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**Building Socialism and Communism: Planning and the Process of
Transcending Markets**

Al Campbell

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University of Utah
Department of Economics
1645 East Central Campus Dr., Rm. 308
Salt Lake City, UT 84112-9300
Tel: (801) 581-7481
Fax: (801) 585-5649
<http://www.econ.utah.edu>

Building Socialism and Communism: Planning and the Process of Transcending Markets

Al Campbell

University of Utah, Department of Economics
al@economics.utah.edu

Abstract

This short paper will argue the following 8 points. This paper will: 1) as a background to what this paper will consider, accept both that planning is an inherent and essential aspect of socialism, and that not only the details but the very basic nature of the planning that will be appropriate in today's world for supporting (various) transitions to socialism has to be created; 2) focus on just one of many questions that need to be resolved concerning the appropriate basic structure of today's socialist planning, the question of the role of markets in planning for socialism; 3) discuss the essential nature of capitalist markets in relation to shaping their participants in ways appropriate for capitalism (any mode of production creates its own presuppositions), and therefore in ways inappropriate for either living under socialism or effecting the transition from capitalism to socialism ; 4) review Marx and Engels' position that immediately after the seizure of power by a workers' government capitalist commodity production and capitalist markets will still exist; 5) review Marx and Engels' position that the transition to socialism will involve a withering away of both capitalist markets and commodity production, and that under socialism these will already both be transcended; 6) then argue, closely based on Marx and Engels' writings, that under socialism there will necessarily be markets, albeit markets of a different nature that I will call "socialist markets" (and I will carefully indicate their fundamental difference from capitalist markets); 7) then argue that notwithstanding that socialist markets are both necessary for socialism and different from capitalist markets, they will still represent barriers to the transition from socialism to communism; 8) finally discuss what will be necessary for the transcendence of socialist markets which is a necessity for completing the transition to a communist mode of production, which Marx indeed saw as a society without markets.

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I. Introduction

Historically, planning has been seen by Marxists as an essential and integral part of socialism. Three statements to this effect by prominent Marxists follow.

In the one volume of his life's master work, *Capital*, that Marx lived to see published, he wrote:

The veil is not removed from the countenance of the social life-process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control. (Marx, 1867, 173)

A bit over a decade later, Engels wrote

Only conscious organization of social production, in which production and distribution are carried out in a planned way, can lift mankind above the rest of the animal world as regards the social aspect, in the same way that production in general has done this for mankind in the specifically biological aspect. (Engels, 1873-82, 331)

Almost 100 years later Che echoed the same commitment to planning. Like Marx and Engels, Che understood that for socialism planning is not simply a superior way to coordinate an economy for greater output. More importantly, planning is an essential part of socialism in that it represents one aspect of humans becoming the subjects of their own history, that is, it represents one aspect of human self-development that is both the purpose of, and the essence of, socialism and communism.

... centralized planning is the mode of existence of socialist society, its defining characteristic, and the point at which man's consciousness finally succeeds in synthesizing and directing the economy towards its goal: the full liberation of the human being within the framework of communist society. (Guevara, 220)

A particular type of planning for a non-capitalist society was developed in the USSR 75 years ago, and then subsequently modified there and in various other countries up to 1991. It is this author's opinion that this original planning design had both aspects suitable for socialist development, and other aspects that were constructed deliberately as barriers to authentic socialist development, because authentic socialism would have threatened the privileged elite that arose in the USSR by the 1930s. For the purposes of this paper, however, no particular evaluation of the experience of the USSR is needed or attempted. The point for this paper is that those societies that today aspire to a transition to socialism need to develop some new method of planning for socialism – and not abstractly as they might want to optimally develop it, but they must create it in today's world which is economically dominated by the neoliberal form of capitalism.

There are many issues that need to be determined in creating a new model of planning for a transition to socialism. Among them are the issues of the balance of centralized and decentralized planning, and beyond that their integration, for they are not simply substitutes as is frequently presented, but they are also complimentary; the role of top-down versus bottom-up versus iterated up-and-down planning; the issue of the appropriate targets and instruments for both planning and control (i.e., the implementation of a plan); and many others. I maintain that at this historical moment, again especially given the world dominant neoliberal model of capitalism, the question of the appropriate role and nature of markets in a plan for building

socialism is one of the most important questions facing those who are trying to create the necessary new planning methods.

The purpose of this paper is to reflect on this issue of the appropriate role and nature of markets in the planned process of building socialism.

As many authors including this one have repeatedly stressed, it is methodological nonsense to say anything normative about socialism unless one indicates what one considers to be socialism's goals. There are many terms used to indicate socialism's central goal that all really indicate the same concept: (authentic) human development, development of one's human potential, the opportunity to develop human potential abilities or capabilities, becoming more fully human, development of one's species-being, or a simple phrase that Marx and Engels used a lot which for them indicated the same issue, achieving freedom.

The rest of this paper will be organized as follows. In section II I will discuss what a market is, and as part of the definition of what a market is, some of the things that all markets by their very nature do to people engaged in them. With that established I will then turn in section III to review Marx and Engels' position on capitalist markets starting immediately after the seizure of power by a workers' government and then during the transition to socialism. In the following section I will discuss their position concerning a fundamentally different type of market that they held would exist under socialism, which I will refer to as a socialist market, and carefully indicate how they saw this as different from a capitalist market. Section V will argue why Marx and Engels, at the same time that they argued there would be these non-capitalist markets under socialism, held that these markets were barriers to the further social transformation to communism. That position then leads to the obvious conclusion in the next section of how members of a socialist society whose goal of further human self-development drives them to work for a communist mode of production would have to relate to these non-capitalist markets in a socialist society. The penultimate section discusses transcending socialist markets. The final section concludes.

II. Markets – What They Are and What They Do

On the surface, markets are places where things that are considered equivalents are exchanged (goods, services, labor power for money, money for promises of future goods or services, and so on). Note that even this basic definition of a market rests squarely on what a market does. Markets of course indeed are that, but they are also much more – again, exactly because they do much more.

For the purpose of the topic of this paper, the aspect of markets that we are concerned with is that they are cultural institutions that dialectically shape the nature of the people who participate in them. On the one hand, they shape the character of the participants in ways that I will discuss, while on the other hand, the collective nature of the people involved in the markets, their institutions, culture, laws, and norms, shape the nature of the markets. Here my concern will be primarily with the former, the way markets shape their participants, but the latter is essential to understanding how in many (but not all) essential ways the socialist markets described by Marx and Engels differed from capitalist markets.

It is important to understand two opposing simultaneously existing characteristics of markets. On the one hand, there are characteristics common to all markets, which come out of their common nature as places where things considered to be equivalents are exchanged. Below I will describe a few of these characteristics that are important to the issue of transcending first capitalism and then socialism. But on the other hand, these exchange institutions are parts of larger social organizations, and as such they take on particular characteristics according to the nature of the society they are part of.

Karl Polanyi, in his master work *The Great Transformation* (1944) on the rise of capitalist markets, stressed the idea (and coined the now much used phrase) that markets are *embedded* in a given society, and their nature will be partly determined by the nature of that society. Not all markets are capitalist markets – capitalist markets are very particular markets, markets embedded in a capitalist society and which therefore take much of their nature, much of how they operate, from the nature of capitalism.¹ Engels was making the same point when he ridiculed Dühring for trying to explain the crises of modern capitalist markets by describing imaginary crises on the Leipzig book market. He made a colorful analogy to a ‘storm’ as not simply a given thing, but rather as a very different thing depending on its context. Engels compared Dühring’s treatment of markets as all alike, independent of the system they are part of, to describing “a storm on the ocean by the storm in a teacup.” (Engels, 1878, 372). We will see that Marx described markets embedded in socialism, markets that did not involve commodity production (the production of goods under the direction of capital for the purpose of securing surplus value or profits), and markets which were controlled in their operation by social planning. As such, these clearly were fundamentally different from capitalist markets, though we will see they still had certain characteristics that all markets have, that were barriers to transcending socialism.

We now return to flesh out the claim that all markets share some characteristics that come from their nature as places where things considered to be equivalents are exchanged, regardless of what mode of production they are embedded in. Conservatives have long praised markets for the following characteristics, common to all markets:

i) one *need* not care about or even know the person one is dealing with. Hence markets reward and strengthen indifference, lack of empathy and anonymity. Recall Adam Smith’s famous example of the Butcher and the Brewer;

ii) decisions to buy, sell, work or hire are made by individuals. Hence markets reward and strengthen a false humanly disconnected Robinson Crusoe sense of individuality (as opposed to an authentic social individuality that requires skills of social communication and social decision making);

iii) people need only a minimum of information to function in markets, essentially the price of the good and the prices of some close substitutes. Hence markets reward and strengthen a partial and incomplete understanding of the economic system (and extended from that, the social system) that people are part of;

iv) markets do not rest on either commitment by the buyer or seller, or human trust, and so markets reward and strengthen successful deceit and betrayal;

But all these human traits that markets reinforce are exactly the opposite of what a more human socialist society that could foster authentic human development would reinforce. Socialists have long argued the following are important for socialism and its goal of human development:

i) humans are collective beings by nature, not only in their production but in their very essence – how they learn, how each individual becomes what she becomes, etc. Marx referred to this as our species-character. Having empathy and feelings of solidarity for others (which requires as a prerequisite that one know who one is interacting with in life), is essential to the socialist vision of a future non-alienated society;

¹ There is an important difference concerning markets in capitalism from markets in previous modes of production. Capitalist markets are central to the reproduction of capitalism itself while a market in a feudal or slave society or even in primitive communism was peripheral to the main reproduction of the productive system. This important observation does not, however, negate the claim made here concerning the character of markets reflecting the mode of production they are embedded in.

ii) in line with our inherent human capacities that define what is involved in developing our humanity, authentic human development requires having collective control over all aspects of one's existence ('the realm of freedom'). The skills of group communication and collective social decision making are necessary for the authentic human development that is the goal of socialism;

iii) to collectively control one's social environment, for example the economy, society needs to understand how it functions. Notice this is a long standing difference between defenders of markets and socialists. For the former, it is a virtue that one need only know a few prices, and then via the non-understandable process referred to as the 'invisible hand' everything will work out well, in fact better than if one tried to understand the complex system and act to control it for the good of humanity. Socialists to the contrary not only believe that humanity has the ability to understand the economy it lives in and control it for its benefit, but beyond that, they hold that such understanding is a part of the never ending process of developing our humanity. Socialists adhere to the Enlightenment idea that humans have the ability to continually come to understand more and more about both the physical and social worlds we live in, and further that it is exactly this that makes us distinctly human;

iv) while humans are in their essence collective beings, capitalist ideology and to some extent capitalist practice hide our collective nature. Commitment and trust are both part of our authentic collective essence, and furthermore are necessary for us to see through the capitalist obfuscation and recognize our species-nature.

For the purposes of this paper then, we see that markets condition market participants. In particular, the human traits that markets reinforce, which capitalist advocates of markets promote as their strengths, are exactly the opposite of the traits that socialists hold as the traits that would be part of an authentic development of today's humanity.

III. Socialism and the Necessary Withering away of Capitalist Markets

It is well known that as early as the *Communist Manifesto*, Marx and Engels advocated, *as a process*, the end of capitalist markets and hence commodities. This implies that Marx and Engels recognized that when a workers' government first took power it would face an economy still dominated by capitalist markets and commodity production. They then laid out what such a government should do about these capitalist markets. The first step was "to raise the proletariat to the ruling class, to win the battle of democracy," and then

[t]he proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class ... (Marx and Engels, 1848, 52)

The phrase "by degrees" (hence a "withering away," not an abrupt elimination) was not a minor insertion, but rather central to their vision. They continued, that the transformational process would have to begin with "inroads on the rights of property and the conditions of bourgeois production," (ibid.) (again, "inroads on" and not an abrupt elimination of), and then being even more specific, that it would occur

.... by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order, and are unavoidable as a means of entirely revolutionizing the mode of production. (ibid.)

So it was to be a process, the first steps of which in themselves seemed so weak that they seemed inadequate to effect a transformation, but which launched a process whose logic kept leading to further and more profound transformations. Again, finally, there was to be a process of “[e]xtension of factories and instruments of production owned by the state.” (ibid, 53) The point is not that there would not be appropriation and seizure of bourgeois property, there indeed likely would be. The point was that it was to be a process over time so that the result was a withering away of capitalist markets and property as the ability was developed to replace them by social production, not an abrupt elimination of them.

So capitalist markets were to wither away in a process of the transformation of production to state production, which as we saw in the opening of this article, was to run that production using social planning. In 1878 Engels described this transformation’s socialist significance. I will cite this quote at some length because it so clearly expresses why transcending capitalist markets is so essential to socialism – again, as stated above, not (just) because of the issue of material output, but more importantly because of its essence in the human transformation that in turn is the essence of socialism and communism.

The seizure² of the means of production by society eliminates commodity production and with it the domination of the product over the producer. The anarchy within social production is replaced by consciously planned organization. The struggle for individual existence comes to an end. It is only at this point that man finally separates in a certain sense from the animal kingdom and that he passes from animal conditions of existence to really human ones. The conditions of existence environing and hitherto dominating humanity now pass under the dominion and control of humanity, which now for the first time becomes the real conscious master of nature, because and in so far as it becomes master of its own social organization. The laws of man’s own social activity, which have hitherto confronted him as extraneous laws of nature dominating him, will then be applied by man with full knowledge and hence be dominated by him. ... It is only from this point that that man will himself make his own history fully consciously, it is only from this point that the social causes that he sets in motion will predominantly and ever increasingly have the effects he wills. It is humanity’s leap from the realm of necessity into the realm of freedom. (366-7)

This paper will only in passing touch on the issue of so-called “market-socialism,” to the extent that a critique of the concept flows from the discussion above. Theoretically, the establishment above in this paper that achieving socialism (not only communism) requires the withering away of capitalist markets and commodity production, and requires that they be replaced through a process of the social appropriation of the means of production that are then regulated by social planning, makes clear that one cannot base a process of transition to socialism on the increased use of capitalist markets. In practice, recent careful studies of Vietnam and China, who claim to be building “market socialism,” make clear that the social structure there is not consistent with the discussions on what is necessary to build socialism by Marx and Engels that we have considered above. For one outstanding concise treatment of this issue (there are others) from a Marxist perspective, see Hart-Landsberg and Burkett, *China and Socialism. Market Reforms and Class Struggle*. (2005)

IV. Socialism and the Necessity of Socialist Markets

² Engels also referred to the seizure on the preceding page as “the social appropriation,” as we saw above he and Marx also thought of it in the *Manifesto*.

Along with all of the above concerning the necessity of the withering away of capitalist markets and commodity production as an essential aspect of building socialism, Marx also wrote the following very clear statement of the necessity of a different type of market under socialism.

Accordingly, the individual producer receives back from society – after the deductions have been made – exactly what he gives to it. What he has given to it is his individual quantum of labor. For example, the social working day consists of the sum of the individual hours of work; individual labor time of the individual producer is part of the social working day contributed by him, his share in it. He receives a certificate from society that he has furnished such and such an amount of labor (after deducting his labor for the common funds), and with this certificate he draws from the social stock of means of consumption as much as costs the same amount of labor. The same amount of labor which he has given to society in one form he receives back in another. (Marx, 1875, 323)³

Marx clearly here describes a market, an institution where goods produced by one labor are exchanged for goods produced by other labor (here through the use of labor certificates). What is key to the functioning of these markets, however, is that they are embedded in socialism, and socialism as we have seen above necessarily has regulated planned production (to meet human needs). Further, in socialism the participants are conscious of the social processes they are part of and collectively control them. Both of these are exactly the opposite of conditions under capitalist markets. In line with the discussion above about markets being embedded in a given broader social structure and taking some of their characteristics from that, it is appropriate to call these markets described by Marx “socialist markets,”⁴ to distinguish them from capitalist markets, feudal markets, and so on.

V. Socialist Markets as Barriers to Communism

At the same time that Marx described how socialism as a stage in the process of the transition to communism would necessarily entail socialist markets, he was clear that these socialist markets constituted a barrier to the process of transition from the capitalist to the communist mode of production. He introduced the discussion cited above of these socialist markets with the following.

What we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capitalist society; which is thus in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society from whose womb it emerges. (ibid.)

Socialist markets are “stamped with the birth marks of the old society” and thus represent barriers to the further transition to communism in three fundamental (related) ways.

1) Socialist markets have a contradictory nature in developing the qualities that humans must have for a functioning communist mode of production. On the one hand, a number of the institutions that are *associated with* socialist markets, in particular those of planning and

³ This passage by Marx is his best known reference to his vision of these future socialist markets, but not the only one. For example, he offered exactly the same system of distribution according to contributed labor time a decade earlier in his master work *Capital* as one way for the division of output by an association of free men. (Marx, 1867, 172)

⁴ Marx never gave any name to this institution or practice, he just described it, in a number of places.

enterprise collective self-management, further the development in the producers of empathy, solidarity, commitment, trust, social communication, and social collective decision making. In short, these *associated institutions* in socialism help people develop the human qualities and abilities necessary to become for the first time the subjects of history. On the other hand as discussed in section II, the exchange process *in itself* that is part of socialist markets leads to an atrophy of exactly all those qualities and abilities just enumerated, which are necessary for humans in a communist society. In this way these socialist markets form a barrier to humans becoming the subjects of history, a barrier to the transition to communism.

2) In addition to the atrophying of the list of qualities and abilities just discussed, section II also indicated that markets tend to obfuscate an *understanding* by participants of the true functioning of the society they operate in. Socialist markets based on the exchange of one person's labor for the goods created by an equal amount of social labor create the illusion of the system being simply a system of exchange by individuals. Socialist markets hinder the development of an understanding of the fully social nature of production, not just as the sum of the productions of the individuals involved, but rather as a social totality much greater than that exactly because of the social and cooperative nature of human labor. Since humans are social beings and their labor is social labor, in any human society all the various individual labors performed can only be fully understood as parts of the total social labor performed, and likewise the many labor-powers that perform those labors can only be understood as part of the total single social labor force. Marx and Engels' vision of the socialist society as an association of free producers required that the members of the society understand this. "Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labor-power in full self-awareness as one single social labor force." (Marx, 1867, 171).

This lack of a full understanding of the true social nature of production is a barrier to the further transition to communism in two ways. First, we have seen that an understanding of their social structures by the participants is considered an essential aspect of socialism in itself, part of humans becoming more fully human.

3) There is a second way that this lack of understanding of the fully social nature of production and life blocs the transition from socialism to communism. We saw above that these socialist markets are based on the "exchange of equal values." (Marx, 1875, 323) This in turn rests on a concept of "*equal right* [which] here in principal [is still] *bourgeois right*." (ibid., 324) In socialist markets this concept of equal right involves an equal right to the proceeds of labor of equal "duration or intensities of labor, otherwise it ceases to be a standard of measurement." (ibid.) But by recognizing that equal right one necessarily "tacitly recognizes unequal individual endowment and thus productive capacity as natural privileges." (ibid.) To say this another way, this process of equally measuring the labors of workers itself consists of considering them "regarded *only as workers* and nothing more is seen in them, everything else is ignored." (ibid.) All the other aspects of their humanity, that on the one hand make all sorts of other contributions to society as a whole and on the other hand are what constitutes them fully as humans, are not taken into account. And that includes in particular, when one is talking about the distribution of the socially created total social product, *their needs*. Some of these needs are just parts of their person that they are born with (more health care needs, more education needs, etc), while others are needs they have because of things they are doing with their lives which are things that enrich their human existence, or even contribute to the perpetuation of society. "Further, one worker is married another is not; one has more children than another, and so forth. Thus with equal performance of labor, and hence an equal share in the social consumption fund, one will in fact receive more than another, one will be richer than another, and so on." (ibid.)

For Marx and Engels this issue of the concept of right that underlay the society was an essential distinction between socialism and communism. “In a higher stage of communism the narrow horizon of bourgeois right [can] be crossed in its entirety and society inscribe on its banners; From each according to his ability, to each according to his needs!” (ibid., 325) Socialist markets then, which are based on the concept of equal right and reinforce it, are barriers to achieving the higher concept of right based on need that is the necessary concept of right for the communist mode of production.

VI. Resolution of the Intrinsic Contradiction of a Socialist Market

In a short paper presented in May, 2006, to the 3d International Conference on the Work of Karl Marx and the Challenges of the 21st Century in Havana, Michael Lebowitz (2007) considered this same issue of Marx’s discussion of this barrier to the transition to communism presented by socialist markets, what those barriers did *not* mean for that transition, and what had to be done concerning them. While he never used the term ‘socialist markets’ that I have used in this paper, (part of) the heart of his paper was a discussion of Marx’s discussion in “The Critique of the Gotha Programme” of what followed from the private ownership of the means of “the personal condition of production, labor-power.” As discussed above, this implies bourgeois right which is equal right (“although principle and practice are no longer at loggerheads” (ibid., 374) in regards to equal right as they are under capitalism), and that implies the exchange by each worker of his social labor for socially produced goods embodying an equivalent amount of social labor, a process which is the socialist markets I discussed. Lebowitz and Marx described all this as a *defect* from the perspective of communist society, which I have preferred to call a *barrier*. I think this expresses better its role in blocking the social dynamic and does not just indicate it as a shortcoming (but nevertheless it refers to the same issue). Lebowitz then made two related points. First, this defect or barrier of private ownership of labor-power or socialist markets is inherently contradictory with another characteristic of socialism, the common ownership of the means of production. Such contradictions imply an unstable social formation, and over time that contradiction would tend to resolve itself by either going forward to the socially consistent communist mode of production or backwards to the socially consistent capitalist mode of production. The second point (and really the political motivation for his paper) was that if one accepted the defect or barrier and even talked about building the future communism on it, one would actually end up instead building the basis for a return to capitalism. One does not build the future society on relations that are defects from its perspective, one does not transcend a barrier to building a future society by accepting it as insurmountable, or even worse, one does not transcend a barrier by declaring that it is not a barrier but rather a consistent part of the future society.

And that takes us to the point of this section, what has to be done about this inherent barrier in socialism to the transition to communism.

When you consider these brief notes {“The Critique of the Gotha Programme” – A.C.}, however, in the context of *Capital*, the *Grundrisse*, the earlier works and the dialectics of Hegel, it is clear that Marx understood that, rather than building upon its defects, the point is to *struggle* against them. When you build upon the defects inherent in the old society, rather than building the new society, you are *strengthening* the elements of the old society. (Lebowitz, 485)

And what concretely would this struggle consist of? One can give a general answer, since what is involved is social change and we know the general nature of social change from history. For Marx a struggle for social change consists of two dialectically related components – a

struggle to change the institutions people live under and the relations among people, and a struggle to change the consciousness of the people involved in the process, that is, to change the realized social nature of people themselves.

This need to simultaneously and dialectically change the institutions and human relations on the one hand and people's consciousness on the other has long been understood and written about by (many) people struggling to transcend capitalism. My concern here is to indicate that the same process will be needed to transcend socialism, to continue the movement from capitalism to communism beyond socialism. And this is a particularly important issue to think about *today* for any country that has overthrown the political power of capitalism and has a government committed to building socialism, even if it has not reached that goal of socialism which itself involves a lengthy process of change. The reason it is important already before achieving socialism is that such a country is engaged in building alternative institutions to capitalist institutions (and changing relations among people and changing their consciousness), and if they build their new institutional structure on institutions that reinforce instead of weaken capitalism, clearly that will break the dialectical logic of the joint transformation of institutions, relations and consciousness that is necessary for a continual process of transformation to socialism and then on to communism.

So even before achieving socialism, and recognizing as Marx did that socialist markets will be a part of socialism, one should be struggling against those socialist markets as the precursor to the struggle to move from socialism to communism. As always, that will involve struggles concerning institutions, relations among people, and consciousness. Concerning institutions, some institutions, by the nature of their product or by the nature of the welfare concept of social democracy, already *partially* function on the base of need even under capitalism. Free public education (one of the demands of Marx and Engels in the *Manifesto*) is one example of such an institution. But notice that exactly because this free education is embedded in capitalism it only partially addresses humanity's need for self development. Capitalism has instituted it because for the last few hundred years it has needed workers with a basic education. For capitalism, free education is offered as part of its profit drive. Education under capitalism is something that both does serve the workers in their struggle for self development, and at the same time is limited in how much it serves them specifically because it is aimed at giving them skills needed for modern production and not skills like critical thinking, authentic social analysis, group decision making, and so on. This is actually the underlying tension that gave rise to the broad struggle in education in the advanced industrial countries in the 1960s and 1970s for a humanist advanced education, one aimed at developing people, instead of one aimed at preparing them for jobs in capitalist society. The struggle was beaten back (but never completely crushed) along with most other progressive struggles in the advanced industrial world with the rise of neoliberalism. Our concern with the issue here, however, is that this is the type of institution that one could most easily struggle for under socialism to extend into an authentic need-based institution, to begin to introduce that as the governing criterion for the development of social institutions.

The same is true of free universal health care, in concept based on need, which is both seen by capitalism as serving its profit purposes⁵ and something won by workers in social struggle. Again, it is under partial attack in most advanced industrial countries, and a struggle is needed today to defend it. But my point here is that under socialism there will need to be a struggle to extend this to the socially decided optimal level (more doctors and more facilities in

⁵ And in general correctly seen that way by capital, as witnessed by the tremendous cost to capital in general in the United States from not having such a system, with only a few particular branches of capital benefitting greatly from its absence.

most cases), and to eliminate all options of paying more for better treatment, so that it becomes an entirely need-based institution, and people come to understand all of health care (not just the state component of it) that way.

Moving to new institutions, one could struggle for an entirely free public transportation system, where people could use it as needed, and make an easily understandable argument that it was necessary as part of the solution to our socially created environmental problem. And of course the payment for this, just like education and healthcare, would come from the social deductions that Marx spoke about that occurred from what each person produced, before they received their labor certificates for the remainder of what they produced.

The idea would be to extend this process, piece by piece of production over an extended period, to eventually cover the entire social production.

There is one final thing to mention. Critiques of such a system have long argued that people would have no motivation to work, to produce. Of course under socialism with its socialist markets, this issue does not arise – if one wants to consume anything beyond what is already provided free and collectively, one can do so only by contributing to social labor. But for the communist transcendence of socialist markets, people indeed would need to have a different attitude toward work. Marx and Engels referred to this on a number of occasions:

... after labor has become not only a means of life but life's prime want (Marx, 1875, 324)

A communist transcendence of socialist markets can indeed only occur when there has been a simultaneous transformation in the nature of work and people's attitude toward work, so they come to see the now more humanized jobs as activities they pursue not in order to meet their material needs (since those are already guaranteed), but rather as activities they pursue to develop their potential abilities, to develop themselves more fully as human beings.

VII. Conclusion

Marx and Engels described the process of the withering away of capitalist markets and commodity production as an essential part of the process of transcending capitalism. Bit by bit production would change from capitalist production to socially planned and controlled production whose goal was meeting human needs. They described in their writings, however, a non-capitalist, non-commodity type of market that would exist under socialism. This involved the exchange of one person's contribution of social labor to society for goods produced by society that embodied the same amount of social labor. But while those markets were not capitalist markets, and being embedded in a socialist society they were connected to institutions such as social planning and enterprise self-governance that represented essential advances toward communism, they nevertheless had to be transcended as part of the process of building a communist mode of production. That transcendence would consist of a struggle by society to transform both the institutions and relations involved in those socialist markets, and the consciousness of the members of society. Above all, to construct communism it would be necessary to be conscious of the fully social and collective nature of human production (still partly obfuscated by socialist markets). This in turn would support the social transcendence of the principal of the exchange of equivalents that underlies socialist markets and its replacement with the principal of 'to each according to his needs' that is an essential component of the communist mode of production.

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