National Socialism — nothing, not even the uninterrupted preparation for war, was permitted to interfere with fulfilling this task, even though the Deutsche Arbeitsfront became increasingly active as representative of the economic interests of the workers, first in a disguised form, but openly after 1936."
3. The Decreasing Role of the State in the Struggle Between Labor and Capital

Marx began by assuming that state intervention to protect the labor power as a commodity plays an essential part in capital's development to its highest state. The factory legislation is effective in concentrating capital and in destroying the ancient as well as the petty bourgeois modes of production. "Thereby it also generalizes the direct opposition to this sway. While in each individual workshop it enforces uniformity, regularity, order, and economy, it increases by the immense spur which the limitation and regulation of the working class give to technical improvement, the anarchy and the catastrophes of technical production as a whole, the intensity of labor, and the competition of machinery with the laborer."

164

In a sense, this means that the struggle of wage labor against individual capital under developed capitalism, which now in fact controls large proportions of national and international production, is no longer merely an economic struggle in the old sense. Here, wage labor as a class and capital as the ruling class do, indeed, confront each other. The generalization of the struggle and its quality as a political class struggle no longer hinges on the need that this generalization must be mediated by the state, either as the opponent or a middleman. Today, a strike in a giant company or a branch of industry places political pressure on capital, even if only by what it means for the reproduction of collective capital. The interdependence of production and its centralization make such a strike effective for production itself.

But there is still another element that is significant here: the general regulations of working time, no matter how often they are violated by capital. 165 Frequently in periods of boom, working time was presented as a general demand of the working class, i.e., as a demand that could be fulfilled by the bourgeois state in the form of general legislation. The eight-hour day has nothing to do with the specific nature of the means of production nor with the organization of production in individual enterprises. It can be enforced as a general law. This general limitation by the state of the absolute production of surplus value now directs the appetites of capital to the production of relative surplus value, i.e., the increase of productivity by changes in the technical structure of the means of production and in the organizational structure of the plant, as well as "more tightly filling in the gaps of the working-day" by intensifying labor. "The shortening of the hours of labor


165. The cyclical variations in the movement of capital alone prevent the enforcement of a general and precisely limited working day. Weekly working hours range up to 60 during boom periods, and down to 30 during a crisis. This is not exceptional even today. Here again it becomes obvious that general state legislation and "intervention in production" must not get to the point where it interferes with the natural movement of capital and the specific use of the labor force that is related to it. Since, in addition, the capitalist must pay extra for overtime, he has all kinds of sanctions in his hands to impose the prolonging of the working day, "gains" such as the 40-hour work week mean for the worker during boom periods little more than an increase in wages.
creates, to begin with, the subjective conditions for the condensation of labor by enabling the workman to exert more strength in a given time. So soon as that shortening becomes compulsory, machinery becomes in the hands of capital the objective means, systematically employed for squeezing out more labor in a given time. This is effected in two ways: by increasing the speed of the machinery, and by giving the workman more machinery to tend. Improved construction of machinery is necessary, partly because without it greater pressure cannot be put on the workman, and partly because the shortened hours of labor force the capitalist to exercise the strictest watch over the cost of production." 166

The shift from the absolute to the relative form for extracting surplus value also necessarily changes the forms in which the conflict between wage labor and capital primarily occur. These forms use living labor as a mere object and jeopardize the normal maintenance of labor power. Intensification of labor and the absolute subordination of the worker to machinery, his degradation to its mere appendage, are the forms which constitute the primary incursions of capital under conditions of developed capitalism. Wage labor can no longer expect protection against such encroachments by a general law that the state imposes on capital. In the regulation of work time, the working class already experiences that the limitations on its general form (the 40-hour week) fought for by unions are either circumvanted or broken by individual capital, depending on the fluctuating demands of capital realization. This also applies to other general state laws, e.g., the eight-hour day, laws to protect mothers and children, etc. 167 On the basis of such experiences, workers must consider inadequate the provisions of union demands for their protection, such as shortening work time and extending vacations. While these demands are as important as ever, they cannot prevent the direct encroachments that the workers are most exposed to. In part, they are a direct cause for additional speed-ups. 168


167. The system of sanctions and rewards available to the capitalist vis-à-vis the workers to get them to work overtime makes it possible for the capitalist to always point to the workers' willingness to work overtime. This is so also because of the fact that wages and hours, as regulated by unions, still provide relatively low incomes.

168. Today, this correct demand to shorten work-time is put forth by unions. During the I.G. Metall meetings, the unions attempted to make this demand attractive to capital by positing an ideal relationship between the shortening of work-time, high wages, and technological progress. See, for example, Otto Brenner, *Automation und technischer Fortschritt*, op.cit., p. 313: "Management and the Minister for the Economy Schiller, should be grateful to us, because the unions' policy on wages and working hours guarantees them increased turnover and a growing economy." Similarly, the union-ideologue Theodor Prager, in *Wirtschaftswunder oder keines* (Vienna, 1963), p. 100, writes: "The higher the wages, the higher the degree of mechanization and productivity... Full employment, increase in productivity, and higher wages are inseparably interrelated. In the long run, an increase in productivity can be carried out only where the worker, as its basis, is interested in it through higher wages. At the same time, increases in wages act as a spur to management that forces it towards technological and organizational progress. Low wages are equivalent to the stagnation of technological progress." And on p. 101: "At the same time, it is as true now as ever that productivity has to maintain its lead over wages, it can develop faster than the latter." Here, what is not recognized is that the shortening of working
Material and organizational changes appear in the production processes and in the intensification of labor as the primary forms used by capital to subjugate labor. As such, they cannot be dealt with by general rules, unless one can conceive of an immense network which would specify such limitations in thousands of articles and bylaws. But it would nevertheless be outdated the moment of its completion and would contain new loopholes that could immediately be used by capital. In addition, it would require an equally enormous bureaucracy to supervise the application of the rules at each workplace. (Disregarding the form of exploitation, which places an absolute limit on general regulative state intervention, there is also an immanent limitation: where else can capital direct its appetite if, after the length of the working day has been limited, the production of relative surplus value were curtailed as well?) The forms of control to counteract this form of exploitation can, in any case, only be conceived as nothing but the direct control of producers over the production process. Hence the control, as a force external to the social production process, would negate itself.

What is meant by the changed relation between producers and means of production may, perhaps, be stated most clearly if we consider the structure of use value (i.e., the technical aspect of the work process) in relation to the special qualification of labor power. In a communist society, the producers could establish a rational relation to the objectified means of production only by their creating, from the very beginning, the technical structure of the work process from the perspective of their own abilities and potential, including their development, as well as from the perspective of their concrete needs. For example, producers together with specialists, would plan and implement either the improvement of a specific production process or an altogether novel conception of their shared labor, within the framework of a given company or for a whole branch of production. Thus, from the very beginning, the system of machinery would not apply living labor merely to plug holes, but...
producers would plan and organize cooperation as the interaction between the constant and living labor in the production process.

The reintegration of state functions into society obviously becomes necessary because of the production process. The state, as a separate institution able to achieve a certain protection of labor power through general legislation, becomes increasingly incompetent since the work process itself becomes more and more removed from general regulations. Thus, through this development of production and the material character of the means of production and labor power, and through the methods to which capital resorts in order to extract excessive surplus labor, there is an increased reduction of the basis which once made it possible for the state to constitute itself as an illusory community of society as a whole. It is in this form that the state became a dead weight that restricted class consciousness.

In this context, of course, the question must be asked whether it is justified to speak of a special form of exploitation which will be relevant only to contemporary and future class struggles. After all, the production of relative surplus value has been present throughout the history of capitalism. It is its essential characteristic in the development of its productive forces, and comparatively much more important than the production of absolute surplus value. Here, it must be mentioned that at present, this can only be considered as an attempt to put forth an historical trend. As such, it does indeed refer to wage labor as a producer, for whom it becomes increasingly necessary to control the means of production. In the second place, it should be determined to what extent it may be necessary to distinguish between phases in the concrete historical development of capitalism. Under increasing pressure of competition (on the contemporary world market), which only indicates the increasing problems of capital realization, the current phase calls for an increase in relative surplus value. The crisis of 1967 very clearly resulted in a vehement push towards “rationalization” in West Germany. This push not only involved a rationalization of the technical means of production, but primarily the intensification of labor. (Firing of “superfluous” labor, strict overall cost analysis of the organizational structure of the company as well as of the work place in search of possibilities to eliminate labor. This has reduced what was left to the individual worker in terms of his freedom to determine his work and work time. In particular, these measures apply to employees, clerical workers, but also skilled labor; increased piece-work, evaluation of work-place efficiency, procedures that up-date Taylorism, etc.) Actually, the comprehensive and basic character of this “rationalization campaign” can only be compared to the phase between 1924 and 1929. At that time, with a similar euphoria, the unions were just as intoxicated by the technological progress of capital with the simultaneous possibility to improve the position of the working class, as they are today. At any rate, the
production of relative surplus value has not increased continuously and it does not exert a continuously increasing pressure on wage labor. Instead, there have been phases of increased pressures on the working class, and capital is currently in such a phase. In the third place, it is important in the present context that workers, on the basis of this development, be warned so that they can take care of their interests. Here lies an essential reason for the unions’ loss of influence which will continue as long as they are bureaucratically organized and concerned with integration into the capitalist system. This becomes evident from the wild-cat strikes in the U.S. which are directed primarily against the intensification of labor and the total subjugation to machinery. The same is true for the wild-cat strikes in Sweden, which focused on new piece-work rates, together with petty ways to push for more work. The great strikes at Fiat and Pirelli proved the same point in Italy (at Fiat, for example, the speed of the line overpowered the workers: they were pushed so hard by technology that many had to take sick leave for several days during a certain month, simply in order to continue to function and avoid total destruction). Further evidence is the strike movement of workers in West Germany when the workers’ disgust over stagnating wages and windfall profits for companies was vehemently increased by the simultaneous increase in the plant’s work pressure.

At any rate, it is now out of the question for workers to address demands to the state concerning work speed, counter-measures against the increased rate of piece-work, the struggle against further intensification of labor, etc. The conflict here is exclusively between wage labor and capital. Thus, the basis for the illusion of consciousness, the illusion that the state can improve the position of workers in the relation between wage labor and capital, is on the wane.171

From this perspective, the struggles of the workers in Northern Italy during 1969 require thorough investigation. Here, the state essentially remained helplessly in the background. Given these struggles, it becomes less and less believable that the state can always pull from up its sleeve new socio-political devices for satisfactorily manipulating the masses. In order to secure the domination of capital, the state is left with no other means but state power: the police, the army, and criminal justice. In contrast, a material basis for the illusion of state socialism is seen in the state’s increasing “tasks” in the area of education policies. Through the usage in production of workers who are

171. Here, one must question whether the unions are in a position to counteract this development in the long run through singling out demands that can be met by general regulation (sick pay, increase in pensions, wage demands). At least it can be shown that the apparent successes along these lines, e.g., the legislation to continue payment of wages for workers on sick leave (enacted during the summer of 1969), did not bring about a real improvement in the situation of sick workers, since clauses were included in the law that made it possible to avoid making payments, so that the insecurity of the workers in the case of illness has, in part, even increased. (See here Rote Kommentare, SDS Heidelberg, ed., March 20, 1970.)
already qualified through education, the struggle takes place more and more directly between employer and employee, between wage labor and capital. But the role of the state is on the increase in regard to the qualification of the labor force. In conflicts erupting in the area of education and training, the state (as state apparatus) appears as the one and only opponent. Here is the basis for the huge over-evaluation of the state in late capitalism. This over-evaluation characterizes a large proportion of the student movement at all levels. The basis on which this illusion is experienced is, however, not only the result of exposures to battles with the police and legal persecution, but also through the fact that concessions were made and reforms were granted, i.e., the "modernization of the educational system." The extent to which these reforms necessarily result from the contradictions of capital realization itself, how they are implemented only after protracted struggles and often in a half-baked form, and—most importantly, the fact that all plans for educational reform by the state are severely limited, i.e., "don't touch surplus value"—all of this is easily hidden from those who only see the "state apparatus" as the opponent. Thus, a new revisionism can emerge from those who, on the basis of the stark separation of education and production in capitalist society, forget that they get their education only in order to adequately satisfy the appetite of capital. The current political measures of the Social Democratic Party (SPD) (amnesty, lowering the voting age, reducing time in the Army) are tailor-made to prevent recognition of what is really going on. If, on the other hand, this recognition can be communicated to students on all levels (excluding those, of course, who consciously prepare themselves for careers in the state's oppressive functions), by getting them to understand that their struggles with the state do not involve lasting privileges, but that they relate to the contradiction between wage labor and capital, and if the students see the consequences of this for political praxis, then it might be possible that the struggle against the state's production of labor power in the service of capital might become only a partial struggle in relation to the class struggle between wage labor and capital.

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