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FORUM

Alienation and Central Planning in Marx

PAUL CRAIG ROBERTS AND MATTHEW A. STEPHENSON

IN A RECENT ARTICLE[1] Professor Yanowitch reports on the reception given by Soviet scholars to the concept of alienation as it appeared in Marx's *Economic-Philosophical Manuscripts* of 1844 and brings to light recent Soviet philosophical discussion and sociological research that confirms the existence of alienated labor in the Soviet Union. Professor Yanowitch's study traces the changing attitude of Soviet scholars toward the concept of alienation in Marx's writings and their rationale for the existence of alienated labor in the Soviet Union.

Professor Yanowitch is perceptive in suggesting that the concept of alienation, having reached the arena of public discussion, is a liberating concept in Soviet circumstances. Indeed, cultivation of the intellectual and moral content of the concept is, perhaps, more likely to transform radically the Soviet system than are any economic reforms. Our concern is that the unique character of Marx's writings on alienation will be lost in the fruitfulness of the general concept. Such a loss is particularly possible because resurgence in the Soviet Union of interest in alienation comes after a long period during which, because of the rigid intellectual shackles, no serious scholarly attention was given to the concept. The lack of continuity in scholarly appreciation of Marxian alienation, combined with the necessity even today for Soviet scholars to be discreet in their treatment of it, makes it possible for the uniqueness of Marxian alienation to become lost in the various categories of sociological analysis.[2] In modern times it is easy to lose track of one's intellectual heritage.

Marx's interpretation of alienation is unique in that he sees the phenomenon

[1] Murray Yanowitch, "Alienation and the Young Marx in Soviet Thought," *Slavic Review*, XXVI, No. 1 (March 1967), 29–53.

[2] Contemporary sociologists have identified five meanings of alienation: powerlessness, meaninglessness, normlessness, isolation, and self-estrangement. (See, e.g., Melvin Seeman, "On the Meaning of Alienation," *American Sociological Review*, XXIV [1959], 783–91.) Sociologists have credited Marx with originating the notion of powerlessness, but in his theoretical interest Marx was primarily concerned with the mode of producton and not with the plight of the individual worker. Most sociologists in their studies of alienation have taken as a starting point existing social relationships, whereas Marx treated alienation at a higher level of abstraction. He was the first to view alienation as an intrinsic feature of a market economy. For an article that points out the inadequacies of various sociological categories of alienation, see Igor S. Kon, "The Concept of Alienation in Modern Sociology," *Social Research*, XXXIV, No. 3 (Autumn 1967), 507–28. Kon, a Soviet sociologist, points out that dealing with alienation exclusively from the personal standpoint of the actor, as Seeman does, takes as a given the character of the existing social-economic relationships. Thereby, study of the objective situation engendering alienation is eliminated. Kon notes that "this psychological interpretation of alienation currently dominates in empirical sociology in the United States" (p. 511). Kon, however, does not note the unique character of Marxian alienation and states that "even in Marx's mature writings the concept of alienation remains a sufficiently undifferentiated notion" (p. 522).

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as being the product of the developed market economy. The *mode of production* and not the method of distribution of income (or private ownership of property) enslaves both worker and capitalist.[3] Marx's concept of alienation is much more profound than the view that attributes alienation of the worker to the monotony of the assembly line, to his powerlessness because of his inability to participate in the decision processes of the firm, to existentialist meaninglessness, and so forth; and in its final development it is independent of these other meanings of alienation.

The unique character of Marxian alienation permits a unique solution. Organization of autonomous producers in a system of exchange relationships (by the market) is replaced by uniting the whole of society into a single factory.[4] Yet neither in Professor Yanowitch's analysis nor in that of the Soviet scholars he presents is there any recognition of the role of central economic planning as the means by which alienation in the Marxian sense is eliminated in the socialist society. We suggest that the intention of scientific socialism—the cornerstone of the Soviet Union—can be understood best as the intention to transcend alienation by transforming economic organization and providing a new basis for relations between men. This was to be accomplished through the elimination of commodity production by substituting the "planning principle" for the system of exchange relations. If Marxian alienation exists in the Soviet Union, it is evidence of the failure of central planning to accomplish the fundamental goal of Marxian socialism.

Marx's treatment of alienation has its final development in the concept of commodity production, on which he places primary importance, as evidenced by his discussion in the first part of *Capital*.[5] Marx shows, especially in the section on "commodity fetishism," that under a system of commodity production man is alienated from his own labor and from his own consciousness.

A commodity is defined by Marx as an object produced by human labor and possessing social use-value.[6] An object that directly satisfies only the wants of its producer also possesses use-value, but it is not a commodity.[7] "All commodities are non-use-values for their owners [producers], and use-values for their non-owners [non-producers or consumers]." [8] Therefore, in order for products to be commodities they must be exchanged. It is in the act of exchange that commodities are put in relation with one another as values. Since all commodities are commensurable as realized human labor, their values can be measured by one and the same special commodity—money (p. 106). Money is specific to a system of commodity production; and it is "just this ultimate money form of the world of commodities that actually

[3] Erich Fromm, *Marx's Concept of Man* (New York, 1961), p. 49. Similarly, Daniel Bell writes in *The End of Ideology* (Glencoe, Ill., 1960) that alienation as treated by Marx is "a consequence of the organization of work, and to end alienation one must examine the work process itself" (p. 364). Marx writes that "although private property appears to be the basis and cause of alienated labor, it is rather a consequence of the latter" ("Alienated Labor," in *Economic and Philosophical Manuscripts;* reprinted in Fromm, p. 106).

[4] As Lenin expresses it in *State and Revolution,* "the whole of society will have become one office and one factory" ([New York, 1932], p. 84; "Little Lenin Library," Vol. XIV).

[5] Yanowitch points out that Soviet scholars have recognized that the concept of alienation appears in Marx's later writings in the form of "more precise concepts" such as the concept of commodity fetishism (pp. 41 and 45).

[6] Karl Marx, *Capital,* Vol. I (New York, 1906), Chap. 1 (Modern Library).

[7] "To produce commodities he must produce, not use-values merely, but use-values for others—social use-values" (*Capital,* Vol. I, trans. Eden and Cedar Paul [London, 1957], p. 9).

[8] *Capital,* I, 97 (Modern Library).

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conceals, instead of disclosing, the social character of private labor and the social relations between individual producers" (p. 87).

It is through the act of exchange of their products that producers come into social contact with one another. "The persons exist for one another merely as representatives of, and therefore, as owners of, commodities" (pp. 96–97). In his discussion of the fetishistic character of commodities, Marx explains that the social relation between men assumes "the fantastic form of a relation between things" (p. 83). The social character of each producer's labor shows itself only in the act of exchange, because the labor of an individual is manifested as a part of the labor of society only through exchange. The act of exchange, however, establishes the relation between individuals at work only indirectly; the direct relation it establishes is between things, that is, commodities. The social relations between individuals become "disguised under the shape of social relations between the products of labor" (p. 89). Therefore, in a system of commodity production, material relations are presented between persons and social relations between things. Commodity production, then, not only transforms the social relations of individuals into commodities (things); it transforms the interrelations of production themselves into a thing, that is, into money.[9] This is the result of individuals working independently of each other and fulfilling their needs only through the market.

When commodity production reaches a highly developed stage, productive relations become completely impersonalized, and "the individual producer deals with his fellow men only through 'the market,' where prices and amounts sold are the substantial realities and human beings merely their instruments." [10] In such a society, "the process of production has the mastery over man instead of being controlled by him." [11] In his perception of reality, man looks upon the market system as an external force to which he must adjust. At the same time that the development of modern science has provided man with the power to control his own destiny, the veil of commodity production "blinds him to the means of exercising the power which is within his grasp." [12]

Commodity production would not exist for a Robinson Crusoe because there are no social relationships for the independent producer. He produces only use-values for himself. On the other hand, during the Middle Ages there were intricate social relationships among men, but commodity production was unimportant because most of the transactions of society took the form of services in kind and payments in kind. The system of exploitation was clearly visible.

In a patriarchal society, where an individual's labor is considered as a portion of the family's labor, there is no exchange as such. Therefore, use-values for the family are produced but not commodities.[13] According to Marx, commodity production becomes historically important only with the emergence of modern capitalism in Western Europe. The alienation of man becomes pervasive. The social relations between men are hidden behind the quantitative relations between commodities. The system of exploitation is covered by a veil.[14]

[9] *Capital,* Vol. III, trans. E. Untermann (Chicago, 1909), p. 962.
[10] Paul Sweezy, *The Theory of Capitalist Development* (New York, 1964), p. 36.
[11] *Capital,* I, 93 (Modern Library).
[12] Sweezy, p. 40.
[13] Marx, *Capital,* I, 88–89 (Modern Library).
[14] "A man who has a direct obligation to another, as a serf does to a master, knows directly the source of power over him. But one who sells his labor power for money may feel himself to be free. The product of the laborer can thus be easily 'abstracted' into money and, through the exchange system, be 'abstracted' from him" (Bell, p. 341). Cf. Sweezy, p. 39.

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Marx maintains that in a socialist society commodity production will be eliminated. The labor-power of individual producers is consciously applied as the combined labor-power of the community.[15] There is an analogue between the role of the individual producer in a patriarchal society and his role in a socialist society. In a patriarchal society the labor of the individual is viewed as a portion of the labor of the family; in a socialist society the labor of the individual is viewed as a portion of the labor of the community. Use-values for either the family or the community are produced, but commodities are not produced. Since in a socialist society the total product of the community is a social product, a means of distribution must be devised. There is no historically unique means of distribution, but Marx suggests "that the share of each individual producer in the means of subsistence is determined by his labor-time" (p. 90). Labor-time serves not only as a device for apportioning the total output; it also facilitates the development of a definite social plan that maintains "the proper proportion between the different kinds of work to be done and the various wants of the community." With such a social plan commodity production is eliminated. Marx says that "the life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and *is consciously regulated by them in accordance with a settled plan*" (p. 92; italics added).

Marx's idea that commodity production would be eliminated by socializing the means of production in order that society could plan became an integral part of socialist thought. According to Engels, when society gains possession of the means of production, the social relationships between producers will change fundamentally. Products will no longer enter into social use through exchange. "People will be able to manage everything very simply, without the intervention of much-vaunted 'value.'" [16]

In a similar vein, Nicholas Bukharin wrote in *The Economics of the Transitional Period:* "Indeed, as soon as we deal with an organized national economy, all the basic 'problems' of political economy, such as price, value, profit, etc., simply disappear. Here 'relations between men' are no longer expressed as 'relations between things,' for here the economy is regulated not by the blind forces of the market and competition, but by the consciously carried out *plan*.... The end of capitalist and commodity society signifies the end of political economy." [17]

The writings of Lenin also show that the elimination of commodity production was one of the objectives to be realized by the organization of the Soviet economy. In *State and Revolution* Lenin says: "Every member of society, performing a certain part of socially-necessary work, receives a certificate from society that he has done such and such a quantity of work. According to this certificate, he receives from the public warehouses, where the articles of consumption are stored, a corresponding quantity of products" (p. 76).

The parallel to (or paraphrasing of) Marx is clear: "In the case of socialized production, the money-capital is eliminated. Society distributes labor-power and means of production to the different lines of occupation. The producers may eventually receive paper checks, by means of which they withdraw from the social supply of means of consumption a share corresponding to their labor-time. These checks are not money. They do not circulate." [18]

[15] *Capital,* I, 90 (Modern Library).

[16] Frederick Engels, *Anti-Dühring* (2nd ed.; Moscow, 1959), p. 427.

[17] Quoted in Adam Kaufman, "The Origin of the Political Economy of Socialism," *Soviet Studies,* IV, No. 3 (Jan. 1953), 245.

[18] *Capital,* Vol. II, trans. E. Untermann (Chicago, 1933), p. 412.

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The use of such certificates or paper checks eliminates the role of money as the medium in which exchange values are established. These certificates are requisitions to a stock room and are the means by which the products of a society that is now united into a single factory are distributed. According to the Marxian socialists, economic planning replaces a system of exchange relations and renders irrelevant the law of value. Sweezy states the point clearly: "It follows that in so far as the allocation of productive activity is brought under conscious control, the law of value loses its relevance and importance; its place is taken by the principle of planning. In the economics of a socialist society the theory of planning should hold the same basic position as the theory of value in the economics of a capitalist society. Value and planning are as much opposed, and for the same reasons, as capitalism and socialism" (pp. 53–54).

Though explicitly or implicitly denied by most writers, it has been documented by Michael Polanyi and A. Yugoff and recognized by others that the program of action of "war communism" represented a conscious attempt to establish socialist organization.[19] Thus, the first action of revolutionary socialists in power reflected the intellectual ideas and moral intentions of their heritage. The emergence of ruin rather than utopia from the vague ideas of socialist organization upon which such great hopes were based is the reason for the peculiar way in which the Soviet economy functions today.[20]

Western observers of the Soviet Union have seen central economic planning as a device for achieving rapid industrialization, rapid economic growth, military power, and similar goals. It is not denied that these are some of the goals of the Soviet Union, but these are ex post goals. Originally the purpose of central planning was to achieve the goal of a socialist society, that is, the abolition of alienation by the elimination of commodity production.

The idea of central planning grew out of the merging of the socialists' desire to abolish the system of commodity production with the nineteenth-century belief that man, by the application of science to the study of society, could shape and direct society in any manner he wished.[21] To fail to see central planning in the Soviet Union as an attempt to eliminate commodity production is a denial of the intellectual and moral power of Marx's thought in shaping the course of human events.

[19] See Michael Polanyi, *The Logic of Liberty* (Chicago, 1951), pp. 126–33. In protesting the whitewash of "war communism" as something designed to cope with war rather than an attempt to establish socialism, A. Yugoff quotes from Lenin when he writes: "The attempt to organize Russian economic life upon the basis of war communism was described by Lenin in the following terms: 'We made the mistake of deciding upon an immediate transition to communist production and distribution.... We counted (or, to speak more accurately, we assumed without counting) upon our ability to organize a system of nationalized production and nationalized distribution communistically in a petty-bourgeois country by means of a direct command on the part of the proletarian State. Life has shown us our mistake.... In the spring of 1921, on the economic front, our attempt at the transition to communism sustained a defeat more serious than ever before' " (*Economic Trends in Soviet Russia* [New York, 1930], p. 42). Bell writes that the Marxian conception of money "was the basis of the effort of the Bolsheviks, in the first days of the Revolution, to abolish money altogether" (p. 341).

[20] For the development of this thesis see Paul Craig Roberts, "Oskar Lange, Hierarchy, Polycentricity and the Soviet Economy," paper read at the thirty-seventh annual conference of the Southern Economic Association, session on "The Economics of Central Planning," New Orleans, Nov. 16, 1967. This paper has been published by the Czechoslovak Academy of Sciences in translation in *Vědecké Informace*, No. 3–4, 1968, pp. 113–44, and is forthcoming in revision in the *Journal of Law and Economics* as "The Polycentric Soviet Economy."

[21] As expressed by Engels in *Anti-Dühring*, men "with full consciousness will fashion their own history."

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