

foreign policy toward Cuba: evolution of American global agenda and perceptions on the impact of the blockade and other aggressions on Cuban socioeconomic reality. If there is some rationality in U.S. policy considering its current failure, it is possible to expect some adjustment, especially after 2008.

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## **Reconsideration on the Theory of Surplus Value**

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**Abstract:** The founding of the theory of surplus value is Marx's epoch-marking achievement. Marx thoroughly ascertained the "relationship between capital and labor" and revealed the real source of surplus value. However, in both theory and practice, people tend to look on surplus value as a special historical phenomenon of capitalism, which is harmful to China's improvement and development of prospering socialist market economy. This paper makes an initial examination and reconsideration on the theory of surplus value.

**Key words:** surplus value; commodity economy; market economy

The theory of surplus value is the second gifted discovery of Marx's scientific theories. The founding of this scientific theory marks "It spread the clear light of day through economic domains". The theory of surplus value has become the core content revealing capitalist relations of production and its law of motion in the Capital. Just on account of this, people have had many misunderstandings and deviations in their cognition toward the theory of surplus value. In their view, since the theory of surplus value created and employed by Marx is built on analyzing and criticizing capitalist economic base, surplus value should only exist in capitalist society and it is just a special historical phenomenon

in evil capitalist society. The nature of surplus value has only embodied the exploiting relations of capitalism, so surplus value cannot or should not exist in socialist society. Such kind of misunderstandings and deviations in cognition must be examined and reconsidered in the condition of socialist market economy.

## **I. Scientific Research Method is the Foundation for Creating the Theory of Surplus Value**

Prior to Marx, the classical political economics in England had made enlightening research on the theory of surplus value, but the researchers were either limited by historical conditions or limited by their defective research methods. They could only research various kinds of forms of surplus value such as profit, interest and rent, so they were not able to create scientific theory of surplus value. The research methods of Marx's political economics are mainly materialist dialectics and the method of ascent from the abstract to the concrete. The founding of Marxism, especially the founding of materialist conception of history, has provided scientific methodology in the study of social and economic phenomena and thus people can find "origin of history" in the production of material goods. Materialist dialectics is a fundamental method in the study of Marxist political economics and it is the basic methodology of revealing the law of motion of capitalist mode of production. As a doctrine of the general law on nature, society and thought, the materialist dialectics studies the law of motion of capitalist mode of production starting out from the socioeconomic phenomena of objective existence. On the basis of scientific epistemology, Marx concretely and outstandingly carried out his theoretic construction of political economics by employing the method of ascent from the abstract to the concrete. The method of ascent from the abstract to the concrete refers to the method of economic motion reproducing reality in the logical construction of the theory. Disregarding the concrete forms such as profit, interest and rent, Marx studied and analyzed the capitalist expansion of value, namely, surplus value, from abstract and general forms. In this way, Marx brought out other categories of political economics from the abstract economic category of surplus value. He concretely analyzed the nature of surplus value and thoroughly revealed the secret of bourgeoisie exploiting the workers. The method adopted by Marx is of great significance, which is mainly embodied as follows:

First, thoroughly reveal the nature of surplus value through the concrete characteristics of labor. The surplus value is created by the workers in the surplus labor time and it is the materialization of surplus labor. Marx remarks in the *Capital*: "If we are to understand value in general, it is of supreme importance that we should learn to regard it as a mere congelation of labor time, as nothing more than materialized labor." (Karl Marx, *Capital*, Vol.1). According to the above statement, firstly, Marx thinks value is homogeneous human

labor congealed in the commodity. Now that surplus value is created by the workers in the surplus labor time, the connotation of surplus value is consistent with homogeneous human labor congealed in the commodity. Apparently, the nature of surplus value is congelation of homogeneous human labor in the surplus labor time and it is materialized surplus labor. Secondly, Marx scientifically revealed the origin of surplus value and this issue is extremely important. Marx himself also remarked that the cognition on the origin of surplus value is of supreme importance in understanding surplus value. In the process of commodity production, the workers' labor time must exceed the necessary labor time necessary to the labor power value. If there is surplus labor time, the surplus value exceeding labor power value can be produced and capital expansion can be realized. Otherwise surplus value will not be created, advanced capital will not be expanded and the whole production activities will not sustain.

Secondly, correctly analyze the essence of capitalist production through the nature of surplus value. By understanding the nature of surplus value, Marx thoroughly revealed the secret of capitalists exploiting the workers in the capitalist system and disclosed the nature of capitalism---unlimitedly extracting surplus value from the workers. This is also the most profound and merciless criticism on the capitalist system. In the capitalist society, surplus value embodies the undisguised exploiting relations between the capitalists and the workers. Marx comments: "It is the employing capitalist who immediately extracts from the laborer this surplus value, whatever part of it he may ultimately be able to keep for himself. Upon this relation, therefore between the employing capitalist and the wages laborer the whole wages system and the whole present system of production hinge." (Wages, Price and Profit, Selected Works of Karl Marx and Fredrick Engels, Vol.2) On this basis, Marx explored the two basic forms of surplus value, namely production of absolute surplus value and production of relative surplus value. Marx points out, "Production of surplus value is the absolute law of this mode of production." (Collected Works of K. Marx and F. Engels, Vol.2) Marx's analysis of this law revealed the nature of capitalism and the essence of complex social phenomena.

Thirdly, "Profit, interest and rent" form a trinity and they are incorporated into the theory of surplus value. Marx's abstract and concrete study on the surplus value illustrates that the profit, interest and rent are all transformed forms of surplus value in that they embody different parts of surplus value. Except for their respective particularity, they cannot divorce from the generality of surplus value. Therefore, if one does not understand the origin and nature of surplus value, he will not be able to understand the real source of profit, interest and rent. As a result, the fact that Marx first studied the general forms of surplus value disregarding the concrete forms such as profit, interest and rent does not mean he neglects or weakens these concrete particular forms, but rather for the purpose of studying these concrete forms better and revealing the essence of capitalist production relations scientifically and accurately.

## II. Surplus Value is a General Category of Market Economy

The classic definition of surplus value in traditional political economics is expressed as follows: “Surplus value refers to the excess value above the value of the workers’ labor-power, which is created by the employed workers and appropriated by the employing capitalists without compensation. It has embodied the exploiting and exploited relations between the employing capitalists and the employed workers”. This classic definition is indeed a fact, but it is easy for people to have misunderstanding in recognition, that is, people tend to confuse the particular manifestation forms of surplus value with the essence of surplus value in the capitalist society. Under the conditions of capitalism, surplus value has indeed been possessed by the capitalist without compensation and it has indeed embodied the exploiting and exploited relations between the capitalists and the workers, but as is mentioned previously, the essence of surplus value is materialized surplus labor. The misunderstanding in cognition on the category of surplus value makes people have an illusion. In other words, surplus value seems to be exclusively employed to embody the exploiting and exploited relations between the bourgeoisie and the proletariat and it seems to be created by the employed workers only in the capitalist system. As a matter of fact, surplus value does not only belong to a special category of capitalism, but it is also a general category when commodity economy develops into the stage of market economy. We can reach such a conclusion: Both the workers under the conditions of capitalism and the workers under the conditions of socialism create surplus value. That is to say, any workers can create surplus value.

First, surplus value is a special category of commodity economy instead of a general category. The so-called special category of commodity economy means the special category that exists in the specific stage of commodity economy. By contrast, the general category of commodity economy refers to all the categories existing in all the stages of commodity economy. Here it must be pointed out that market economy is just an advanced stage of commodity economy. Market economy is commodity economy, but commodity economy may not necessarily be market economy. Only when commodity economy has developed to the stage of market economy can labor power become commodity. That is to say, only under the condition of market economy, can surplus value be created, because Marx thought, if there is no buying and selling of the labor power, “The commodity owner can, by his labor, create value, but not self-expanding value.”. Therefore, surplus value is a general category of market economy, but market economy is only a special stage of commodity economy. Therefore, surplus value is only a special category of commodity economy.

Secondly, as a general category of market economy, surplus value embodies the

relations of commodity economy but it does not embody the exploiting relation of capitalism. In Marxist political economics, the economic relations surplus value as an economic category embodies, mainly include the following three aspects: (1) Surplus value is created by the workers, but it is not created by the laborers in the usual sense; (2) The production of surplus value can only exist in market economy in which labor power becomes commodity and is based on the premise of alienation of labor power between ownership and use. (3) The production of surplus value is the result of buying and selling of labor power and it is the result of purchaser of labor power using the labor power. It has nothing to do with who is the purchaser of labor power and who is the seller of labor power. It can be seen from the above that surplus value does not embody exploiting relation but rather a commodity relation. As long as market economy exists, surplus value will exist, whether it is capitalist market economy or socialist market economy. Therefore, the idea that there is no category of surplus value in socialist market economy and that we should replace surplus value with “value of surplus product” or “value surplus” is not quite appropriate.

Thirdly, we cannot rashly regard the category used by Marx for analyzing capitalist mode of production as a special category of capitalism. Marx’s integration of the theory of political economics with theory history is an important characteristic of Marxist political economics. The revelation of law of motion of capitalist production and critique of capitalist economic system are the mission and tasks of Marxist political economics. These have been fully embodied in his great work *Capital*. As is known to all, the main research method of Marx’s political economics is to adopt the method of ascent from the abstract to the concrete. As a result, Marx always put forward an economic category in a general sense, which is used for analyzing and criticizing capitalist economic phenomena. In applying the category of surplus value, we shall not confuse the general category of surplus value with the particular forms of surplus value embodied in the specific social and historical conditions. Particularly, in analyzing and considering the related economic category put forward and employed by Marx, we shall never regard a series of economic categories of the general category of market economy as a special category of capitalism, artificially produce barrier in cognition and understanding and confine ourselves in thinking.

Fourthly, the appropriating subject and forms of surplus value embody the difference in ownership of means of production and social systems. As a general category of market economy, surplus value not only exists under the conditions of capitalist market economy, but also exists under the conditions of socialist market economy. What is the difference is that as the ownership of production of capitalist system is essentially different from that of the socialist system, the appropriating subject and forms of surplus value differ. The ownership of means of production is the foundation of the entire political and economic system and it plays a decisive role in the appropriating subject and forms of surplus value. The owner of the means of production is naturally the appropriator of surplus value and at

the same time, he also has the right to determine the mode of appropriation of surplus value, otherwise surplus value will lose its economic significance. Therefore, seen from the relations of production, the difference in appropriating subject and form of surplus value actually embodies the difference in ownership of means of production and social and economic system.

In capitalist society, the private ownership of means of production dominates all the areas of economic and social life and the means of production are owned by the bourgeoisie. Therefore, the appropriation of surplus value is inevitably manifested as gratuitous appropriation by the bourgeoisie and the mode of appropriation is inevitably to exploit maximally the workers by the bourgeoisie. However, we shall not take the special appropriating subject and forms of gratuitous appropriation by the capitalist for the general appropriating subject and forms of surplus value. As a matter of fact, surplus value is only the value form of surplus products and it is a kind of wealth represented with value. China is a socialist country in which the ownership of means of production is socialist public ownership and the laborers have common ownership toward means of production. Under the conditions of market economy, laborers cannot engage in production unless they transfer their labor power to legal entities with compensation and combine with many elements of market economy. As a matter of fact, this process has converted the laborers into compensated laborers, namely, workers. But as China's production ownership is based on socialist public ownership, the workers are not only creators of surplus value, but also appropriators of surplus value. This is determined by socialist public ownership and it is also the inexorable requirement of socialist public ownership.

### **III. Conclusion**

The founding of Marx's theory of surplus value is of supreme importance in that it correctly reveals the real source of surplus value, and thus discloses the secret of the bourgeoisie exploiting the proletariat in the present-day capitalism and illustrates the essence of evil capitalist system. However, in cognition and practice, we must thoroughly eliminate the cognitive mistakes, which is greatly conducive to constantly enriching and developing Marxism and enhancing the vitality and combat effectiveness of Marxism. As to how on earth we should scientifically understand the scientific theory put forward by Marx, through the above analysis, we can reach the following conclusion: First, surplus value is a general category of market economy. Surplus value exists in capitalist market economic activity and it is no exception in socialist market economy. Second, the appropriating subject and forms of surplus value are determined by the ownership of means of production, so the owner of means of production is inevitably the appropriator of surplus value. It is an objective fact that the buying and selling of labor power exists under the condition of

socialist market economy, but under the conditions of socialism, the means of production belong to all the people, so the workers are not only creators of surplus value, but also appropriators of surplus value. Finally, surplus value is materialization of surplus labor and congelation of surplus labor time, so it neither belongs to capitalism nor socialism. Therefore, the definition of surplus value in a general sense should be appropriately expressed in this way: Surplus value is the value created by the workers in market economic activity exceeding the value of their labor power.

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