

## The Test of Communism

Jasper Bernes

Communism is an old idea in the world. Let's call it ancient, for it may as well be our antiquity. We need not track down its origins in the alleyways of insurrection, only know that millions have struggled and died in its name. In this sense, it is not just an idea but a real force in history, product of and factor in a proletarian movement that has for at least two centuries now posed the overcoming of capitalism by classless, stateless, moneyless society. In fact, what's remarkable about the history of the workers' movement of the last two centuries is that this real ideal has until recently not only seemed inevitable but obvious. Even where they disagreed, violently, about how to achieve such a state of affairs, anarchists, communists, socialists, Marxists, syndicalists, and even some liberals, all stood joined by a common vision of a future classless society.

Today this common horizon has collapsed. Communism is a way out perhaps, a last hope, but only a fool could think it inevitable now. The theory and practice of class struggle we inherit from the last millennium is not comprehensible, however, except in the light of this ideal, if not the guarantee then at least the possibility of communism. This is especially true in the case of Karl Marx, tribune of the workers' movement, who can otherwise appear most grandiose where he is in fact most modest. In 1868, he writes of the just-published *Capital*, his *critique of political economy*, that it is "without question the most terrible missile that has yet been hurled at the heads of the bourgeoisie."<sup>1</sup> Marx however had from the time of his first collaborations with Friedrich Engels twenty years earlier insisted that communism was not a matter of ideas and that it had already been announced by the real action of the proletarian movement, most explicitly in the revolutions of 1848. Marx could devote himself to critique, in other words, to sinking the supply ships of bourgeois economics, precisely because he did not think such work determinative in matters class struggle. He would hurl books at the heads of the bourgeoisie while the proletarian movement took out their legs.

Take his letter to his long-time friend and supporter Louis Kugelmann, for example, who wrote to Marx immediately after the original publication of *Capital* in German to report that readers familiar with economic theory were struggling with Marx's theory of value. "The vulgar economist," Marx responds, "has not the faintest idea that the actual everyday exchange relations need not be identical with the magnitudes of value."<sup>2</sup> Yet it is more than that: "The point of bourgeois society consists precisely in this, that *a priori* there is no conscious social regulation of production. The reasonable and the necessary in nature asserts itself only as a blindly working average." The bourgeoisie and its intellectual

---

<sup>1</sup> "Letter to Johan Philip Becker," Karl Marx and Friedrich Engels, *Collected Works*, vol. 42 (London: Lawrence & Wishart, 1994), 358–59.

<sup>2</sup> "Marx to Kugelmann in Hanover" (July 11, 1868), Karl Marx and Friedrich Engels, *Collected Works*, vol. 43 (London: Lawrence & Wishart, 1994), 68.

representatives are therefore forced to treat as “great discovery” the fact that “in appearance things look different.” They have no need for Marx’s “science” and in fact their standpoint in society will make it difficult to comprehend very simple matters: “The nonsense about the necessity of proving the concept of value arises from complete ignorance both of the subject dealt with and the method of science. Every child knows that a country which ceased to work, I will not say for a year, but for a few weeks, would die.” The problem in other words is not so much that Marx is very smart but that bourgeois economists are particularly stupid—their reaction “shows what these priests of the bourgeoisie have come to, when workers and even manufacturers and merchants understand my book and find their way about in it.” Notice the emphasis: *even* manufacturers and merchants can understand it, but workers do so more naturally. If his critique of political economy is a missile lobbed at the heads of the bourgeoisie, it is not undertaken in order to explain capitalism *to them* through the percussion of intellectual missiles—it is a critique on behalf of the working class, who pushes the attack on other fronts.

It is not because workers are better educated about the principles of economics that they intuitively understand Marx’s work. Rather it is because daily experience, of exploitation and oppression, daily reminds them of the coherence and correctness of Marx’s critique, the necessity of revolution. What he says of “every child” is likely not true of bourgeois children, for whom the products of labor appear as if by magic: but proletarian children, who begin work young and watch their family work, do understand such basic matters. At stake is more than experience, however, but also attitude, standpoint—Marx’s *Capital* is always illuminated by a future communism. Once the “inner connection” between value magnitudes and exchange relations, “is grasped,” he tells Kugelmann, “all belief in the permanent necessity of existing conditions breaks down before their practical collapse.” This first collapse, the critical collapse, is neither cause nor precondition of the practical collapse, revolution. Marx does not believe that by proving capitalism impermanent he will induce the bourgeoisie to simply quit the field. Indeed, he has noted they will find it constitutively difficult to descry their doom in the fog of the business cycle. Marx in 1865 is tribune of a workers’ movement that has already announced its historical mission: to abolish capitalism. It is not that Marx can kill capitalism with his ideas, but that he has expressed in ideas a movement already underway which seemed certain to usher in a practical collapse. Here is modesty where, in the absence of that great backdrop of the workers’ movement, one might find only grandiosity. The point of the critique of political economy is not so much ideology critique as it is an illumination of existing conditions in light of their practical collapse, on behalf and for the movement that will precipitate it.

Marx wrote a book entitled *Capital*, not one entitled *Communism* or *The Proletariat*, because the workers’ movement did not need its ends articulated, did not need an explicit description of classless society, that common horizon. It needed better weapons, a clarification of means. At stake here is less a claim about Marx’s method than one about the methods which communists should use to read Marx. We can no doubt treat *Capital* as a grand analysis without presupposition, an immanent critique, a science, a research project, but certain key aspects will remain inscrutable, written in invisible ink that only the heat of communism can bring to the surface. I think this is the case for important parts of Marx’s theory of value. As Marx notes in the letter, the bourgeoisie need hardly bother with the concept of value. They can make do with appearances. If proletarians understand the concept of value more

readily it is because value names for Marx the inner coherence of that monster which proletarians recognize as their enemy. Value names the *differentia specifica* of the capitalist mode of production, the one element that presupposes all the others, the ring that binds together the other rings of money and wages, profit and price, property and the police, the state and the banking system, world markets and international conflict. The concept of value is as much a descriptive concept as a revolutionary hieroglyphic, a critical heuristic designed to focus those who would overthrow capitalism on the essential.

These objectives are clearer in Marx's first attempts at critique of political economy, where Marx generally had very particular political interlocutors in mind. Early anticapitalists such as Pierre-Joseph Proudhon and his disciple Alfred Darimon, on the one hand, and the "Ricardian Socialists" like John Francis Bray, John Gray, and Thomas Hodgskin, on the other, frequently proposed to right the wrongs of capitalism through reform of the money system and banking.<sup>3</sup> Marx recognized the incoherence and impracticability of these reforms—which mostly consisted of proposals to replace national and bank money with "labor money"—and it was in developing the concepts adequate to these critiques, first in the *Grundrisse* and then in *Contribution to a Critique of Political Economy*, that Marx struck on certain key aspects of his theory of value.<sup>4</sup>

Labor money was in many respects a derivation from the labor theory of value developed by Adam Smith and then David Ricardo. In the 1820s and 1830s in Britain, as resistance to early capitalism took shape in the form of trade unions and cooperatives, social reformers associated with Robert Owen and then Chartism developed the labor theory of value into a theory of exploitation depending on natural rights and natural prices, cast in absolutist moral terms.<sup>5</sup> Once it had been demonstrated that labor is the source and measure of all wealth, it required only a simple step further to propose to right the injustices of capitalism by denominating goods in terms of their "real" value. With the prices of goods labeled in terms of labor hours and labor minutes, rather than dollars and pennies, it would be nearly impossible to swindle workers and not give them the full value of their product, according to the proponents of the theory. The LTV thus offered both a critique of capitalism and a way to improve it, subordinating money and capital to the benefit of laborers and, in turn, the nation. Every monetary exchange could be made equal and transparent, with its real value for a producer written right there on its face.

Marx eventually refuted this by demonstrating such a notion of fair exchange was self-contradictory: the very idea of equal exchange presupposes inequality, as he shows, because the value of *labor* (the output of a worker) is never the same as the value of *labor-power* (the reproduction requirement of that worker, and therefore the price of its use by a capitalist). From this distinction, Marx develops one even more fundamental, between concrete labor

---

<sup>3</sup> Alfred Darimon and Emile de Girardin, *De La Réforme Des Banques*, (Paris: Guillaumin et Cie, 1856); John Gray, *Lectures on the Nature and Use of Money: Delivered Before the Members of the "Edinburgh Philosophical Institution" during the Months of February and March, 1848* (Edinburgh: A. & C. Black; [etc., etc.], 1848).

<sup>4</sup> Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy* (New York: Penguin, 1993); Karl Marx and Friedrich Engels, *Collected Works*, vol. 29 (London: Lawrence & Wishart, 1994), 257–518.

<sup>5</sup> E. K. Hunt, "The Relation of the Ricardian Socialists to Ricardo and Marx," *Science & Society* 44, no. 2 (1980): 177–98.

and abstract labor, the core of his mature theory of value. His main achievement in this arena was not, then, as is sometimes supposed, a theory of surplus value or a proof of exploitation—versions of such a theory were already available, as he would summarize in the manuscript entitled “Theories of Surplus Value.” As Diane Elson formulates it elegantly in her seminal essay “Value: The Representation of Labor in Capitalism,” summarizing debates on the topic in the Conference of Socialist Economics in the 1970s, Marx’s theory of value had been radically misunderstood by those who saw in it a method to calculate the magnitudes of exploitation: “It is not a matter of seeking an explanation of why prices are what they are and finding it in labor. But rather of seeking an understanding of why labor takes the forms it does, and what the political consequences are.”<sup>6</sup>

Elson worries overtly in her introduction that her corrective reading, distinguishing between Marx’s theory of value and the Ricardian LTV, might be depoliticizing. For the Ricardian proof of exploitation, with or without labor money, at least had the virtue of being politically salient, and leading to very clear practical objectives. This is because, despite the virtue of her corrective reading, she does not see how the concept of value is directly connected to the objectives of communism, naming not only a historical process – “why labor takes the form it does”—but a great misfortune, understanding of which will aid in its overcoming. Elson stands at the headwaters of a new way of reading Marx, begun in the 1960s and 1970s, with the publication of Marx’s complete works, and sometimes called “value-form theory,” or with respect to German exponents, the new reading of Marx. These Marxological interventions have been enormously clarifying for readers of Marx, making sense of the inner analytic coherence of Marx’s work. This clearheaded way of reading Marx has, however, come at the expense of a certain political power, I would argue. It is a way of reading Marx for an era that lacks Marx’s certainty.

In the text that follows we will encounter another, complementary way of reading *Capital*, in which Marx’s masterwork is not only the adequate representation of the capitalist mode of production but an outline in negative of its overcoming by communism. I have come to this way of reading Marx by a long and winding route, over terrain that will be mapped thoroughly, though its origins lie in the programmatic method of Amadeo Bordiga, for whom, to use Gilles Dauvé’s helpful paraphrase, “the whole of Marx’s work was a description of communism.”<sup>7</sup> Bordiga is supremely attentive to those moments in Marx’s mature writing, surprisingly abundant if you know what to look for, where in order to illuminate some feature of capitalism, Marx finds that he must, in fact, compare it with a fictitious communism. “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 as one single social labor force.”<sup>8</sup> This is offered as ultimate contrast with capitalism, where the fetishism of commodities induces a complicated situation in which humans become mannequins puppeted and ventriloquized by sarcastic commodities, both unfree and deluded about the sources of their unfreedom. The purpose of such contrast

---

<sup>6</sup> Diane Elson, ed., *Value: The Representation of Labour in Capitalism* (London : Atlantic Highlands, N. J: CSE Books ; Humanities Press, Inc, 1979), 123.

<sup>7</sup> Jean Barrot and Francois Martin, *Eclipse and Reemergence of the Communist Movement*, 1st Edition (Black & Red, 1974), 125.

<sup>8</sup> Karl Marx, *Capital: Volume 1: A Critique of Political Economy* (New York: Penguin Classics, 1992), 171.

is to bring out key features of the capitalist mode of production, and class society more generally, otherwise untheorizable. It is only in the light of communism that we come to see the misprisions of the commodity form for what they are: “The veil is not removed from the countenance of the social life-process, i.e., the process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control.” Marx therefore offers more than a description of capitalism, but one in which key predicates of communism become visible.

At stake here is less a claim about Marx’s method than the method that communists should apply to the reading of Marx. For communists, the science of capitalism is the theory of the rules of a game they hope to consign to the dustbin. The goal for us is not just to enumerate those rules, nor much less to learn to play the game better, but to develop from them an understanding of how the game itself might be overcome. If it is anything for communists in the twenty-first century, it is an applied science, the science of destroying capitalism, whose descriptions of capitalism and predictions about class struggle and its unfolding have their meaning in action, in class struggle itself. And here our concern should be less about what Marx intended—science of capitalism? weapon against it?—than what we, as communists, need. We need to *know* what capitalism is, but not in order to wonder at it and enumerate its sublimities. The concept of value is nothing, for communists, if not a cross-hairs that flashes red when we need to smash something.

There is also in Marx a *tendential* theory alongside the heuristic theory. The light of communism revealed for Marx a directionality to capitalist production, one that pointed toward its ruin but also its overcoming by communism. The tendencies identified are numerous and complexly entangled: immiseration and mass proletarianization, concentration and centralization of capital, globalization of trade, rising organic composition of capital, falling rate of profit, depletion of the soil, colonization and imperialism. Chief among all these tendencies, however, was the tendency for capitalism to produce its own gravediggers in the rising, militant proletariat. The tendencies are also, it should now seem needless to say, illuminated by a future communism. This is because, first, the rising proletariat is already practically oriented toward communism, and second, tendencies within capitalism lead inexorably toward communism. Tendencies are directional, and directions are not neutral, but stained with the dye of class struggle, progressive and reactive.

Much of the tendential theory has not held up, at least if read strictly, and in some instances, it must be admitted, Marx was badly wrong. But the fact that any of it has held up, despite the fact that the communist revolution has not occurred, and capitalism soldiers on long after Marx could have thought such a thing imaginable, counts as no small feat. None of his contemporaries fare better. The tendential theory must, in any case, always return to the facts of the world, of class struggle, for confirmation. But it also must know what it’s looking for, where it hopes history will lead. Here again Marx can appear most grandiose when he is in fact being most modest. He need not proselytize and inveigh, draw up battle plans and programs, for the tendencies of capitalism are already doing the work of forming a resistance adequate to it. The tendential analysis is not prescriptive, but diagnostic, highlighting limits and opportunities. But these are opportunities that, for Marx, the working class must come to understand one way or another. It is class struggle itself which

brings these opportunities to mind for Marx—his work is to clarify and refine political tendencies, the communist movement principally, already in the process of formation.

Seen in this new historical light Marx concludes not only that the proponents of labor money were wrong but also that their proposals would by necessity be rejected, and were indeed already being rejected, by the new proletarian movements sweeping across Europe and the world. Labor money assumes, in its theory of exploitation, an underclass consisting not so much of wage laborers as artisans who own (or borrow) their means of production and sell their output on the market. Such petty producers were exploited by merchants and bankers offering them increasingly miserable terms, threatening them with bankruptcy and, in turn, loss of the means of production, ultimately reducing them to mere proletarians. A reform of the market, offering “fair terms” or a restoration of antecapitalist conventions of natural right, appeals to artisans because the market is the locus of their exploitation. Proletarians, on the other hand, are more likely to see their oppression as originating from production itself. As such, Marx wasn’t only rejecting labor money on the plane of ideas, as practically unworkable, but also as resting on a pragmatic class basis which made its moral theories of natural right and price inapposite. The labor monetarists thought the way they did, then, according to the theory Marx develops, because of a social division of labor and a historical process (the formation of a strictly propertyless proletariat) which duped them into thinking their own ideas causes when in fact they were simply effects.

In *The German Ideology*, Marx and Engels caricatured their post-romantic contemporaries, “the type of the new revolutionary philosophers in Germany,” as being like the proverbial fellow who thought that “men were drowned in water only because they were possessed of the idea of gravity.”<sup>9</sup> John Gray and Alfred Darimon were thus cut from the same mold as the reactionary, bourgeois, and utopian socialists Marx and Engels took to task in *The Communist Manifesto*, and the various post-Hegelians they savaged in their other writings. Against this, uniquely in the history of radical thought up until then, Marx and Engels developed an account of history which placed class struggle and proletarian self-activity at the center of any meaningful project to overcome capitalism. It was no longer simply a matter of ideas, though ideas were very much at stake, since the matter had to be debated out in the pages of books. What mattered was class struggle, collective action, social practice.

Once the moral underpinnings of labor money are made apparent, then, the political implications of Marx’s turn to economics and the critique of political economy in the 1850s makes perfect sense, coming as they do after the thoroughgoing critique of the moral, religious, and idealist presuppositions of his fellow socialists and communists that he had developed in the 1840s. Diane Elson need not be so worried, then, about losing political salience by casting off the Ricardian fetters of Marxist pseudo-orthodoxy. It’s not so much that value analysis renews critical thought, or denaturalizes the economy, though it does all this. Rather, Marx’s value theory offers a method by which certain socialist proposals can be put to the test. This is prediction, but only of a certain sort. It does not tell you what will happen but what must, or what can’t. The test of value is a logical test—it works from the

---

<sup>9</sup> Karl Marx, *The German Ideology: Including Theses on Feuerbach and Introduction to The Critique of Political Economy* (Amherst: Prometheus Books, 1976), 30.

definition of capitalism, its basic logical structure, in order to clarify what it would mean to overcome it. Here, however, it must be said from the start that the dialectic has betrayed many a traveler to this region, leading some to believe that the abolition of value, the *sine qua non* of capitalism, is itself the sufficient condition for communism when it is in fact merely a necessary one. Communism *cannot* be derived logically from the presuppositions of capitalism. There is a missing moment, an absent positive, to the inversion of value. Indeed, that missing moment is what is fundamentally missing from life not just in capitalism but in all class society.

### **The Test of Value: Marx Against Labor Money**

The crux of Marx's critique is this: the labor monetarists identify as flaws what are in fact integral features of capitalism. There is a constitutive difference between the magnitude of individual labor exerted in producing a commodity and the magnitude of social labor—that is to say, socially necessary average labor—which the commodity commands on the market. One cannot weld closed this gap except by reforming the economy top to bottom. As long as reformers do nothing more than issue new money with new symbols on its face, market forces will invariably introduce a gap between the stated and real value of a good denominated in labor time. If markets are competitive, and sellers are allowed to change their terms and buyers to seek out the best price, a ten-hour note earned by a worker will not always command ten hours of labor but more or fewer hours depending on supply and demand. The only way to avoid this problem and still allow market determination of prices (as many of these reformers wished) would be to ensure that supply and demand were always balanced. To do so, however, is easier said than done, as this requires that raw materials, component parts, and labor are always adequately distributed across the entirety of the economy; undersupply of a component or raw material, such as cotton, will necessarily lead to an undersupply of all the goods that incorporate it, such as cotton shirts. The distortions that the reformers hope to eliminate are symptom of a malady located in production itself, cure of which would require restructuring of the entire economy, not just new types of money. Just as today new monetary theories suggest the injustices of capitalism might be overcome through a prodigious unloosening of state credit money, these nineteenth-century reformers mistake cause and effect, hoping to achieve through superficial methods something only achievable through a total overhaul of capitalism. He submits the proposals to a test of logic and discovers that they assume their conclusion:

If the preconditions under which the price of commodities = their exchange value are fulfilled and given; balance of demand and supply; balance of production and consumption; and what this amounts to in the last analysis, proportionate production (the so-called relations of distribution are themselves relations of production) then the money question becomes entirely secondary, in particular the question whether the tickets should be blue or green, paper or tin, or whatever form social accounting should take.<sup>10</sup>

---

<sup>10</sup> Karl Marx, *Grundrisse* (New York: Penguin, 1993), 153.

In attacking these schemes, first in the manuscripts known as the *Grundrisse* and then in the *Contribution to a Critique of Economy*, he shows that far from proposing to reform capitalism they in fact implicitly describe a world in which it has been overcome.

The fact that labour money is a pseudo-economic term, which denotes the pious wish to get rid of money, and together with money to get rid of exchange-value, and with exchange-value to get rid of commodities, and with commodities to get rid of the bourgeois mode of production, -- this fact, which remains concealed in Gray's work and of which Gray himself was not aware, has been bluntly expressed by several British socialists, some of whom wrote earlier than Gray and others later.<sup>11</sup>

Labor money implies this “pious wish” because it *presupposes* a whole host of other radically transformative measures. Marx demonstrates this by submitting the proposals, as we’ve seen, to a speculative *reductio ad absurdum*, what we have called the test of value, and taking the reformers at their word, carefully thinking through their dynamic effect given his understanding of the *laws of motion* of capitalism. This is a speculative test, in advance of the real test, where “bankruptcy would in such a case fulfil the function of practical criticism.”<sup>12</sup>

In these passages, Marx in fact offers two distinct but intrinsically linked dynamics that would scuttle labor money, and the second will be of more consequence as our story of the communist test of value progresses. Even if supply and demand are in equilibrium, there is another reason the units on the face of a labor note would not necessarily equal the real labor time involved in the production of any given purchase. In the case where producers operate with differing levels of productivity, where for example one cobbler requires three hours to make a pair of shoes that another can make in two, then the freedom of producers to set their prices and the freedom of consumers to search out the lowest prices must be absolutely restricted if the face-value of a labor note is to be trusted. Assuming that supply and demand are equal and that producers and consumers are free to do as they wish, the cobbler who can make a pair of shoes in two hours will instead demand as high a price in labor notes as is possible while still managing to undersell competitors, attracting all consumers. The cobbler who requires three hours will, in turn, be forced to lower prices in order to sell anything at all. Thus, the price of shoes in labor notes will equalize around the average labor time required to make a pair of shoes, with the one producer exchanging their shoes for more hours in labor notes than they require for their needs and the other for less.

There are only two ways around such a scenario: either one assures that every producer is equally productive—homogenizing tools, techniques, intensity of work, and workshop size for every unit—or one establishes a situation in which producers cannot price their goods variably and consumers have no choice about which goods they buy. The first scenario would require a momentous transformation of the economy, reconstructing each workshop and totally transforming the scale of production. It would also require, more problematically and more importantly for our critique, the development and enforcement of production norms that could confirm and ensure an equal intensity of work for each person. The second

---

<sup>11</sup> Marx and Engels, *Karl Marx, Frederick Engels*, 1994, 29:323.

<sup>12</sup> Marx and Engels, 29:232.



scenario would likewise require a massive surveillance operation, if goods are to be accurately priced in labor hours and minutes. Unlike the first, however, it would generate destabilizing inequality, as producers could receive vastly different incomes for reasons not only to do with how much effort they applied but the tools and equipment which they could access. One worker might earn twice as much as another for the simple reason that they happened to affiliate with a factory twice as productive. Consumers, too, would find their ability to consume dependent upon their place in the queue or other sorting mechanisms, since there would need to be some way to assign different prices to different consumers.

We can summarize Marx's *reductio* to communism as follows: far from being a simple mechanism of monetary reform that would ensure a fair wage for every worker, labor money in all of its guises presupposes a thoroughgoing transformation of the economy. While many proponents of labor money understood that a central bank would need to act as buyer and seller for all goods, Marx showed that the operations needed go quite beyond this. Marx locates in Gray a pious wish for communism because such a "bank" would need to balance production across all branches of the economy and determine the demand for each type of final and intermediate good, surveil and potentially discipline workers in each workplace, and finally ensure a uniform level of technology across workshops producing identical goods. It would be more than a bank, more even than a clearing house, but rather a planning apparatus able to engage in ex ante control of production, determining all the decisions producers make. Once such a complete reconstruction has been undertaken, Marx implies, the question of labor money will seem quite secondary and perhaps no question at all. Far more important, for Marx, is the question of the oppressive or emancipatory character of the central bank in such a scenario, given the demands upon it. There are only two choices here: Marx writes that "either it would be a despotic ruler of production and trustee of distribution, or it would indeed be nothing more than a board which keeps the books and accounts for a society producing in common."<sup>13</sup> In other words, *either* it would be a planning apparatus desperately trying to overcome through despotism inequalities baked into the material infrastructure *or* it would be a natural apparatus resulting from a society having overcome these inequalities.

The test of value is therefore a logical test, an immanent critique which, given any communist proposal for economy, reveals its presuppositions and from there constructs a speculative developmental course. If the reformers want the money to function as money, then this means it will need to fulfill certain functions, which presuppose features x, y, and z. If alternately the reformers want the money to perform a new function—that of equalizing wages around a single measure of wealth—then, alternately, as Marx demonstrates, new functions will need to be determined which, by logic, presuppose a material reorganization of the economy. From the science of value, we can develop a critical science fiction of value, tracing out the course a revolution must take by delineating certain logical points of failure, certain guardrails.

## The Test of Value: Marx Against Lassalle

---

<sup>13</sup> Marx, *Grundrisse*, 1993, 155–56.

These early writings on labor money are not often discussed, perhaps because they appear to contradict better known remarks Marx made a decade and a half later, in his “Critique of the Gotha Program,” wherein he seems to have accepted that a transitional communist society would use “certificates” to meter and regulate the consumption of individual workers.<sup>14</sup> Marx is not by any means offering a positive program, but rather a series of corrections. The later Marx text is also a test of value—in this case, a review of the draft program of the Gotha Unity Congress of 1875, which founded the Social-Democratic Workers’ Party (SPD) and the mainstream of Marxism by merging the party of Ferdinand Lasalle, Marx and Engels’ main socialist opponent in Germany, with the group that Marx’s close associates, Wilhelm Liebknecht and August Bebel, had formed. Engels made the text available in the 1891, after Marx had died, during a period of party debate about the subsequent program, the Erfurt Program, from which Engels felt he had, with Marx’s text and his own polemics, “eliminated the last traces of Lassalleanism.”<sup>15</sup>

As before, in this text, this test, Marx is eager to debunk the “Lassallean catchword of ‘the undiminished proceeds of labor,’” a nonsense notion as there is no way to arrive arithmetically at a sum that is not diminished for some party.<sup>16</sup> There is no such thing as “a fair distribution of the proceeds of labor” nor an undiminished one (84). If all members of society are entitled to equal wealth, then the proceeds cannot be undiminished, since some members of society (children, the elderly, the infirm) do not and cannot work, meaning that equal provision for them will diminish the proceeds of others. One form of equality is in contradiction with another. Equality presupposes an inequality and this is true whatever distribution measures one chooses. Marx extends his critique of the language of natural right and natural price to an attack on the entire idea of a “fair” or “equal” wage, a foolishness with which communists dangerously confuse themselves. His endorsement of a “certificate” is an acceptance that some degree of this equal inequality will need to be tolerated inasmuch as the “birthmarks of the old society from whose womb it emerges communism” remain (85). Unlike the Proudhonian or left Ricardian labor monetarists, these certificates are not meant to fix problems—on the contrary, they express given problems and are seen as inherently injurious. The chief difference between Marx’s remarks and the labor money reformers mentioned earlier is that, here, Marx presupposes a thoroughgoing reconstruction of the economy: he is operating deductively and logically from the definition of a cooperative society: “in a cooperative society based on common ownership of the means of productions, the producers do not exchange their products; just as little does the labor employed here appear as the value of these products, as a material quality possessed by them” (85). What this means is that, by definition, the certificates would not circulate—they would only be used by individual workers (or perhaps groups of workers) to measure the goods they consumed. They would not function as money to regulate the

---

<sup>14</sup> Karl Marx and Friedrich Engels, *Collected Works. Volume 24, Volume 24*, (London: Lawrence and Wishart, 1989), 75–99.

<sup>15</sup> Friedrich Engels, “Critique of the Gotha Programme - Foreword,” accessed February 25, 2021, <https://www.marxists.org/archive/marx/works/1875/gotha/foreword.htm>.

<sup>16</sup> Marx and Engels, *Collected Works. Volume 24, Volume 24*, 83.

distribution of raw goods and unfinished products between separate productive units, and therefore they could not function as capital.

This is all very important for Marx, because in the fifteen years since he first began serious work on the critique of political economy, he has developed his earlier distinctions considerably. In these mature texts, in the published and unpublished drafts of *Capital*, he has come to discern, between abstract labor and concrete labor, between the value of labor power and the value product of labor, a positive social form, which is not simply a magnitude, but an impersonal power that comes to seem a “material quality” of the commodities themselves and therefore coordinates and regulates otherwise uncoordinated collective production. He can speak confidently of the capitalist economy as organized by certain “natural laws” that are, in fact, historically produced. The key difference between the schema he critiques in his earlier work and the scenario that he envisions in “The Critique of the Gotha Program” is that, in Marx’s view, the “law of value” would not obtain, because in this situation money and commodities would not serve as an impersonal power, coordinating otherwise uncoordinated function through after-the-fact distribution. Where profit, price, and wage function automatically, compelling the actions of capitalists and laborers, Marx imagines instead conscious decision, free association, deliberate calculation, choice.

The language Marx uses here is nearly identical to the riddling passages in *Capital* Vol I on the “fetishism of commodities,” which “conceals the social character of private labor and the social relations between workers, by making those relations appear as relations between material objects, instead of revealing them plainly.”<sup>17</sup> The two passages are even more deeply connected, as this section of *Capital* is, along with the “*Critique of the Gotha Program*, among the handful of places in his late writing where Marx discusses communism directly. The mystifications of capitalism, the “magic and necromancy that surrounds the products of labor,” can only be made visible by way of contrast with “other forms of production” including an “association of free men.” It is in the light of these other social arrangements that we see not only the historical specificity of capitalism but the specific horizon of its overcoming by communism.

In both texts the test of value requires speculation and imagination, not just analytical acuity: “Let us finally imagine, for a change, an association of free men, working with the means of production held in common” (171). This is the sentence Penguin put on the back of my tattered copy of the book of the volume, choosing to excerpt a moment in the text where speculation about communism is recruited in order to highlight elements of capitalism, but the speculative relationship can work the other way, too, as Marx shows in the “Critique of the Gotha Program.” The test of value is something other than historical narration, however—Marx doesn’t show us the historical particularity of the capitalist mode of production by putting it in historical sequence. Rather, he offers a series of analytical distinctions, asking us to consider “forms” of production, but not modes (*Produktionsformen* not *Produktionsweisen*), the first of which, “Robinson on his island,” is entirely synthetic, drawn from the pages of bourgeois fiction, and chosen to mark a contrast with the “magic

---

<sup>17</sup> Marx, *Capital*, 168.

and necromancy that surrounds the products of labor on the basis of capitalist production.” Crusoe is bourgeois economics as it sees itself and as it sees man, self-knowing and self-possessing, able to record his actions with his diary and his timepiece and to measure the products thereof precisely. But Marx also makes clear that relations can be transparent without being tractable, as in “medieval Europe” where “we find everyone dependent” but where the products of labor are quite transparently distributed among lord and vassal. The same is true of “household production” where labor is organized and wealth distributed according to an organic and transparent division of labor in which individuals are not free, but bound to their location. Only in a “form” of production that is synthetic, like “Robinson on his island,” but made real by history, do we find “free men, working with means of production held in common and expending their different forms of labour-power in *full self-awareness as one single social labour force*” (italics mine). These distinctions are important because they mean that one might abolish the law of value and its impersonal domination without at the same time abolishing dependency and domination. Only with “free association” do transparency and tractability, self-consciousness and activity, coincide. As he emphasizes later: “the veil is not removed from the countenance of the social life-process, i.e., the process of material production, until it becomes production by freely associated men and stands under their conscious and planned control.”

These passages are essential to illuminating Marx’s thinking in his brief remarks in the “Critique of the Gotha Program,” and understanding what’s at stake when he suggests that in free association labor no longer appears as a property of things. They also illuminate that for Marx the utility of value-analysis has remained political through and through. The problem, however, as should be clear from Marx’s speculative analysis, is that the abolition of the law of value is not identical to free association. There are forms of heteronomy beyond the law of value, thousands of years of them in fact, and though capitalism is the only form in which such heteronomy takes shape as impersonal domination, we cannot rule out the possibility of a non-capitalist or perhaps post-capitalist impersonal domination, a naturalized social law that operates through means other than value but that is nonetheless regulative and reproductive of class society. Abolition of the law of value leaves a remainder, and it is from and against this remainder that communism must be made.

A corollary point is that Marx could be wrong here, but for the right reasons. If the form of production employing labor certificates were neither transparent nor tractable, and if furthermore impersonal forms of domination still persisted in such a state of affairs, then it would fail if not the negative test of value then the positive test of communism. Here though as Marx affirms in each of texts quoted, no determination can be made through an examination of distribution alone. The very concept of distribution implies that products are distributed to consumers *post festum*, after production decisions have been made. But the dimension of freedom concerns both ex post and ex ante decision, not just what people consume but what kinds of activities they will perform, and under what conditions. It is the organization of the entirety of social production that is far more significant. If I freely engage in collective production with others, based on my own free intention, and use a piece of paper to ensure that I do not consume so much that others suffer, this is no matter at all. But if that piece of paper is expected, all on its own, to force me to do something I would not otherwise do, then we have a serious problem. This is why Marx insists that the certificate is

in fact a superficial technical concern, subordinate to the underlying organization of the economy.

### The Test of Value 3: Marx and the GIK

The most serious attempt to flesh out the ideas in the “Critique of the Gotha Program” was conducted fifty years later by German proletarian militant Jan Appel, who came from an SPD family, that is, a family of proletarian socialists stamped by the lines of struggle indicated in the program Marx criticized and Engels reformed.<sup>18</sup> Working in a naval shipyard under military command in Hamburg at the end of WWI, he participated in the strikes that brought the war to an end, organizing within his workers’ council, then later with the revolutionary shop stewards’ movement and the Spartacist League. In Hamburg, after the January rising in Berlin was put down by the *freikorps*, he stormed a military barracks, distributing arms to the workers, who were then demoralized and disorganized by the trade unions. From there, he concluded that these organizations, product of the nineteenth century workers’ movement, were as good as useless, able only to work within the framework of the bourgeois state. He and other left communists advocated instead for the formation of radical factory-groups (*Unionen*) which could help consolidate the power of the workers; councils and organize the transition to a socialism directed by the council.

These preliminary hypotheses were confirmed, the following year, during the disaster of the Ruhr uprising, when a Red Army of insurgent workers formed in the Ruhr mining area in response to an attempted coup, overtaking police stations and army barracks, only to be disarmed by the newly-formed Communist Party (KPD) and then massacred at the behest of the Social Democrats by the army and the proto-fascist irregular *freikorps*, returned from marauding in the Baltic. In response, Appel and the left-wing majority of the KPD split from the party, forming the left-communist, anti-trade union, and antiparliamentary KAPD, in April 1920, which sent him to Russia to testify about the treason of the KPD. With the British and American fleets still participating in the blockade of Russia, the only route open to Appel and his fellow delegates was through the North Sea, around the north coast of Norway and through the icebergs of the Arctic toward the Siberian port of Murmansk, from which the American fleet had just departed. They stowed away on a North Sea herring boat, the *Senator Schröder*, docked in Cuxhaven, whose crew was largely sympathetic to the cause, then hijacked it, navigating the last leg of the route without charts, as revolutionaries often must. They arrived in the Russian port of Alexandrovsk, which the communists had newly retaken, on May 1, 1920.

They did not, unfortunately, receive a sympathetic hearing in Russia. Lenin greeted the “comrade-pirates” warmly but dismissively, reading to them from the pages of a manuscript he had written partly in response to the founding of the KAPD, *Left-Wing Communism: An Infantile Disorder*. Appel returned to Germany and to clandestine work in the Ruhr and the

---

<sup>18</sup> Philippe Bourrinet, *The Dutch and German Communist Left (1900-68)* Historical Materialism Book Series, volume 125 (Leiden ; Boston: Brill, 2017), 288–89; “Autobiography of Jan Appel,” libcom.org, accessed February 26, 2021, <http://libcom.org/library/autobiography-jan-appel>.

Rhine, where he was arrested by the French occupying army and deported to Hamburg to stand trial for his piracy.<sup>19</sup> While in jail, in 1924, he tells us, he reflected on his experiences and the fate of the revolution, now definitively finished, he “found the opportunity to study Volumes I and II of Marx's *Capital*.”<sup>20</sup> Coming to understand the history of capitalism as one of increasing dispossession, and the concentration and centralization of capital in the hands of the ruling class, he was forced to conclude that the Russian Revolution had not annulled dispossession and in fact had exacerbated it. “The most profound and intense contradiction in human society,” Appel concludes, “resides in the fact that, in the last analysis, the right of decision over the conditions of production, over what and how much is produced and in what quantity, is taken away from the producers themselves and placed in the hands of highly centralised organs of power . . . This basic division in human society can only be overcome when the producers finally assume their right of control over the conditions of their labour, over what they produce and how they produce it.” Though the debate was raging about the character of the Soviet Union, it was “a wholly new conception to concentrate one's attention upon the essence of the process of liberation from wage-slavery, that is to say, upon the exercise of power by the factory organizations, the workers' councils, in their assumption of control over the factories and places of work.”

He is in prison writing this document, coming to terms with the failure of the revolution, at the same time Adolf Hitler is serving a prison sentence for his role in the Beer Hall Putsch. Whereas conservative elements within the army before 1923 had contemplated an insurrectionary path to power, Hitler from that moment decides that a parliamentary supplement to Nazi street power is sufficient. Appel's conclusions are entirely opposite—a communist movement, unlike a movement to reconstitute class power, can't use those mechanisms; it must root its power in the economic apparatus. Appel takes the manuscript he has produced with him to the Netherlands, fleeing the deteriorating conditions in Germany. There, he joins with the Groups of International Communists and together they discuss and revise the text over a four-year period, publishing it as *Fundamental Principles of Communist Production and Distribution* (hereafter *Grundprinzipien*), and effectively disseminating it among the council communist milieu as a preliminary program.<sup>21</sup>

At the center of the treatise is Marx's labor certificate and a continuous pricing of all consumer goods in terms of the “average social hour of labor.” Workers are paid according

---

<sup>19</sup> The Ruhr region was not only the economic powerhouse of Germany, but a vital economic center for all Western Europe, hence the Entente's insistence on demilitarization of the region and its reoccupation by the French following the Ruhr rising. Revolution that had such an area at its center would become necessarily international. Insurrection in the Ruhr and the Red Army's advance through Poland were in hindsight the only two paths for the world revolution. Hence, Appel's focus there, and its prominence in the best histories: Gilles Dauvé and Denis Authier, *The Communist Left in Germany 1918-1921*, <https://www.marxists.org/subject/germany-1918-23/Dauvé-authier/index.htm>; Pierre Broué, *The German Revolution, 1917-1923*, Historical Materialism Book Series 5 (Leiden ; Boston: Brill, 2005), 357–78,; Werner T. Angress, “Weimar Coalition and Ruhr Insurrection, March-April 1920: A Study of Government Policy,” *The Journal of Modern History* 29, no. 1 (1957): 1–20.

<sup>20</sup> “Autobiography of Jan Appel.”

<sup>21</sup> Gruppe Internationaler Kommunisten (Holland), *Grundprinzipien kommunistischer Produktion und Verteilung* (Neuer Arbeiter-Verlag, 1930). The English translation was not released until 1970: “Fundamental Principles of Communist Production and Distribution,” [libcom.org](http://libcom.org), accessed February 26, 2021, <http://libcom.org/library/fundamental-principles-communist-production-gik>.

to their actual (real time) hours worked but goods are distributed according to their average production time. For one hour of work, one receives goods worth an “average social hour of labor.” Like Marx, the authors recognize that it is impossible to return to each worker the “undiminished proceeds of [their] labor.” Before distribution for individual consumption can occur, numerous deductions from the total social product must be made: for the needs of those who cannot work, such as the infirm, the elderly and children, for general social goods such as hospitals, schools and libraries that are provided free of charge, for the work of administration and distribution, and finally for whatever expansion of total or per capita production need be undertaken, if any. If the remaining product is distributed equally to workers, according to time worked, regardless of productivity, then the ratio of all these deductions to the total product determines a “Factor of Individual Consumption” – that is, the fraction of an average hour of social product which workers receive for every real-time hour worked. If twenty percent of the total social product is deducted for these general costs, then the FIC is four-fifths, meaning at the end of a forty-hour week the worker will receive labor certificates for thirty-two hours of average social labor. They will be able to consume goods that took, on average, thirty-two hours to produce. Implicitly, the workers consume these extra eight hours as well (or will, eventually) but they do so collectively, rather than individually.

This gap turns out to be the source of a novel invention, unique to the *Grundprinzipien*. Where the GIK document is original, and departs from Marx, is that the necessity of these deductions allows the authors to introduce an important distinction, between “productive establishments” and “establishments for general social use (GSU)” The former produce goods for distribution via labor certificates as well as the means of production which those goods require: food and clothing, iron and cotton. The latter produce goods that are distributed freely, to any and all who need them: education, healthcare, administration. Productive establishments must, of course, direct some portion of their output to support GSU establishments, and as such the divisions between the two types of establishment and their eventual use does not line up with output neatly. Furthermore, workers in both types of establishment are compensated in labor certificates for time worked. The output of GSU establishments only counts, then, inasmuch as it decreases the FIC. This output, which includes all of the goods these establishments consume as well as the consumption of their workers, is paid for by everyone rather than individually, and thus counts as a free gift. Eventually, according to the *Grundprinzipien*, as productivity increases, food, housing, clothing, transportation, and other basic goods and services, can be distributed freely and upon request rather than in exchange for labor certificates. As more and more branches of production convert to GSU production, the FIC falls, and the system of council communism moves toward a transcendence of labor certificates. The authors of the *Grundprinzipien* seem to think that free access and certificateless distribution is an asymptote which the curve of productive development never quite reaches, since the production of specialty items that only a few workers desire can never be done on a GSU basis. Thus, certificates will remain in use for some small portion of special needs, while the majority of what workers consume will be available on demand and without restriction. The *Grundprinzipien* therefore takes very seriously Marx’s claim that the certificate is only a transitional state of affairs.

Appel claims not to have read “The Critique of the Gotha Program” until he was preparing the manuscript for publication. Nevertheless, he was able derive all of the features of Marx’s writing on labor certificates from a careful reading of the Crusoe passage in *Capital* Volume I. Appel’s text is remarkable in that uniquely among contemporaries it underlines the crucial connection between transparency and tractability in Marx’s account of planned economy, and also understands that at stake is the concept of *value*, which they insist does not obtain in their schema, since the exchange ratios between two commodities are not expressed in terms of yet a third commodity, but are rather expressed directly. Appel and his co-authors understand that for Marx, the “law of value” is a structure of heteronomy, “a system which raises itself as an alien force over producers,” compelling action. In the system they propose, on the other hand, “in a society in which the relations of the producers to the product is directly expressed,” this danger does not exist. Anton Pannekoek, who originally thought labor-time bookkeeping a rather trivial question, but was convinced by Appel that it was central, articulates why value does not obtain in the GIK scheme:

In a society where the goods are produced directly for consumption there is no market to exchange them; and no value, as expression of the labor contained in them establishes itself automatically out of the processes of buying and selling. Here the labor spent must be expressed in a direct way by the number of hours. The administration keeps book [records] of the hours of labor contained in every piece or unit quantity of product, as well as of the hours spent by each of the workers. In the averages over all the workers of a factory, and finally, over all the factories of the same category, the personal differences are smoothed out and the personal results are intercompared.... As a plain and intelligible numerical image the process of production is laid open to everybody’s views. Here mankind views and controls its own life. What the workers and their councils devise and plan in organized collaboration is shown in character and results in the figures of bookkeeping. Only because they are perpetually before the eyes of every worker the direction of social production by the producers themselves is rendered possible.<sup>22</sup>

The key difference here is that the determination of prices does not take place automatically and invisibly. It is not effected through the “lawful” behavior of the market, but rather through the decisions of workers and consumers, actions which can change the relevant numerical values. The process does not take place behind the backs of the workers but rather consciously.

#### **The Test of Value 4: Bordiga against the GIK**

As fascism, Stalinism, and liberal capitalism vied for control of Europe and the world, the story of the Dutch and German communist left, who refuse to join the popular front, was largely forgotten. In France during the 1950s and 1960s, there was a revival of interest in council communism, at first centered around the group *Socialisme ou Barbarie*, and then, in

---

<sup>22</sup> Anton Pannekoek and Robert F Barsky, *Workers’ Councils* (Edinburgh, Scotland; Oakland, Calif.: AK Press, 2003), 27.



the 1960s become general, chiefly because of the adoption of a modified council communism by Guy Debord and the other writers associated with the Situationist International. The documents of the Dutch-German left had already received greater scrutiny by French language publications in the 1930s, chiefly due to the presence of Italian left communists in Belgium and France. Exiled from Italy by Mussolini after 1926, communist workers associated with Amadeo Bordiga and the left fraction of the Communist Party of Italy (the “*sinistra Italiana*”), settled in Belgium and France, producing a number of journals in French, among them *Bilan*. Although the *sinistra Italiana*, barred from Italy until 1943, is sometime diametrically opposed to the Dutch-German left in its interpretation of the world revolution of 1917, remaining fundamentally faithful to the theses of Lenin’s *State and Revolution*, the two positions are brought into contact by virtue of their shared critique of the Soviet Union as state capitalist, a position held by few other Marxist groups at the time.

Sente back to Moscow on behalf of the KAPD in 1921, and traveling by legal means, Jan Appel reiterates the party’s principled opposition to all work with trade-unions or participation in elections. The trade-unions and the SPD are the product, Appel tells the Comintern, of the nineteenth-century workers’ movement, which hoped to improve the position of workers within capitalism not abolish it.<sup>23</sup> One therefore selects representative who know how to operate in parliament, and negotiate with the bourgeoisie, but who are ill-equipped to conduct a revolution. The emergence of the workers’ council, which has the capacity to organize the entirety of the working class and allow them to participate directly in the course of the revolution, obviates these antiquated mechanisms. The role of the party must be to assist the transition to council power, not negotiate or temporize.

Bordiga is likewise an intransigent, a maximalist, committed (at least until 1926) to immediate revolutionary action. But because of the peculiarity of the revolutionary wave in Italy, Bordiga comes to associate the workers’ councils with mutualism, syndicalism, and cooperativism, not recognizing the genuinely communist character of councilar power.<sup>24</sup> In the north, after the war, particularly in Turin and Milan, Italy saw a council movement easily as explosive as that in Germany, in which as many as half a million workers occupied their factories, demanding they be turned over to workers’ control. The Socialist Party vacillated, countenancing the councils but refusing to go on the offensive, and as such the movement was crushed. Bordiga drew from this experience that what the workers’ movement lacked was not councilar power but intransigent, revolutionary leadership in the party. Once the Communist Party of Italy formed, Bordiga’s left fraction would retain numerical majority until 1923, but eventually, once the Comintern switched to the policies of the United Front, Antonio Gramsci’s *L’ordine nuovo*, oriented to the trade unions and antifascism, became dominant. Because of Gramsci’s support for the factory councils in Turin, which he saw as the immediate basis for workers’ self-management, Bordiga always associated the position of

---

<sup>23</sup> “Speech At The Third Congress Of The Communist International — Max Hempel (Jan Appel),” libcom.org, accessed February 27, 2021, <http://libcom.org/library/speech-third-congress-communist-international—max-hempel-jan-appel>.

<sup>24</sup> “The Science and Passion of Communism – Selected Writings of Amadeo Bordiga (1912–1965) | Brill,” 10–45, accessed February 27, 2021, <https://brill.com/view/title/22024>.

the KAPD and council communism in general with Antonio Gramsci's factoryism, which was in fact much closer to revolutionary syndicalism in its vision of transition to socialism.

After 1926, once Mussolini's power is cemented, Bordiga is first imprisoned, and then, when released, leaves politics altogether, refusing even to discuss class struggle with his former comrades. His associates in the Italian left, exiled to France and Belgium, are forced to carry on without him. Bordiga's politics are relentlessly antipersonal; he is committed to leadership by doctrine, not individuals, and rarely signs his texts, giving those he worked with a freedom to carry on as before but also to diverge from Bordiga's sometimes dogmatically held positions. These Italian left-communists-in-exile make contact with other groups expelled from the Comintern, and in the journal *Bilan*, produce multiple reviews of the *Grundprinzipien*, one positive, the other negative, with both authors trying to develop the critique of syndicalism and factoryism which Bordiga had earlier outlined.<sup>25</sup> It is here, in a series of articles written by Jean Melis as Jehan Mitchell, that one can first read the idea, which will have a powerful afterlife, and which is the inspiration for the concept of the test of value, that the *Grundprinzipien*, contrary to the claims of the author, in fact retains "value."

*[The authors of the Grundprinzipien] note however that 'the suppression of the market must be interpreted in the sense that while the market appears to survive under communism, its social content as regards circulation is entirely different: the circulation of products on the basis of labour time is the basis of new social relation' (p 110). But if the market survives (even if its form and basis are different) it can only function on the basis of value. This is what the Dutch internationalists don't seem to see, 'subjugated', as they are, to their formulation about 'labour time', which in substance is nothing but value itself. (bold in original).<sup>26</sup>*

This argument is merely apodictic, an appeal to authority, and not yet a conclusive "test of value" able to account for the dynamics of the system in question. When Bordiga returns to political life after 1945, joining the new left communist parties that form in Italy, rehabilitating the maxims of the 1920s, he attempts to do just that, developing his early intuitions about the factory-councils and the need for party organization into an extensive critique of what he calls "enterprisism," which he asserts subverts not only liberal capitalism and the mixed economy of postwar Italy, but Stalinist Russia (essentially capitalist in Bordiga's view), as well as the proposals of assorted revolutionary syndicalists,

---

<sup>25</sup> "The Bordigist Current (1919-1999) - Philippe Bourrinet," libcom.org, accessed February 27, 2021, <http://libcom.org/history/bordigist-current-1919-1999-philippe-bourrinet>.

<sup>26</sup> "Bilan, the Dutch Left, and the Transition to Communism (Ii) | International Communist Current," accessed February 27, 2021. The original is Mitchell, BILAN 34f : Problèmes de la période de transition (partie 3) Août - Septembre 1936 / pp. 1133 - 1138, [http://www.collectif-smolny.org/article.php?id\\_article=972](http://www.collectif-smolny.org/article.php?id_article=972) "Ils conviennent cependant justement que « la suppression du marché doit être interprétée dans le sens qu'apparemment le marché survit dans le communisme, tandis que le **contenu** social sur la circulation est entièrement modifié : la circulation des produits sur la base du temps de travail est l'expression du nouveau rapport social » (p. 110). Mais, précisément, si le marché survit (bien que le fond et la forme des échanges soient modifiés), il ne peut fonctionner que sur la base de la valeur. Cela, les internationalistes hollandais ne l'aperçoivent pas, « subjugués » qu'ils sont par leur formulation de « temps de travail » qui, en substance, n'est cependant pas autre chose que la valeur elle-même." <https://en.internationalism.org/internationalreview/201310/9195/bilan-dutch-left-and-transition-communism-ii>.

Proudhonians, and council communists, who he amalgamates sloppily.<sup>27</sup> Bordiga never refers to *Grundprinzipien* or any council communist document by name and seems fundamentally unable to distinguish between the kind of mutualist labor money schemes Marx critiques (where producer goods are exchanged) and labor-certificate systems, where they only organize consumption. His approach is actually ethical and even metaphysical rather than, for the most part, the investigation of dynamics that a rigorous test of value would provide, but this is curiously also the source of its strange power. For Bordiga recognizes that communism is as much a matter of principle as history, an ideal object *and* a real movement towards it. He develops a curious Marxist metatheory, claiming that the theory of communism has been invariant since 1848. The communist program was expressed fully and completely by Marx and Engels, and the task of communists is to preserve this theory and defend it from falsifiers and modernizers.

In these powerful postwar essays, where Bordiga develops his theory of the “enterprise-form,” he is not offering a historical account, nor much less a materialist one. The theory of invariance prevents this, in fact. What he is doing is giving an account of contemporary phenomena that allows him to argue deductively from the first principles of communism—from the very definition of communism as the formation of a classless society, the overcoming of the division of labor, and the opposition between town and country. While based on careful observation and research, his writings on Russia, long acknowledged by readers as the very heart of his theory, are oriented less toward accounting for the trajectory of the USSR than they are to measuring it up in the light of communism. Thus, the clearest explication of his views on “council economy” can be found in his most programmatic texts, in particular “Fundamentals of Revolutionary Communism.”<sup>28</sup> There, he uses the Italian experience to indict council communism as a whole, linking it back to Sorelian syndicalism, Proudhonian mutualism, and other treatments of the problem that retain markets for both consumer and producer goods. For Bordiga, revolution is not a matter of organizational form but program, which allows him to sometimes erroneously assume all organizational questions are superficial. If the task of the revolution is to abolish classes, to overcome the division of labor and the separation between town and country, then the formation of councils and other self-organizing bodies will not be sufficient to the task, for they will merely follow the grooves laid down by the market. Bordiga is programmatically opposed to any “cell-based” or “parcel” approach to economy because, in his view (and here I am reconstructing for Bordiga as argument what he presents as dogma) they retain the antagonistic interests among workers positioned in different social locations. Bordiga imagines these interests playing out through a crypto-market which, as Marx has already established in the *Grundrisse* and *Contribution to a Critique of Political Economy*, would eventually restore to money its power to regulate production according to the law of value. Where there are enterprises, then, Bordiga claims (falsely) there must be a market, “since a measuring system of such complexity couldn’t operate without the age-old expedient of a general equivalent, in a word, money, the logical measure of every exchange.” The only way to overcome this inner tendency toward the market, and fragmentation into enterprises, is

---

<sup>27</sup> “The Science and Passion of Communism – Selected Writings of Amadeo Bordiga (1912–1965) | Brill,” 44.

<sup>28</sup> “Bordiga: The Fundamentals of Revolutionary Communism,” accessed February 27, 2021, <https://www.marxists.org/archive/bordiga/works/1957/fundamentals.htm>.

for the party to radically planify the cellular interests of proletarians, doing away with the individual as the locus of decision, and bringing the entire society into unitary construction:

In socialist society, individuals will not be free to make choices regarding what productive activities they take part in, and what they consume, as both these spheres will be dictated by society, and in the interests of society? By whom? This the inevitable imbecilic question, to which we unhesitatingly reply: in the initial phase it will be the 'dictatorship' of the revolutionary proletarian class, whose only organ capable of arriving at a prior understanding of the forces which will then come into play is the revolutionary Party; in a second historical phase, society as a whole will exert its will spontaneously through a diffused economy which will have abolished both the autonomy of classes and of individual persons, in all fields of human activity.

This radically anti-individual anthropology, ungrounded in any account of workers' self-activity, turns out to find its justification in a remarkably novel reading of the "Critique of the Gotha Program," in which Bordiga locates none of the contradictions which have worried us so far:

No longer can anything be acquired by an individual and bound to his person, or his family, by monetary means: a non-accumulable voucher of a short validity gives him exclusively the right to products for human consumption within a still restricted and socially calculated limit. Our conception of the dictatorship (initially; followed by a social, species rationality) over consumption implies that the voucher will not be marked as a certain denomination of money (which one could then convert, for example, all into tobacco or alcohol, rather than into milk or bread), but of specific products, just like the wartime "ration cards."

By specifying not just the quantity of consumption goods but their type, many of the problems raised by the labor-certificate question are mooted, since all planning can then take place *ex ante*. But what has happened to "conscious and planned control" and "free association?"<sup>29</sup> Bordiga's anti-individual reconstruction of the invariant doctrine of communism must ignore Marx's nearly continuous description of communism as "the realm of freedom," organized by "free association," and in which "the free development of each is the condition for the free development of all."<sup>30</sup> If by party Bordiga means a central administrative layer, determining what people do and consume in advance, without consultation, then there is no freedom at all, and instead we have the forced collectivism Marx and Engels, in a review of Sergey Nechaev's "Fundamentals of the Future Social

---

<sup>29</sup> The treatment of these topics in *The German Ideology*, in particular which Bordiga to his own discredit notes is the fullest articulation of communism that Marx ever produced, contradicts Bordiga's interpretation in several places. "Only within the community has each individual the means of cultivating his gifts in all directions; hence personal freedom becomes possible only within the community... In the real community the individuals obtain their freedom in and through their association." Marx, *The German Ideology*, 86–87.

<sup>30</sup> Karl Marx and Friedrich Engels, *Collected Works*, vol. 6 (London: Lawrence & Wishart, 1994), 506; Karl Marx, *Capital: Volume Three* (New York: Penguin, 1991), 958.

System,” once called “barracks-room communism.”<sup>31</sup> But party might also mean only the collective locus of decisions taking into account both production constraints and consumption demands—for example, a collective canteen that, surveying local needs and desires, orders food and develops a menu.

Bordiga’s lucent statement of the tasks of communism does raise important challenges to the GIK’s *Grundprinzipien*, indicating at the very least that the system of proletarian locations, obligations, and rights introduced by a councilar society would need to be dynamic, and not simply reproduce the technical division of labor left to it by capitalism, lest it fail to achieve the fundamental objectives of emancipation. Bordiga is vague, however, about the precise mechanisms of the alternative, about what he means by party, inasmuch as his insistence on invariant theory, on the content rather than the form of socialism, comes down in the end to a blind faith that the party, as extension of doctrine, applying Marxian logical operators to matters of necessity, will simply figure it out when the time comes. The party for Bordiga is something of a black box, an empty locus of decision making, a form which is a content and therefore curiously undetermined. This means, perhaps, that we can swap in more concrete structures, ones predicated on free self-activity, where Bordiga has not.

Though Bordiga does, in these essays, warn that the fragmentation of councilar economy will necessarily require the reassertion of the law of value, for the most part he does not provide us with “a test of value,” but with something else, rather, something just as valuable: “a test of communism.” Sometimes he argues from the particular determinants of capitalism—money, commodity, market, profit—and in finding these finds that capitalism persists. But for the most part, instead he examines various programs or concrete instantiations of socialism in light of the definition of communism, of classless society, given by Marx and Engels, and finds them wanting. One of my primary objectives in this essay is to demonstrate that the test of value is not the test of communism, and that the confusion between the two fundamentally occludes the tasks of communism. There is a gap between the two tests, and the power of Bordiga’s critique is not, as it imagines, that it locates value in these various post-capitalist scenarios, but that it formulates what must be done *to produce communism* once value has been abolished. Both Appel and Bordiga in fact confuse the two tests, with Appel concluding that, because his scenario has passed the test of value it has therefore passed the test of communism, and Bordiga concluding that because it has not passed the test of communism that it has therefore not passed the test of value. Even if we do not agree with Bordiga that a council revolution would have been doomed for its abjuring of the crucial role of the party, we can agree with him that there are particular tasks that will need to be accomplished by that system if it will pass into communism, and these tasks might be occluded or even hindered by the council system. The council revolution would need to overcome the division of labor between enterprises, reorganize the relationship between town and country, and avoid being resubordinated by the nation-state and, in turn, the international market system. It would have to make production decisions *ex ante* and not simply distribution decisions *ex post*, and therefore neither associations of producers nor of consumers could be the locus of power, but rather production and

---

<sup>31</sup> Karl Marx and Friedrich Engels, *Collected Works*, vol. 23 (London: Lawrence & Wishart, 1994), 543.

consumption decisions must both must be made synthetically, something that distribution through the workplace, by labor certificate or wage, prohibits, inasmuch as it splits producers from consumers and makes the former the bearer of rights of the latter. Communism requires the overcoming of this gap, which the certificate merely papers over.

Bordiga's critique would be little known, if it were not for the interest taken in it by French communists in the 1960s, particularly Jacques Camatte and Gilles Dauvé, whose innovative attempt to come to terms with the revolutionary wave of 1968 built powerfully upon Bordiga's writing on Russia and his critique of the council-form. Gilles Dauvé's formulation of revolution as a process of communization, the immediate production of communist relations, essentially follows from a critical synthesis of the theory of council communism with that of the Italian communist left, preserving Appel's emphasis on self-organization, on conscious and planned control, but arguing, with Bordiga, that the council communist project would have failed, had it followed the lines laid out in the *Grundprinzipien*, inasmuch as it preserved value. Dauvé first developed this critique in an untranslated essay, "Sur l'idéologie ultragauche," written for the 1969 meeting of *Information et correspondances ouvrières*, then the major council communist group in France.<sup>32</sup> ICO had broken away from the group *Socialisme ou Barbarie*, a frequent object of Bordiga's critical remarks, in the 1950s, and it was in SouB, formed by dissident Trotskyists after WWII, that the revival of council communism occurred.<sup>33</sup> But because, for curious historical reasons already discussed, the Italian left also had some representation in the French "ultraleft" the obvious discrepancy between these different visions needed to be investigated. Dauvé summarizes Bordiga's critique thus:

Rejecting the theory of workers' self-management [of the council communists], Bordigism performs one of the most trenchant critiques of the Russian economy, putting in the forefront not the bureaucracy, as Trotskyists and *Socialisme ou Barbarie* do, but the relations of production. The revolution, insists the Bordigist press, must consist of the destruction of the law of value and exchange.<sup>34</sup>

The influence of this final sentence—which describes communism *as the destruction of value*—has been enormous, and will more or less form the vernacular understanding of the theory of communization developed by Dauvé and those he influences. What is communism? Destruction of value-form! What is the task of revolution as communization? To abolish value!

These formulations have been a powerful tonic for revolutionary communism since 1968, establishing a long sought-after link between Marx's esoteric theory of value and the tasks of communism. But Dauvé takes from Bordiga the confusion between the test of value and the test of communism, thereby weakening his critique. However, if we reformulate as test of

---

<sup>32</sup> François Danel, *Rupture dans la théorie de la révolution: textes 1965-1975* (Entremonde, 2018), 205–15.

<sup>33</sup> "Socialisme Ou Barbarie: A French Revolutionary Group, 1949-1965," libcom.org, accessed March 1, 2021, <http://libcom.org/library/socialisme-ou-barbarie-linden>; "Workers' Inquiry in Socialisme Ou Barbarie," libcom.org, accessed March 1, 2021, <http://libcom.org/library/workers'-inquiry-socialisme-ou-barbarie>.

<sup>34</sup> Translation mine. Danel, *Rupture dans la théorie de la révolution*, 214.

communism what Dauvé thinks of as test of value, we retain the power of this critical formulation of the task of communism in light of Marx's theory of value, without confusing value, capitalism, and communism.

Gilles Dauvé's publication history is tortuous but he has been revising this essay for more or less the past fifty years. English-language readers were introduced to his work with the publication of *The Eclipse and Reemergence of the Communist Movement* in 1974, translated by Fredy Perlman for Black and Red Press, then the chief site for the English-language revival of council communism, and particularly the output of the Situationist International.<sup>35</sup> In book, Dauvé revises "Sur l'ideologie ultragauche" into the chapter "Leninism and the Ultraleft." Dauvé reads the "Critique of the Gotha Program" in a manner similar to Bordiga, suggesting that it represents a schema for the distribution of use value *after* the law of value has been destroyed. But Dauvé has a curious, confused understanding of the relationship between the lawfulness of the "law" of value and the measurement of labor-time, suggesting that if a labor standard persists than so, too, does value, an understanding of value that comes dangerously close to confusing it with instrumental rationality as such. Dauvé rightly notes that value analysis, the test of value, must take account of the "dynamics" of a particular system but because he confuses the law of value with one of its particular functions and presuppositions, the measurement of labor-time, what he gives us is not really a dynamical analysis based on the actual material structure of the GIK scheme but an account of how, already latent, the law of value must reassert itself:

...Marx excludes the hypothesis of any gradual way to communism through the progressive destruction of the law of value. On the contrary, the law of value keeps asserting itself violently until the overthrow of capitalism: the law of value never ceases destroying itself—only to reappear at a higher level

The theory of the management of society through workers' councils does not take the dynamics of capitalism into account. It retains all the categories and characteristics of capitalism: wage-labour, law of value, exchange. The sort of socialism it proposes is nothing other than capitalism—democratically managed by the workers. If this were put into practice there would be two possibilities: either the workers' councils would try not to function as in capitalist enterprises, which would be impossible since capitalist production relations would still exist. In this case, the workers' councils would be destroyed by counter-revolution...Or the workers' councils would try not to function as capitalist enterprises, which would be impossible since capitalist production relations would still exist. (64)

---

<sup>35</sup> Jean Barrot and Francois Martin, *Eclipse and Re-Emergence of the Communist Movement* (Detroit: Black & Red, 1974). This text has undergone several revisions, and all HTML versions have been edited to reflect changes made to the PM edition: Gilles Dauvé and François Martin, *Eclipse and Re-Emergence of the Communist Movement* (Oakland: PM Press, 2015). Unless the new version is indicated, page numbers are from the pdf of the 1997 Antagonism press edition, which reproduces the interior chapters of the 1974 edition, available here: <https://lib.anarhija.net/library/francois-martin-and-jean-barrot-aka-gilles-Dauvé-eclipse-and-re-emergence-of-the-communist-move.pdf>

The dynamic analysis only works if we accept his apodictic claims that the law of value is still present. But is it? In the GIK scheme, producer goods are not exchanged, but rather distributed directly between productive units according to calculations that follow from social need first and productive capacity second, unlike in capitalism. In fact, calculation of labor-time prices is not sufficient to distribute products and labor among the different producers, only to calculate the proportions, given existing need. In capitalism, such distribution happens because capitals enter into new lines of production, or invest in new plant and machinery, in order to achieve higher rates of return—as a second-order consequence, this movement of capital (and labor, since labor follows capital) then meets new social need, poorly, and only if that social need first meets the requirements of production for profit. In the GIK, given amounts of final products desired would be determined before the fact, based on a survey of social need. Even if one can be skeptical about how such a survey might function, the point is that output totals for individual units will need to be chosen directly, not determined by the average rate of profit, and this is the most important sense in which the “law” of value is not operating.

Further, in the GIK system, production norms can't be established automatically, behind the backs of producers, as a consequence of the self-interested motives of individual owners or enterprises. When you pay people eight “hours” of social wealth in exchange for any eight hours of actual work, there is no given mechanism for establishing a production norm, and no inherent force compelling workers to a certain level of output. In capitalism, labor-power is purchased, and becomes the property of the capitalist during the time of production—capitalists can set any terms they demand, with biological limits and others given by state law. They can set output norms and fire workers if they don't meet them. But in the GIK system, as in any system that calls itself socialist or communists, labor is an obligation not a right. If everyone who can work must work, then no one can be dismissed. The GIK system would thus find itself unable to enforce production norms except through political will or the reintroduction of structures of incentive and political violence. If political will exists, however, then the certificate is superfluous.

Furthermore, the GIK system implicitly raises problems of reporting and accounting, since it depends on either honest self-reporting or surveillance. As Marx notes in “Critique of the Gotha Program,” a point reiterated by Bordiga, the fragmentation of production into blocks of producers working with very different tools and capacities, in workplaces of differing sizes, situated in geographically particular locations, means that one can't establish uniform productive norms. Workers in particular units can set their own norms, potentially, or even lie about their output. They might be compelled to do this if they think the system is unfair. If for example, the distribution of existing productive capacities makes things harder for some workers and easier for others, they might decide to not to follow production norms, bringing themselves into conflict with other producers.

This is where Marx and Bordiga's remarks about the determinative effect of the underlying organization of production and not the system of distribution are highly apropos. To the extent the GIK system is successful it would have to do away with the fragmented enterprization of production, which leads to a situation where producers in different enterprises have opposed interests. This can only happen by way of a thoroughgoing



reorganization of the underlying apparatus, doing away with iniquities baked into the material infrastructure. This is particularly obvious in the case of agriculture, one of Bordiga's primary focuses. The "councilization" of existing agricultural enterprises will obviously be insufficient, even if one did not take as one's immediate task the overcoming of the division between town and country.<sup>36</sup> Even in the US, much agricultural production takes place through small, family-owned and -operated farms whose interests are opposed through production for profit. Councilization of these farms will, at the very least, have to involve processes of collectivization and material reorganization largely incompatible with the continuity of family-operated production. For Bordiga, the persistence of such market-oriented petty producers in the Soviet Union meant that capitalism had not been abolished, since markets still existed, and, as he points out, linked Soviet agriculture to the discipline of international trade, world money and, ultimately, mediation by the law of value, particularly through circulating capital where international trade remained. We can agree with Bordiga about the external mediation of the Soviet economy by law of value, without thinking value operative and regulative in Russia. With regard to the test of value, Bordiga's analysis has to be judged not only in terms of its categorical claims but the dynamics attributed to the USSR. These dynamics might not be governed by the law of value but nonetheless lead toward its reinstatement, or toward something equally bad. Furthermore, they can be demonstrated to lead away from communism—that is, they can fail the test of communism. Dynamical analysis can be conducted for a system, even a non-capitalist one, inasmuch as it is shown to possess capacity for unintended development. The point is not only to show what it is, but where it's going, and in this sense, even if Bordiga gets the nouns wrong, he gets the verbs right.

### **The Demon in the Matrix**

Up until 1997, Gilles Dauvé revises *The Eclipse and Reemergence of the Communist Movement*, by adding new prefaces, introductions, or appendices. The 2015 PM Press addition features substantial interior revisions, however, and the chapter "Leninism and the Ultraleft," which we have been tracking, has now been split into three chapters, one of which "Value, Time, and Communism: Rereading Marx" clarifies his earlier remarks on value:

For the GIK, the company explicitly stood as an economic unit at the centre of the system. Of course, council communists were aware of the inescapable fact that some companies, and some workers within each company, would be more productive than others: they thought this would be compensated for by a complex regulating mechanism detailed by Mattick. However, if the regulator is labour time, this entails the imperative of being productive, and productivity is no servant: it rules over production. The shop floor would soon lose control over its elected supervisors, and democratically designated co-organisers would act as bosses. The system of councils would survive as an illusion, and workers' management result in capitalism, or rather...capitalism would never have disappeared. We can't have it both ways: either we keep the foundation of value, or we dispense with it. The circle can't be squared.

---

<sup>36</sup> Amadeo Bordiga, ed. Pietro Basso, *The Science and Passion of Communism: Selected Writings of Amadeo Bordiga (1912-1965)*, 2020, 426–60,

Such a scheme goes as close as one can get to keeping the essentials of capitalism yet putting them under full worker control.<sup>37</sup>

This is an improvement, but still confuses the test of value with the test of communism. My point here is not to refute Dauvé's critique, which I think accurately diagnoses some of the dynamic trajectories of the GIK system, but to criticize it sympathetically, disentangling the test of value from test of communism, and better identifying the offending elements.

Dauvé still confuses *measurement* of labor time with *regulation by* labor time. These must be distinguished. Imagine, as reductio assumption, a society of pure abundance in which people only spend a few hours each day interacting with nature and their tools in order to generate resources far in excess of their needs. There is no metering of social wealth. People simply take what they need, with or without prior arrangement. Decisions about production are made *ex ante*, with an eye to social need. What effect would the *measurement* of average labor time—how many hours it takes to make a pair of shoes, on average—have in such a system? It would certainly not, on its own, affect the distribution of wealth, nor be able to direct people to certain activities over others. It would be no different in this way, than calculating the average height or weight of the 9-year-olds in a town. Useless? Perhaps. Dangerous? No.

The danger lies not in measurement itself, as if the tools of abstract mathematical analysis contained, encrypted in their depths, the necessary conditions for the value-form: *Where goes calculus, there must follow capital*. No, the danger lies in the regulative effect of labor-time measurement, a regulation that occurs not through only through measurement but through the certification and individualization of access to social wealth (which requires as its condition measurement). Money, we must remember, has particular functions: measure of value, medium of exchange, means of payment, store of value. Some functions are subordinate to others. For example, the function of medium of exchange presupposes that money is measure of value but it does not work the other way. Measuring does not presuppose the function of medium of exchange, store of value, means of payment, let alone capital. The test of value asks us to examine the labor certificate precisely in light of these functions, and to note that it comes up short—in other words, the problem with the certificate is not that it can regulate production as money does but that it can't, and that it will then either necessitate further mechanisms or the reimposition of value. The logical disjunction, the either/or, can't be avoided here, since at stake are matters of free political decision in the face of obstacles.

---

<sup>37</sup> Dauvé and Martin, *Eclipse and Re-Emergence of the Communist Movement*, 120. It's not clear what prompted such a massive revision, but these parts of the book received a very illuminating response in David Adam, "Marx's Critique of Socialist Labor-Money Schemes and the Myth of Council Communism's Proudhonism," *Libcom*, January 2013. <https://libcom.org/library/marx%E2%80%99s-critique-socialist-labor-money-schemes-myth-council-communism%E2%80%99s-proudhonism>. Adam importantly distinguishes between labor money, as criticized in the early texts, and labor certificates, a distinction that neither Bordiga nor Dauvé seem to register. The authors respond to Adam in a note in the PM press version.

To be specific about the gap, note that Dauvé says that, instead of the freely associated workers measuring value, measurement will, in turn, control their actions. But how could this happen? It could only happen if the certificate, in addition, to guaranteeing a certain amount of products also *forced* a certain level of labor. But as written, there is no way for the certificate to do so. Any eight hours, no matter what the person does, counts for access to eight hours of social wealth. There is no way to establish a productivity norm, unless one imagines workers can be dismissed. But in the GIK system unemployed people also have access to social wealth, so this is no solution. There would be no way to force a production norm on a particular enterprise. Some other mechanism would be required: sanction, incentive, direct violence, independent of the certificate. The problem is then not only what the certificate does but what it doesn't do. The certificate does not allow the workers to freely regulate production but neither does it automatically push them around from workplace to workplace. That will require political structures of communication, or mechanisms of control, which themselves must be judged not only by the test of value but by the test of communism.

Bordiga and Dauvé suggest the producers will have to liberalize the certificate, allowing it to function like money, to reward enterprises and individuals differently according to different output. But one could also imagine that the system would simply break down. If it didn't, if the system were able to regulate production with the certificate, then this would mean that the certificates were simply unnecessary as regulating mechanism. There is no dynamic justification for them. This makes the implications of the test of value a bit different than construed. It is not the argument from necessity that Bordiga and Dauvé suppose—it is not that the labor certificate, or measurement of labor-time, will *of necessity* lead back to value, to capitalism, as a slice of potato will, if submerged, transform into a whole plant. Marx sometimes argues from necessity, as with the labor money which will necessarily turn into money as such. But he also argues by logical disjunction, when he suggests that, in order to achieve its aims (i.e., to obviate the conditions for the necessary reintroduction of money as such), labor money would require either a despotic totally administered planner state or it would simply be unnecessary, as a solution to problems that free association and free development has already overcome. In light of the test of value, the labor certificate yields logical disjunction—either it is unnecessary, or it will require other mechanisms, necessarily despotic and destabilizing, and it is only from these mechanisms that we could deduce the probable course of such an unfolding.

The danger then is not that the GIK system will become a self-managed capitalism, as is sometimes supposed. The danger is that, inasmuch as the labor certificate can't do what it is supposed to do, other social relations, based on personal or impersonal domination, will. The failure of the system then looks closer to the actual course of the USSR, which failed not because it continued capitalist accumulation, but because it could not. The USSR was in the words of Chris Arthur, a “clock without a spring”—it retained the underlying infrastructure of capitalism, but lacked the social relations necessary to effectively distribute goods and workers in a way that drove balanced growth.<sup>38</sup> The failures of the system then derive from the responses of the state, planners, and managers to such a state of affairs, which

---

<sup>38</sup> Christopher Arthur, “Epitaph for the USSR: A Clock without a Spring,” *Critique* 30, no. 1 (2002): 91–122.

constituted attempts to manually advance the clockworks of value through forms of direct violence. The law of value didn't operate in the USSR except through a form of political mimesis.

Therefore, if we want to call "value" labor-time measurement, then we must admit that such value is only ideal, has not been made regulative, and does not function automatically, behind the backs of producers, determining both production and investment decisions after the fact. I think this use of terminology is confused, though, and would propose that, following Marx, we distinguish between *abstract labor* and value, where abstract labor is an essential part of value but where it might exist without the lawfulness of value being in operation. For abstract labor is closer to the element of measure that Dauvé wants to make identical with the value form. Abstract labor brings two entirely dissimilar, commodified acts of labor together and represents their content in a third commodity, the money-commodity. It creates equality across inequality, of a sort that, as Marx insists, still persists in the labor-certificate scheme. Value, in contrast to abstract labor, is when the magnitudes of abstract labor comes to seem a property of things themselves, and where these properties, on their own, compel the decisions of workers and capitalists. If I work eight hours making shoes, and produce six pairs of shoes and receive 6 hours of social wealth, but my friend, Joshua, makes eight pairs of shoes in his workplace, also receiving 6 hours of social wealth, then we have something similar to abstract labor occurring, in which the mass of products corresponding to six hours of social wealth comes to represent the content of two entirely dissimilar acts of labor. This is what Marx is thinking about when he refers to the persistence of bourgeois right, an abstract equality that can only be mapped across existing inequalities. It is not clear that abstract labor can really be said to exist, however, if there are no regulative mechanisms to enforce it. Best to think of it as a kind of potentiality, a demon trapped within the matrix of the system. Needless to say, any attempt to make it regulative, whether through blockchain or Lagrangian measures of opportunity cost, would just be the return of value, making itself adequate to all the functions of money.

No such mechanisms exist in the GIK system, not even potentially, and so one can't even surmise a trajectory toward the reimposition of value. The higher productivity of Joshua does not let his enterprise undersell me, nor attract more capital for its higher profit rate. In capitalism, with value, the presence of the unequal equality across the two producers, sets in motion dynamic interactions which force a general increase in productivity and shift labor and capital from one enterprise to another. Nothing of the sort happens in Marx's or the GIK system. If the workers' councils want, in response, to this discrepancy, to raise my productivity, this will have to be done through political decision and direct distribution. There is nothing in the system that can force me to work harder. If one wants to force things, one will need force.

### **The Test of Communism**

"Sur l'ideologie ultragauche," the article which introduces the test of value to English-language readers, had as its intended audience the 1969 meeting of *International*

*Correspondance Ouvrieres* (ICO).<sup>39</sup> Dauvé and Francois Martin had come to reconsider the ideology of workers' self-management that dominated the centers of ultraleft activity during the events of May 1968. In their first revision, they preface the article by saying they had hoped to engage Paul Mattick in conversation, a logical choice, given his prominence then as one of the chief exponents of council communism, and a rather open-minded and intellectually diverse one. The term they use, "ultragauche," is a new one, meant to encompass the broad sweep of groups aligned with but by no means derivable from historical council communism. In France, the ICO was the most prominent of such groups.

What is fascinating, and what has gone largely unremarked on, is that by 1969 Paul Mattick had revised his earlier position on the *Grundprinzipien* and now largely agrees with Dauvé.<sup>40</sup> Indeed, when Mattick writes an introduction to the 1970 English translation of the text, his mature assessment in the introduction which he writes is rather withering and if not more total certainly more precise than Dauvé's. For one, he notes that the productive forces have developed so, in most of the world, that the point has long been passed where most goods could be put directly into the GSU category. But even if this were not the case, perhaps because of destruction of the productive forces by class struggle, he finds the certificate "superfluous" in every case he could imagine. Where there is scarcity, freely associated producers can simply ration consumption without distributing through the workplace, and in such a way that labor-time calculation for purposes of distribution is unnecessary. Even when it comes to the organization of production and the distribution of goods between productive units Mattick finds labor-time calculation of limited value, and rues the fact that the authors spend so little time discussing the much more fundamental question of how given levels of need are determined.

After such critique, very little is left standing. Why then introduce the book at all, since its most basic techniques are judged inadequate? For Mattick, it seems, the devil is not actually in the details—rather, the text is an exposition of the idea that the economy might be brought under "conscious and planned control." The chief criticism of the ultraleft that Dauvé raises is that it is purely formalist, that it fails to define the *content* of communism and instead confuses it with political autonomy and self-management, which are merely political forms. But Mattick, if you read his introduction closely, rejects the particular forms elaborated by the GIK and in fact offers for examination its content, classless society, which he defines as workers' autonomy and the abolition of exploitation. The details, in other words, will have to be adjusted to accord with these values, and if one believes that the workers can manage production, then they can amend the details of the GIK proposal as necessary.

Paul Mattick was a teenager when Jan Appel began writing the *Grundprinzipien*. An active youth participant in the communist left, Mattick and others had actually been planning to break Appel out of jail in Dusseldorf, but called off the plan when Appel was offered a lesser sentence.<sup>41</sup> Fifty years later, living in the United States, Mattick is particularly well-positioned to see the *Grundprinzipien* as a historical document, its vision conforming to the

---

<sup>39</sup> Danel, *Rupture dans la théorie de la révolution*, 205–15.

<sup>40</sup> "Introduction - Paul Mattick," libcom.org, accessed March 6, 2021, <http://libcom.org/library/introduction-paul-mattick>.

<sup>41</sup> Gary Roth, *Marxism in a Lost Century: A Biography of Paul Mattick* (Chicago, Ill.: Haymarket, 2016), 45.

position of the working class at the time of WWI. This was perhaps the largest, best-organized industrial working-class in the history of the workers' movement, poised to seize control of the industrial heartlands of Western Europe. Was such a vision doomed, even then? It does not seem possible to derive such a conclusion, once we dispense with the idea that value is latent within the GIK proposal. Inarguably, attempts to simply councilize existing production would have run into powerful obstacles, especially if the certificate was meant to force production norms. But imagine a modified GIK proposal in which basic goods (food, housing, healthcare) were immediately placed in the GSU category. If most of the industries producing such goods could be run by the council system, then this might allow ample time for the reorganization of production in order to overcome the conflicts produced by the division of labor and the prior distribution of fixed means of production. The GIK proposal makes sense for an industrializing country with a growing working class organized in large units and capable of quickly delivering basics, such as existed in much of the world during the midcentury. But after deindustrialization, as Mattick indicates, such a proposal looks very different.

In light of the test of communism then, the formal mechanisms are not determinative. What matters is whether the form is compatible with communism. What is communism? We have already encountered some definitions: classless, moneyless, stateless society; freely associated workers meeting their needs with the means of production under conscious and planned control. Communism is prismatic, and therefore either of these definitions is sufficient, and interchangeable. If there is a class, a state, or money, then there cannot be conscious or planned control. But by the same measure, if a piece of paper like the certificate does not inhibit conscious and planned control then it is not money.

Imagine, for example, a state of affairs in which freely associated laborers work, voluntarily, in a number of different workshops according to a common plan. If there is no compulsion to work, if the activity is freely chosen, and if those who can't or won't work don't need to, then a certificate used to portion receipts is not a mechanism of compulsion at all. It simply serves to ration social wealth according to a plan likewise equally chosen. It may be unnecessary or trifling but it certainly is not dangerous. Under such a state of affairs, there is no difference between the certificate and a simple voluntary record of individual withdrawal from the stores of social wealth. It is a recording instrument and nothing more, less like money than a ledger in which one records one's receipts or a chore wheel in a collective house. But then at the very least we might say that the labor certificate, if it is still called so, truly misnames itself, for it is not a piece of paper exchanged for labor but simply a mechanism whereby society divides available wealth among its members. This is only way in which the certificate might be demystified, rendered transparent, when it becomes simply a consumption token.

Here we come upon the difference between what Evgeny Pashukanis calls legal regulation of society and technical regulation.<sup>42</sup> The very concepts of law and right, argues Pashukanis, presuppose as their abstract basis a "legal subject," the bearer of rights. One sees clearly how the certificate presupposes such a subject, and in fact Pashukanis's theory of law is derived

---

<sup>42</sup> Evgeny B Pashukanis, Barbara Einhorn, and Chris Arthur, *Law and Marxism: A General Theory*. (London: Pluto, 1990), 81.

from a novel reading of “Critique of the Gotha Program, “underscoring that Marx identifies the certificate and the forms of equalized inequality they presuppose with “bourgeois right,” that birth-defect preserved in socialism. For Pashukanis, legal regulation through the determination of the rights of abstract subjects emerges as the particular consequence of the equal inequality of exchange relations, which both civil and criminal law reproduces in abstracted form. What bourgeois right presupposes is that exchange takes place between individuals with conflicting interests, for only then is it required that the state enforce contracts and resolve conflicts of interest. To draw out the basis of the legal subject in conflicting interest, Pashukanis compares legal regulation, in which some body imbued with the power to settle dispute by implicit violence forces contract upon one or more legal subjects, with the situation of technical regulation, where an underlying commonality of interest leads to a common rule. For example, the liability of a railway owner for consigned freight is of a different order of regulation than a timetable which ensures trains do not crash into each other. In the first, there are competing interests, in the second there isn’t. Likewise, a situation where a labor certificate forces someone who does not want to work to labor by linking abstract responsibility (to work) to abstract right (to consume) is entirely different than a situation in which a labor certificate is a voluntary measure.

This underlying arrangement of interest, keyed to a distribution of means of production, is in fact the object of what Bordiga, confusingly, calls the *content of communism*. Bordiga identifies the content of communism with doctrine and theoretical principle rather than historical advent and thereby commits an idealist error. Implicit in his analysis, however, is that the conflicting interests sedimented into class division and the division of labor can only be overcome through a process of social reengineering, fusing the broken shards of the scattered means of production into a cohesive whole that presupposes a common plan and common interests. This is in fact the object of the test of communism, for which doctrine or principle can serve merely as revolutionary heuristic. Where latent conflicts of interests between parcelized enterprises thwart commonality of interest and plan, there the work of communism cannot simply apply an abstract form to those interests, hoping to solder them together; it must remake them in their real materiality. To do so, the test of communism in fact draws upon an abstract ideal, the concept of communism, of classless society, which we can read as the negation of those elements not only of capitalism but of class society since the Neolithic revolution: division of labor, state, and class.

The task of the communist revolution, then, is not simply to abolish value, though this is a first act which cannot be skipped over. The law of value is the dynamic inner consistency of the capitalist mode of production, this ravager of worlds. But value binds together other elements, it is the ring which holds together the other rings of market, money, state, law, class. Once value has been destroyed those other elements might persist, carrying with them ancient forms of heteronomy that might be combined in new forms. Once one destroys the final boss of value, there are still other enemies that must be subdued. The revolution will do so, however, by focusing on the ground which all these other forms presuppose: opposed interests, sedimented into the real material relations between people.

Among the worst aspects of the certificate, then, when pitched against opposed interests, is that it implies a social judgment about the capacity to labor which is implicitly built upon

bourgeois notions of the connection between right and labor. The sources of the classical labor theory of value lie in early rationalist theories of property, in particular that of John Locke, who says: “whatsoever then he removes out of the state of the state that nature hath provided, and left in it, he hath mixed his labor with and joined to it something that is his own, and thereby makes it is his property.”<sup>43</sup> The bourgeois ethics of labor and right subtend the workers’ movement, as we have seen, and form the primary objects of Marx’s first formulation of the test of value. It is impossible under capitalism, given joint production, to return to the worker the value they have produced. There is no way to write such a sentence as a logical proposition which is not false on every interpretation. This Lasallean delusion persists in the labor movement; it is written into the bourgeois law regulating strikes and wages, and taken over into certain syndicalist visions that imagine absolute control over each workplace only by those involved. But not only will communism inherit a division of labor requiring a vast commonality of production but it will have to turn this into a true commonality, on an entirely different basis. Every bit of the earth is now so intermixed and intermingled with so many human labors and forms of indebtedness and belonging that it would be ludicrous to parcel it out and say to whom which belongs. This is easily seen in the problem of climate that will confront any communism we can imagine. The burning of hydrocarbons, the release of carbon from the soil, cannot be the choice of those who work the land alone, since it has consequences for everyone and for all common production. Our labors have taken to the air and there is no way to put them back into the bottle. The task of communism will be to overcome all egoizing, individualizing structures and to communize consumption and production, to render visible our common interdependence, in direct, collective provision of basic needs in which decisions about what to generate and what to consume are brought together into conscious planning bodies.

When you certificate food, housing, and other necessities, you create needless individualism, fragmenting consumption. You establish an explicit social judgment about those who can work and those who cannot, those who give their labors and those who take from the social store without contributing (because they are children, disabled, elderly). But who can make such a judgment? And are we sure that these individuals do not contribute to reproduction in ways that are simply unmeasured? If consumption is individualized, there will certainly be forms of unpaid labor, occurring in private spaces of consumption. In capitalism, the division between paid and unpaid labor is gendered, racialized, and ableist. Waged workers receive money, which is used to support the reproduction of unwaged workers, but such that informal structures of interpersonal domination mediate activity. At stake here is not whether structures like the family persist but whether they are actively enforced in communism, through the social judgment of the labor certificate. Communizing consumption does away with this problem immediately, allowing us to distinguish between forms of kinship and personal relation that are voluntary and those that are not.

It’s not only feasible to do that but probably superior, for where consumption is already common, according to common plan, there will interests be fused. If limited personal goods are distributed individually through the workplace, perhaps even as incentive, it does not seem that it would counter the vast commonality of life already established on the basis of

---

<sup>43</sup> John Locke, *Two Treatises of Government* (J. Whiston, 1772), 196.



voluntary activity and free access, and such individual distribution would likely quickly become anachronistic. How else would it be with so much in common? In this sense, even though the cell-form of bourgeois right persisted it would be much like the wig on an English barrister, not capable of parcelizing individual interest. There would be no “legal regulation” even though some sort of abstract equality persisted, since the underlying plan will have presumed commonality of interest.

### **The Tasks of Communism**

The test of communism is a concept, and no concept will ever produce communism. To become more than a concept, the test of communism will need to be reformulated as tasks, by a movement capable of accomplishing it. I have said nothing here about such a movement, let alone whether and where and how it might emerge in the future that faces us. Such a discussion can only occur on the basis of an examination of the tendential theory described earlier and the facts of contemporary. This will be the subject of the next chapter. The tasks, however, derivable directly from the test, can be stated up front.

- Immediate abolition of the parliamentary, bureaucratic, and repressive state
- Expropriation of means of production by self-organized bodies producing directly for social use.
- Break the link between right and responsibility, labor contribution and receipt of social wealth. Ration, if necessary, based on need not contribution.
- Communize consumption, distribution, and production according to common, freely devised plan.

March 2021