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Thoughts of Developing Labor Theory of Value under the System of Socialist Market Economy

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Abstract: Developing Labor Theory of Value under the system of socialist market economy, we should develop Marx's Productive Labor Theory, extend the category of commodity, make a new explanation to the source of value and give a reasonable explanation to China's distribution system, in which distribution is given according to labour and input of factors of production.

Key word: socialist market economy development labor theory of value

Karl Marx revealed the operating pattern of capitalist way of production by choosing capitalism as research object and by applying labor theory of value and Marxist political economics based on labor theory of value. Under the system of socialist market economy, there is essential difference between socialist way of production and the situation Marx faced at that time. Marx's labor theory of value can't directly explain or answer all the economic issue under the system of socialist market economy. Therefore, thoughts of how to develop labor theory of value under the system of socialist market economy have important theoretical and realistic significance.

1. Developing Labor Theory of Value under the System of Socialist Market

Economy requires us to develop Marx's Productive Labor Theory.

One of the core concepts of labor theory of value is “productive labor”, which means the labor producing newly-increased value. If “productive labor” is defined correctly, the defining of source of newly-increased value will be correct. Therefore, theoretically defining “productive labor” under the system of socialist market economy is our primary task if we want to research socialist labor theory of value.

Marx defined two concepts from two point of view when studying productive labor. First, labor was divided into two broad groups from the perspective of whether material products were produced: one was labor that producing material product, the other was labor that didn't produce material product. The former is called material productive labor, and the latter is called nonmaterial productive labor. Second, based on capitalist production relationship, labor was also divided into two groups. One is productive labor, the other is nonproductive labor. Marx believed that productive labor must be connected with capital and could produce surplus value for the capitalist, otherwise it was nonproductive labor. There is no doubt that Marx's defining of productive and nonproductive labor from the perspective of production relationship is scientific. However, with the development of market economy, capitalist production relationship nowadays, compared with that of Marx's era, have changed a lot. There is also essential difference between productive relationship of China based on socialist market economy and productive relationship of Marx's era. Further more, fast development of productivity forces have led to the upgrading and updating of industrial structure, especially the progress of computer and internet technology and their wide application in many fields greatly changed the patterns of production. Under such circumstances, Marx's defining of productive labor can not reflect the new characteristics of production relationship at the present stage. Therefore, it is necessary to develop the productive labor theory of Marx.

Firstly, “productive labor” and “material productive labor” must be distinguished. For a long period of time, academic circle of china have equated productive labor with material productive labor, which wasn't in line with Marx's original intention and didn't take special social production relationship into consideration. Then, this so called “productive labor” can apply to all social formations, which lost the significance of defining socialist productive labor. When Marx defined the productive labor of capitalist society, he defined it from the perspective of whether or not labor process reflected the nature of production relationship of capitalist society, instead of material characteristics of fruits of labor. As long as labor process can reflect the nature of capitalist production relationship, we can call them productive labor regardless of they are material productive labor or nonmaterial productive labor. In the fourteenth chapter, first volume of 《The Capital》, Marx has mentioned “if an example can be made outside sphere of material production, a teacher can be called production worker only when he train the mind of students as well as working

hard to bring wealth to the school director. The school director invested his capital into education factory instead of sausage factory, which wouldn't make any differences." Marx has also mentioned "an actor, even he is a jack pudding, can also be called production worker as long as he is hired by the capitalist and the labor he paid is more than what he get from the capitalist in the form of wages." [1] We can see that Marx counted the labor of teacher engaging in material production and actor as productive labor, which means that Marx has distinguished capitalist production labor from material production labor. Therefore, when it comes to defining the productive labor under the system of socialist market economy, although we are not supposed to copy Marx's defining of capitalist productive labor, we can use his method. Corresponding with Marx's defining method, we should make socialist productive labor reflect the nature of socialist production relationship, so "socialist productive labor" and "socialist material productive labor" could be distinguished; the category of socialist "productive labor" can be extended based on "material productive labor".

Secondly, "productive labor" and socialist "production purposes" must be inosculated. Marx once indicated in the fourteenth chapter, first volume of 《The Capital》: "Capitalistic production is not only commodity production. It is actually the production of surplus value. Workers are not producing for themselves, but for the capital. Therefore, it is not enough for the workers to just produce. The worker must produce surplus value. He can be called "worker" only when he produce surplus value for the capitalist or serve for capital appreciation." Marx also said, "a female singer, who makes living by herself, is a nonproductive laborer, but if she is hired by a employer and works for the employer for living, we can call her productive laborer, for she produces capital." [2] What we can benefit from the above two paragraphs is that: the purpose of capitalistic production is to squeeze the surplus value. According to Marx, production laborer must produce surplus value for the capitalist, which inosculate capitalistic "productive labor" and capitalistic "productive purpose". We believe that socialistic "productive labor" must also be inosculated with socialistic "productive purpose" in order that the two "production" can be conformed. The purpose of socialistic "productive labor" is to realize socialistic "productive purpose", socialistic "productive purpose" wouldn't be achieved without socialistic "productive labor". As we all know, socialistic productive purpose is to constantly meet the growing material and cultural life of people. There are two kinds of needs: one is material life need, the other is cultural life need. The need of material life can only be realized by material productive labor, and the need of cultural life can only be realized by spiritual productive labor. Therefore, we can found out from the purpose of socialistic production that socialistic productive labor must include material productive labor and spiritual productive labor. If we just see productive labor as material productive labor, then the purpose of socialistic production should only be constantly meet people's growing material need, not including

people's growing cultural need. On the other hand, if we take "constantly meet people's growing cultural need" as one aspect of socialistic production, then the spiritual productive labor should also be included in socialistic production labor, because only material productive labor can't satisfy the need of people's cultural life. Although labor spent in the fields of television, radio, and computer is material productive labor, and the fruit of labor can also partially satisfy people's cultural need, people's cultural need isn't directly satisfied, but by the spiritual production of writer and artist and theoretical workers. Television, radio and computer are just tools and mediums for people to consume spiritual product. On the whole, if we just see productive labor as material productive labor, we are not able to answer what kind of labor can be used to satisfied people's growing cultural life need.

We now define socialistic "productive labor" as follows according to previous analysis: socialistic productive labor is the labor that can directly meet people's growing material and cultural need, including labor in industrial and agricultural field, labor of construction worker, farmer and administrator; Packing and storage labor in commerce department; freight labor in traffic department; labor of teachers in education department; labor of scientist, litterateur, all kinds of theoretical workers and art workers. Labors in tourism, health and medical community, hairdressing and beauty therapy, or repair service related to living and production.

2. Developing Labor Theory of Value under the System of Socialist Market Economy requires us to extend the category of commodity

The commodities studied in Marx's labor theory of value are material products; the value studied is the value condensed in material products; the value creation studied is the value created by the production department (first department and second department, including primary industry and secondary industry) of material products. Marx ascribed the value from nonmaterial production department to value delivery and reallocation. In Marx's era, tertiary industry was not developed and accounted for a low proportion, so it was reasonable to make the above treatment. However, situation of nowadays have changed a lot: the proportion of tertiary industry has been rising, the proportion of tertiary industry in china has exceeded 40%, the proportion of tertiary industry in some developed countries has exceeded that of primary and secondary industry. Therefore, if we don't admit the value creation of tertiary industry, there is no way to explain the source of modern social value, and the theoretical foundation for china's policy of developing tertiary industry will be lost.

Admitting the value creation of tertiary industry, the achievement of tertiary industry should be theoretically included in the category of commodities. This way, we can divide commodity into two kinds: tangible goods and intangible goods. We can also divide commodity into material goods and spiritual goods, based on dividing the productive labor into material productive labor and spiritual productive labor.

Goods produced by industry, agriculture, building industry (or other branches of material production) are traditional goods, which belong to tangible goods. For package of commercial department, the products produced by the labor of department of storage and transport, if these goods lose package and labor of storage and transport, their use-value will disappear, their value can not be realized, so they should be counted as goods produced by labor of package, storage and transport. Goods produced by teachers, scientist, writers, all kinds of theoretical workers and art workers are intangible goods or spiritual goods. Goods, produced by department of tourism, health and medical community, hairdressing, and repair service related to living and production, are intangible goods.

3. Developing Labor Theory of Value under the System of Socialist Market Economy require us to make a new explanation to the source of value

Marx's labor theory of value pointed out that labor is the only source of value, which implied that goods in exchange field are products of labor. However, in real world, there are various nonlabor products enter exchange field and become goods, which put Marx's labor theory of value into incompatible situation, such as wildlife in farmer's market, natural scenery of tourist market, various mineral resources in mineral exploration market. According to Marx's theory, the natural resources mentioned above are not product of labor (it will take mining and transporting expense to turn these natural resources into goods, which can be ignored comparing with their real value), and they have no value, therefore, they can't be called good, for goods must have value and use-value. Apparently, the fact that large number of nonlabor products becomes goods made Marx's labor theory of value must modify one of the two judgments: one is "labor is the only source of value", another is "goods must include value and use-value". The feasible way is to modify the judgment that labor is the only source of value, and admits nonlabor products have value. Otherwise, the judgment "value of exchange is the form of expression of value" will be contradicted: if nonlabor products don't have value, then what form of expression of the giant value gained from the nonlabor product exchange?

Denying the fact that labor products have value, labor theory of labor of Marx will be contradicted theoretically, moreover, people will be caused to robbery natural resources, damage the ecological environment, and obstruct sustainable development of economy.

If we want to admit that nonlabor products have value, it is necessary for us to make a new explanation to the source of value. I believe that the value of gross social product in specific period can be divided into three parts: the value of nonlabor product, value of materialized labor, and newly-increased value created by living labor. The judgment "labor is the only source of value" should be modified as "labor is the only source of newly-increased value". The value of nonlabor product can be counted by human labor in general. Whereupon, we have a new judgment here: labor is always the basis to measure the value of goods.

4. Developing Labor Theory of Value under the System of Socialist Market Economy require us to make a reasonable explanation to China's distribution system, in which distribution is given according to labor and input of factors of production

Under the system of socialist market economy, china have been carrying out distribution policy on the basis of labor, however, the object, by which a society can use to distribute, should only be newly-increased value created by labor. Since we have confirmed that labor is the only source of newly-increased value, then what is the rationality that owner of factor of production engage in distribution? The article believe the rationality for the factor of production engage in distribution lies in: factor of production is not only the material condition, but the precondition for creating value by labor, factor of production is the absorber for value created by labor, without factor of production, then labor can't create value. The logic here is: the owner of factor of production creates labor condition by offering factor of production, which generate labor, then the labor will create the value. Such being the case, laborer are not supposed to monopolize the value created by labor, part of which should be given to the owner of factor of production as reward for creating the labor condition, which can be seen as the realization of ownership of production factors and part of the value created by laborer purchasing the labor condition from the owner of production factors. The owner of production factors have the right to be rewarded based on the labor condition they created; the laborer can't ask the owner of production factors to create the labor condition for nothing. The price of labor production depends on scarcity of production labor and labor, and the negotiating ability between the owner of production labor and laborer.

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