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The exploration and findings of a new economics fan type — processing economics and the Labor Axiology under it. *Scientific Progress and Countermeasure*.2007-7.

The concern of philosophy on labor axiology — discussing with professor Zhang Huaxia about the duality of value. *Modern Philosophy*,2002-4.

A study on the adscription of property rights— on the developing rights of labor , *Luoja management critique*. 2008.

A New Perspective on the New Monistic of Living Labor Creating Value

——Based on Labor force Development Rights and Human resources Value

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Abstract: The new monistic of living labor creating value holds that “all non-material productive labor, directly related to the production and reproduction of labor power, that special commodity, can create value”. Proceeding from perspectives of property rights and value, the present paper, around intensive expanded reproduction of labor power, blends labor power development rights and human resources value into the new monistic of living labor creating value, thus is widened as that all non-material productive labor, directly related to the production and reproduction of labor power, that special commodity, can not only create value, but also sustain and upgrade human resources value. Human resources value is continuously absorbed and consumed by living labor during each accounting period. That is to say, it continuously transformed into living labor, so as to create value in the successive time distributions. The process has accumulative and multiple effects. This conclusion also illustrates the fundamental cause of complex labor creating more value from the perspective of micro mechanism.

Key words: the Marxist monistic of living labor creating value the new monistic of living labor creating value labor power development rights human resources value human resources accounting

Introduction

In the construction projects of contemporary Marxist political economics, Professor Chen Enfu from the Research Institute of Marxism in the Chinese Academy of Social Sciences is the key figure among the economists of Shanghai school, who have proposed

the “new monistic of living labor creating value”. As the logical development and innovation of the Marxism monistic of living labor creating value, the new monistic of living labor creating value is the mainstream viewpoint of various schools of Marxist Economics, which is widely acknowledged and supported. The new monistic of living labor creating value holds that “all non-material productive labor, directly related to the production and reproduction of labor force – a special commodity, can create value”.¹ According to this logic, the present paper blends the two concepts of labor power development rights² and human resources value³. Hence, the new monistic of living labor creating value is further widened into: all non-material production labor, directly related to the production and reproduction of labor power, a special commodity, can not only create value, but also sustain and upgrade human resources value. Human resources value is continuously absorbed and consumed by living labor during each accounting period. That is to say, it continuously transformed into living labor, so as to create value in the successive time distributions. The process has accumulative and multiple effects.

I Property Rights Economic Analysis of the Monistic of Living Labor Creating Value

1. Karl Marx’s Property Rights Economic Analysis on Labor power in the Classical Capitalist Period

Marx has done a property rights economic analysis on labor transaction in the Classical Capitalist Period. The labor means the process by which the capitalist consumes labor power and living labor creates value. Marx said: “Human labor force in motion, or human labor, creates value, but itself is not value.”⁴ While discussing the characteristics of these transactions, Marx explained: “The labor-process, as the process by which the capitalist consumes labor power, exhibits two characteristic phenomena. Firstly, the laborer works under the supervision of the capitalist to whom his labor belongs; the capitalist keeps the work done in a proper manner under his surveillance, Secondly, the product is the property of the capitalist and not that of the laborer, its immediate producer. For instance, a

¹ Chen Enfu, Ma Yan, Feng Jinhua. Innovation of Modern Political Economics. Shanghai People’s Publishing House. 2007, p96.

² Labor force development rights is that in the labor force property rights, which is a concept put forward by Wang Yumin and Yang Xianhua in 1997. Thereafter, they have done some relevant researches on theories from the philosophical general value theory, the rights structure of property rights to labor force property rights theory, and to resources accounting theory, and have preliminarily established the theoretical framework of labor force property rights based on labor force development rights.

³ Human resources value is the ability of human resources to create value in the future; it is the expected value scientifically forecasted by human resources accounting.

⁴ Marx. Das Capital. Vol. 1, People’s Publishing House. 1975, p65.

capitalist pays for a day's labor-power at its value.”¹ It is obvious that firstly, in the process of “consuming labor force”, there are two opposite transaction subjects, together synchronically controlling the object, labor power; but a general commodity transaction can be finished instantaneously and the object is consistently under the control of only one transaction subject. Secondly, to make sure that the transaction process goes through smoothly, the classical capitalist performs his management through his “supervision” and “surveillance”, which is a typical transaction of process. Thirdly, the outcome of transaction is that the labor of laborer belongs to the capitalist, so that the product is the property of the capitalist. The laborer obtains no more than labor power value that maintains the simple reproduction of his labor power.

Transaction in essence is the exchange of rights. Marx deems that labor process, from the perspective of property rights transaction, is mainly the exchange including rights of dominion and of use. Marx remarked: “The owner of labor power and the owner of money meet in the market, and deal with each other as on the basis of equal rights... The laborer must constantly look upon his labor force as his own property, his own commodity, and let the buyer dominate and use his labor temporarily, for a definite period of time. In other words, laborer does not give up its ownership while renouncing the rights of dominion and of use of labor power.”² Obviously, during the classical capitalistic period in which Marx lived, the labor process, from the perspective of property rights analysis, is essentially the process of the owner of the labor power renouncing his rights of dominion and of use in the property rights within a certain limit of time.

From the outcome of the operation and game of property rights, labor power becomes commodity under the classical capitalism. The owner of labor power possesses nothing except his own labor power and he can barely sustain the reproduction of his labor power; while the other participant of the transaction—the capitalist, has the advantage of possessing the means of production and subsistence as well as other information and rights. It is this restraint of the initial condition of this game of property rights that leads to serious unequal outcome. Laborer is subjected to the subordinate position. The income of the exchange of labor force property rights stands for that the capitalist purses interminably surplus value and that laborer only gains the minimum subsistence to maintain or simply reproduce his labor power. The characteristics of the outcome of the exchange of labor-power property rights are: labor power becomes commodity; “the value of labor force puts itself together into the value of a definite quantity of the means of subsistence.”³ And that the value and price of labor-power gradually declines as the labor productivity increases bit by bit, “thus the abyss between the position of laborer and that of the capitalist

1 Ibid, p209-210.

2 Ibid, p190-191.

3 Ibid, p195.

would keep widening.”¹ These are important conclusions from Marxist labor value theory. The quality of labor force is developmental and he believes that in order to become professional and advanced labor force, certain education and training is indispensable, and equivalent of commodity must be consumed, but “the expenses of this education is excessively small in the case of ordinary labor-power.”² The theoretical abstraction of “excessively small” is negligible. Therefore, Marx summarized labor-power value into the value of certain amount of means of subsistence. He also mentioned the development expense of labor force, but deliberately pointed out: “these two factors are put aside in the following research”,³ one of which is the development expense. With the abstraction of the developmental attribute of labor force, there is only the exchange between the rights of dominion and of use of labor force, which not only accords with the historical conditions, but also conforms to the theoretical research law.⁴

2. Property Rights Economic Analysis of Labor Value Theory Based on the Labor force Developmental Rights

With the advance of social economy, the continuous development of labor force becomes more and more evident and even has the tendency of acceleration in the modern society. The developmental attribute of labor force has entered the field of labor force property rights theory. According to the logic of Marxist Theory, which introduced the concept of labor force development rights⁵, modern enterprises need not only to maintain or reproduce labor force, and more importantly, to develop or expanding reproduce labor force, therefore, in the formation of labor force value they must take the means of development and even part of the means of enjoyment into consideration. In this way, the traditional living labor creating value theory, under the property rights economic analysis, has a new interpretation and development.

(1) The developed labor force property rights theory still sticks to the point that living labor creates value and that labor is a transaction of process, not only a transaction of factor⁶ Marxist political economics differentiates labor force from labor. Labor force is a factor, accordingly there are the concepts of labor force commodity and labor force market; labor is a consumption process of labor force, therefore, is a process. Only labor (that is a process) creates value. But there is interaction between labor force factor and process, labor force is a product of the process, “labor not only creates material wealth, but also creates

1 Ibid, p571.

2 Ibid, p195.

3 Ibid, p567.

4 Wang Yumin. “Upholding and developing Marx’s thoughts of Labor force Property Rights.” In Economic Review Vol. 4, 1998.

5 Wang Yumin, Yang Xianhua. “On Labor force Development Rights in Labor force Property Rights” In Economic Review Vol. 2, 1997.

6 Wang Yumin, Yang Xianhua. “Probe and Discovery of a New Economics Paradigm: Process Economics and its Labor Value Theory.” In Science & Technology Progress and Policy. Vol. 7, 2007.

human himself”; while labor force increases and develops in the process of laboring. But traditional Marxist economics explicitly abstracts the developmental attribute of labor force; while traditional western economics simplifies labor into the factor category, which is a state of time point. Modern western economics model also simplifies it in the same way. However, in the non-mainstream western economics, some economists, applying the mode of factor thinking, divide the labor force market into internal labor force market and external labor force market, which demonstrates that they have sharply observed the different transaction rules in the two markets. And now, as above, we believe that the external market is factor market and the internal market is process market. Therefore, the issue of labor transaction is fairly complicated, having both factor attributes and process characteristics; the transaction rule of factor emphasizes restraint, while the transaction rule of process needs both restraint and encouragement. The transaction of process, an irreversible, uncertain, and complex transaction with high degree of risk, requires the coordination of assurance and guarantee systems and option system to exert relatively high transaction efficiency.

(2) In the rights structure of labor force property rights, in addition to the rights of dominion and of use, the development rights of labor force can also be transacted. The owner of labor force, within a certain limit of time, renounces its development rights to employer. Together, the laborer and employer develop and enhance the labor force. Developed and enhanced, the high-level labor force, combined with the corresponding means of production material, will create more new value in the future, and both the two participants of transaction have the right to obtain more rights and interests of property. In fact, the real process of modern enterprises consuming labor force is a process, where labor force is consumed while continuously developed. This dynamic process is divided into two processes, processes of dominion-use and of development. The two processes operate alternately or overlap with each other, such as the processes of “learning-by-doing” and on-the-job training. As can be seen that the development right of labor force is a right splitting off from the rights of dominion and of use of labor force¹, and it is one of the significant characteristics of labor force property rights, by which it is distinguished from other wealth property rights. The other characteristic is that the ownership of labor force can not be transacted. While doing research on property rights, we should attach more importance to the rights of behavior, to which the development rights of labor force belong.

(3) “With the introduction of the labor force development rights, the transaction process both labor force property rights and labor force commodity becomes more complex; labor force value is manifested as a dynamic process where value is continuously increasing.

1 Wang Yumin, Yang Xianhua. “On Labor force Development Rights in Labor force Property Rights” In *Economic Review* Vol. 2, 1997.

Labor force becomes capital.”¹ That is to say, “the value of labor force has a time distribution, that present value and expected value ; the income of laborer is represented as: contract wages + development wages, wherein the contract wages are determined by the external market of the enterprise while the development wages are determined by the internal market of the enterprise. The development wages includes ability wages, seniority wages, post allowance, longevity pay, bonus, dividends on labor and stock option, etc. ”² It is not what the factor theory or production theory of western economics explains as the time point transaction value, namely, the price of labor the laborer obtains – contract wages. From the perspective of the new labor force property rights, it is easy to understand the complex labor income structure in the real economic life: monthly wages, ability wages, qualification wage , post allowance, seniority wages(longevity pay,), bonus, dividends on labor and stock option, etc; and it is not difficult to understand that laborer sometimes attaches more importance to the growth opportunity and the working environment while choosing a company.³

Owing to the existence of the development rights of labor force, the subject of property rights must seek for the realization degree of the development rights from two aspects, one is to economically pursue development wages, and the other is to seek for growth opportunity, meanwhile, participate in the enterprise management rights and residual claim. As a result, in the internal labor force market, the development rights and the rights of enterprise capital start a game. The development rights, at different realization degree, arrive at innumerable balance with the capital rights. In other words, a history of the liberation of laborers is a history of the augmentation of the realization degree of the development rights of labor force.

II Human resources Value Blended into Labor Value Theory

With the introduction of the development rights of labor force, two kinds of output are in correspondence with enterprises. One is value, the value created by living labor; the other is labor force developed, which creates human resources value. “Human resources value is the ability of human resources of enterprises to create value in the future, rather than the value created before”⁴. Human resources value is an important part of the

1 Wang Yumin. “Upholding and developing Marx’s thoughts of Labor force Property Rights.” In *Economic Review* Vol. 4, 1998.

2 Wang Yumin. “A Probe into the Value Realization of Labor force Property Rights: On the Distribution Paradigm of Wages in Modern Enterprises.” In *Deng Xiaoping’s Theory and the Development of Our National Economics*. Ed. Wang Bing. Wuhan University Press, 1998, p206.

3 Wang Yumin. “Can Labor make fortune?” In *Ten Experts’ Discussion of Distribution System*. Guangxi People’s Republishing House. 1998, p183.

4 Zhang Wenxian, Gao Weifu. *Human Resources Accounting*. Lixin Accounting Press, 2001,

enterprise value. Put it another way, concerning the enterprise total assets ability of gaining profits in the future, human resources value is part and parcel of its core assets or its ability of gaining profits. Human resources value connects the current value with the expected value. As an intermediate variable, human resources value connects the current living labor with the expected living labor. After the introduction of labor force development rights, enterprises not only create product value but also create human resources value.

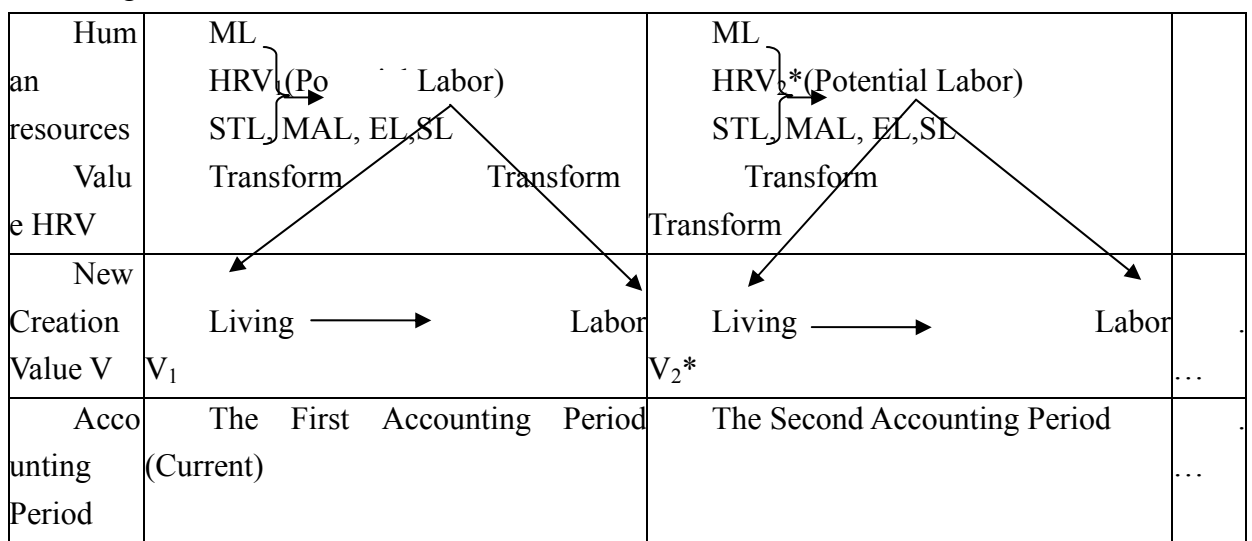
Marx observed: “It is not the articles made, but how they are made, and by what instruments, that enables us to distinguish different economic epochs. Instruments of labor not only supply a measurer of the degree of development to which human labor has attained, but they are also indicators of the social conditions under which that labor is carried on. Among the instruments of labor, those of a mechanical nature, which, taken as a whole, we may call the bone and muscles of production, offer much more decided characteristics of a given epoch of production, than those which, like pipes, tubs, baskets, jars, &c., serve only to hold the materials for labor, which latter class, we may in a general way, call the vascular system of production”.¹ From these statements of Marx, we can see that instruments of labor as materialized labor can “measure” the degree of labor ability, and can also indicate and show the harmonious degree or advantages-disadvantages degree of the “social relations” in the process of laborers’ collaborative production, which is the cooperative or collaborative system and ability among different types of laborers. There must be advanced labor ability to correspond with advanced instruments of labor, like intelligent instruments of labor and intelligent labor, so that advanced instruments of labor is extended with human hand and head, which becomes part of labor ability. We see that the advanced production tools match with the advanced laborers at the same time point. From the historical perspective, on-the-job training and learning-by-doing consume advanced instruments of labor, which sustain and upgrade human resources value. Human resources value is an intermediate variable, which connects the current living labor with the expected living labor. In this way, materialized labor (labor accumulated by others or predecessors), sustains and upgrades the academic innovation of human resources value, which accords with Marxist fundamental ideas and standpoints of living labor creating value. Materialized labor not only transfers value, but also sustains and upgrades human resources value, which is continuously absorbed and consumed by living labor during each accounting period, or continuously transformed into living labor, so as to create value in the successive time distributions.

In addition, the succession and development relationships of Marx’s labor value theory can be better explained by the following unfolded drawing about the value-creation chain. The drawing illustrates the process of a company creating new value with certain resources along the accounting period direction.

p183.

1 Marx. *Das Capital*. Vol. 1, People’s Publishing House. 1975, p204.

The drawing of value-creation chain



Notes* : $HRV_2=HRV_1+\Delta HRV$, $\Delta HRV>0$,

$V_2=V_1+\Delta V$, $\Delta V>0$

ML stands for materialized labor.

STL stands for scientific and technological labor.

MAL stands for managerial labor. EL stands for educational labor.

SL stands for sanitary labor.

As for the unfolded drawing of value-creation chain, if human resource value in the first line were neglected or abstracted, it becomes the viewpoint of traditional labor value theory, that is, living labor creates value. Within certain constraint condition, that is, the developmental attribute of labor force neglected, (if $\Delta HRV=0$, then $HRV_2=HRV_1$, therefore $\Delta V=0$, which is $V_2=V_1$, and so forth in each accounting period thereafter $\Delta V=0$), it is illustrated that after entering into the company, labor ability has not been improved during each accounting period, only keeping simple reproduction. Such is the idea of the

1 Wang Yumin, Yang Xianhua. "On Labor force Development Rights in Labor force Property Rights" In Economic Review Vol. 2, 1997.

traditional Marx's labor value theory. Accordingly, the model of value-creation chain conforms to the developing logic of scientific theory.

The new labor value theory believes that living labor creates value, while materialized labor not only transfers value but also sustains and upgrades human resources value, which is consumed by living labor during each accounting period, or continuously transformed into living labor, so as to create value in the successive time distributions. New labor value theory is the succession and development of the traditional Marx's labor value theory.

III A Deepened Research on “The New Monistic of Living Labor creating value”

1. Human Resources Value Created by Complex Labor in the Current Period, is Consumed and Absorbed in the Current Period and Especially Each Period Thereafter, and Creates Labor Value; This Process Has Accumulative and Multiple Effects.

According to the unfolded drawing of value-creation chain, the new labor value theory is the succession and development of the traditional labor value theory. Due to the developmental attribute of labor force, there is a transformational relation between the two kinds of labor creating human resources value and new creation value respectively within the enterprise. The transformational relation can be understood as the enterprise internal supply-demand relationship between complex labor and simple labor. Human resources value (increased labor ability as the substance) created by complex labor, such as scientific and technological and managerial labor in the current period can be continuously absorbed and consumed by living labor during the current period, especially each subsequent accounting period, or continuously transformed into living labor, so as to create value in the successive time distributions and have accumulative and multiple effects. Therefore, the performance evaluation of complex labor (scientific and technological and managerial labor etc.) should be partly emphasized on increasing or elevating human resources value (including exploring material goods and knowledge methods, which are the extension of human heads and hands), and consequently the value creation ability should also focus on each subsequent accounting period. The value produced by complex labor is long-term interests rather than immediate interests; it is interests of continuous process rather than interests only at a particular time point.

In enterprises, production factors such as scientific and technological, educational, managerial labors, etc., obviously create human resources value, “particularly managerial labor can also harmonize and promote the transformation of new labor ability into living labor, such as the appropriate exertion of managerial instrument, including enterprise

culture, system innovation, etc.”¹ The academic evidences of the current labor income distribution of scientific and technological and managerial laborers partly come from the discount of creating expected value, which explains the essential reason why, the value created by complex labor such as scientific and technological labor, managerial labor etc. is several times larger than that created by simple labor. Expected value, however, needs to be affirmed repetitively by practice in each subsequent accounting period for many times, before it is transformed into real value. Hence, a part of complex laborers’ income takes the form of various options, which is more in accord with the demands of new labor value theory.

As what has been discussed above, complex labor, such as scientific and technological and managerial labor can chiefly avoid the uncertainties of future value creation, namely risk labor—a term in the theory of Western Economics, as well as create value in the current period. In this sense, the new labor value theory, blended with labor force development rights and human resources value, not only explains risk labor in the theory of Western Economics, but also has a focus on the logical course relationships between real value and expected value. The explanatory power of the new labor value theory, thereby, is widened, and is beyond the Western Economics.

Besides, it also serves, in a new perspective or methodology, as a support to the innovative idea in *Four Theoretical Hypotheses of Modern Marxist Political Economics* written by Professor Cheng Enfu: “The dominant change is the growth of labor productivity owing to the enhancement of the complexity, proficiency and intensity of labor; therefore in the long term the aggregate magnitude of commodity value and social value will be on the increase, and not unchanging. With the above definition and new understanding of the law expounded by Marx of the magnitude of commodity value and labor productivity, we will be able to scientifically explain the role and facts of scientific and scientific and technological labor and managerial labor in the creation of value.”²

2. Materialized Labor Not Only Transfers Value But Also Sustains and Upgrades Human resources Value

From the unfolded drawing of value creation chain, we can know that current materialized labor directly sustains and upgrades human resources value, which is not contradictory to Marx’s academic logic. Concerning the argumentation about whether materialized labor creates value in the academia, the thesis does not argue for the function of materialized labor for creating value at first hand, but changes the debate into the function of materialized labor for human resources value—an intermediate variable. Under

1 Wang Yumin, Yang Xianhua. “Philosophical Concerns on Labor Value Theory Researches: Professor Zhang Huaxia’s Subjective-Objective Duality Discussion of Value”. In *Modern Philosophy*, Vol. 4, 2002.

2 Chen Enfu. “Four Theoretical Hypotheses of Modern Marxist Political Economics.” In *Chinese Social Sciences*. Vol. 2, 2007.

certain enterprise internal and external constraint conditions, the current human resources value is continuously absorbed and consumed by living labor during each accounting period, or continuously transformed into living labor, so as to create value in the successive time distributions. First and foremost, this point of view insists on Marxist labor creating value monism. “Labor value theory, the hard core of economic value theory, emphasizes the origin of value and reflects the process attribute of value relations.”¹ Secondly, as a bridge, human resources value has built a connection and communication between the core of economic value theory-labor value theory and other economic value theory in other external approaches. So we can logically justify the rationality of distribution according to factors to a certain extent under the condition of socialist market economy, therefore transcending the academic resistance that materialized labor, without creating value, should not participate in distribution. It is evident that distribution according to capital to some extent can also be logically concluded from the new labor value theory. From the perspective of the new labor value theory, the academic evidences of distribution according to capital can be understood as the discount, under certain systematic condition, of the contribution degree of capital or materialized labor to sustain and upgrade expected human resources value.

3. The New Labor Value Theory’s Explanation of Enterprise Nature

There is a relationship between human resources value and new creation value in the enterprise internal creation. The relationship can be understood as the enterprise internal supply-demand relationship of complex labor and simple labor; or as the realization of property rights of labor force’s deep rooted transaction relationship in the internal labor force market. It is rational to interpret some Western new systematic economic viewpoints from a new perspective that, “Enterprise is also a kind of market system, which requires factor market (labor market) to replace intermediate products market.”² Here labor market is still the factor market. Referring to the logic of the advancing property rights of labor force theory and new labor value theory, the essence of enterprise is the process market’s replacement of factor market. The process market means that two transaction subjects control synchronically and forever the transaction objects. “From the philosophical perspective, there are basically two kinds of human’s rational modes of thinking: factor thinking and process thinking. The former is stable, while the latter dynamic. The focus of traditional economics is production factors, the mode of factor thinking. In the mode of process thinking, there is interaction not only among factors, but also interaction and communication between factors and process. As a kind of factor, labor force has also been

1 Wang Yumin, Yang Xianhua. “Philosophical Concerns on Labor Value Theory Researches: Professor Zhang Huaxia’s Subjective-Objective Duality Discussion of Value”. In *Modern Philosophy*, Vol. 4, 2002.

2 Yang Xiaokai. *Contemporary Economics and Chinese Economy*. Chinese Social Sciences Press, 1997, p16.

changed by the labor process, which is irreversible and irreplaceable because of the interaction between factors and process. However, this idea can not be explained by the traditional factor thinking economics, since in its point of view, there are substitute products during the exchange of factors, which is reversible.”¹ In the light of modes of factor thinking and process thinking, we need to reexamine labor exchange. Marxist political economics differentiates labor force from labor. Labor force is a factor, accordingly there are the concepts of labor force commodity and labor force market; labor is a consumption process of labor force, therefore, is a process. Only labor (that is a process) creates value. But there is interaction between labor force factor and process. Labor force is a product of the process, but labor not only creates material wealth, but also creates human himself, while labor force increases and develops in the process of laboring, therefore, property rights transaction comprises of the development rights of labor force. But traditional mainstream Western economics all simplified labor into factor category. However, in the non-mainstream western economics, some economists, has divided labor force market into the internal and external labor force markets in accordance with the mode of factor thinking, which demonstrates that they have sharply observed the different transaction rules in the two markets. And now it seems that in fact, the external market is factor market and the internal market process market. Thus, “the problem of labor transaction is fairly complicated, having both factor attributes and process characteristics. The transaction rule of process needs both restraint and encouragement. In this way, economics has a logical relation with modern management rather than falling apart with it.”² This is a higher level recognition and expansion of enterprise nature in the new labor value theory, with Western new systematic economics as a special example or a discipline of the new labor value theory.

Due to the fact that labor transaction has both factor attributes and process characteristics, we must persist in the principle of combining distribution according to work with distribution according to factors. The principle can be logically deduced from the new labor value theory. Labor force exchange (labor) is an exchange of factors and a rather complex exchange of process. From the origin of theoretical basis of Western countries economic policy, “Schurz’s human capital theory can be seen as a macro-economics explanation of the relationship between the system of compulsory education and national competitiveness. Becker’s micro-economics analysis of the relationship between education and personal income has become the theoretical basis of western governments’ reformation of unemployment social security system.”³ Correspondingly, as the succession of Marxist

1 Wang Yumin, Yang Xianhua. “Probe and Discovery of a New Economics Paradigm: Process Economics and its Labor Value Theory.” In *Science & Technology Progress and Policy*. Vol. 7, 2007.

2 Ibid.

3 Ting Ningning. “Labor (Power) Property Rights” Is difficult to be a Starting Point of Academic Innovation. [J] *Studies in International Technology and Economy*. Vol.8, 2005(2).

political economics, labor force capital theory in the new labor value theory can be definitely regarded as a macro-economics explanation of the relationship between the system of compulsory education and national competitiveness. Hence, development rights of labor force theory, process exchange theory and human resources accounting theory, which are logically deduced and innovated from traditional labor value theory, can serve as a theoretical basis for our nation's reform of medical care, sanitation, unemployment and labor social security systems.

4. Theoretical Support of the New Labor Value Theory to Human Resources Accounting

While putting the new labor value theory into practical application, we should not only protect the development rights of labor force from the systematic and cultural perspectives, preserve the realization degree of the development rights of labor force from the perspective of the new labor law, but also reform the present traditional accounting system, which only reflect and protect the rights and profits of investors and creditors' assets property rights. Accounting is applied economics which reflects the structure and transformation of property rights and preserves the rights and interests of property rights.

Resulting from the introduction of the concept of labor force development rights, enterprises not only create product value but also sustain and upgrade human resources value; enterprise value is shown both in the profitability of enterprise assets, and more deeply in enterprise's human resources value. As for protecting the rights and interests of property rights, accounting should not only reflect and protect the rights and interests of investors and creditors' assets property rights, but also reflect and protect the rights and interests of human resources property rights shared by enterprise legal person (employment units) and laborer.¹

The research on human resources accounting consists of multi-disciplinary knowledge, such as the fundamental value theory and property rights theory, and involves Marxist political economics and labor value theory. The value theory and property rights theory of the construction projects in the modern Marxist economics is the logical premises of human resources accounting theory. While reforming the present traditional accounting system, we should conform to the transaction rules of protecting labor force property rights from the perspectives of accounting law and accounting rules. The transaction of human resources property rights is comprised of the characteristics of transactions of factors and process. Therefore, accounting should not only reflect factor transaction in the external labor market, but also routinely reflect and supervise process transaction of labor force property rights in the internal market, meanwhile, establish an information communication channel between

¹ Wang Yumin. "Studies on the Ownership of Human Resources Property Rights: Based on Labor force Development Rights." In *Luojia Management Review*. Wuhan University Press. Vol. 2 (1), 2008:156.

the internal labor market and the external labor market. Under certain constraint condition, development wages in the internal market can be gradually transformed into contract wages in the external market, thus establishing a long-term growth mechanism of employee's income. Within the enterprises, facing tremendous assets power, only after satisfying all these requires from multi-perspectives, can we reveal the increasing characteristics of the labor force property rights value, comprehensively protect the rights and interests of laborers, boost the prosperity of the exchange of labor force property rights and promote the development of the labor productivity of the whole society.

Conclusion

1. The complex labor, such as scientific and technological, educational, sanitary, managerial labor, etc., sustains and upgrades human resources value; it can avoid the uncertainty of value creation in the future; it not only creates current value but also creates expected value; meanwhile, it illustrates the logical relation between current value and expected value. A part of the current income distributed to laborers from the sectors of technology, education, sanitation and management is the discount of expected value.

2. Introducing the development rights of labor force, this paper still sticks to the new monistic living labor creating value, that materialized labor can not only create value, but also sustain and upgrade human resources value. The complex labor, scientific and technological, educational, sanitary, managerial labor, etc., sustains and upgrades human resources value, which is continuously absorbed and consumed by living labor during each accounting period, or continuously transformed into living labor, so as to create value in the successive time distributions, thus have accumulation and multiply effects. At the same time, it logically justifies the rationality of distribution according to factors to a certain extent under the condition of socialist market economy, therefore transcending the academic resistance that without creating value, materialized labor should not participate in distribution.

3. From the perspective of systems, labor law and accounting system are included to protect the development rights of labor force, so as to promote the gradual realization of laborer's development rights and upgrade human resources value. Long-term growth mechanism of employee income must be established both in the internal and external labor force markets.

4. "The new monistic living labor creating value" provides the human resources accounting with basic theoretical support. Accounting should not only reflect the movement of enterprise assets value, but also reflect the movement of human resources value; accounting should not only reflect and protect the rights and interests of assets property rights of investors and creditors, but also reflect and protect the rights and interests of

human resources property rights of enterprise legal person or employment units and laborers.

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