

## Chapter 1

### Reforms: Understanding the Origins of Our Contemporary Theoretical Dilemma

The economic reforms taking place today in contemporary "socialist" countries (like China) and countries which were considered socialist only one or two years ago (such as Russia and Eastern European areas) are a significant cultural phenomenon. The purpose of these reforms has been to break away from the old conservative economic system (the so-called Stalinist model) and to introduce the commodity-market system as a new socio-economic mechanism. However, the history of this movement from the 1950s to the 1980s shows us that while the admission of commodities into practice has indeed been drastic, the recognition of this admission from a theoretical perspective has been, in comparison, quite incomplete.<sup>3</sup> Except for the works of some Eastern European economists whose "rebel" spirit is well known all over the world, most official explanations of reform coming out of Eastern states are contradictory.<sup>4</sup> People seem to fear mentioning commodity relations and socialism in the same breath; they consider it a "theoretical forbidden zone" which cannot be entered. In the former Soviet Union, for example, theorists' critiques of "market socialism" were widely celebrated, especially during the Stalin and Brezhnev years. There is little recognition of the value of commodity relations even in M. Gorbachev's book *Reforms and New Thinking* (1987), insofar as Gorbachev had to submit his reform strategy to Lenin's socialist teachings.

The violent political upheavals of 1989 have rendered all "official" explanations of reform inadequate and even meaningless; for practice transcends theory. One of the most vital characteristics of economic revolution is the thorough legitimization of the market system. Regardless of whether or not it is of a "pure"

or "mixed" form, a key aspect of any market system is the fact that it is based on profit-seeking intentions, and it is the open recognition of this fact which is the greatest development in this revolution. On the other hand, there is also an amusing phenomenon in contemporary China in which the leading group that used force to oppose reform is now, in an attempt to maintain its power, using government-sponsored reform initiatives and masking them as orthodox ideology. The myth of the "two types of reform" was fabricated by such moves, in which true reform-oriented reconstruction of a market economy based upon privatization is rebuked as "false," while the authorities' "reform" is referred to as "the self-perfecting of socialism."<sup>5</sup>

Regardless of the motives behind the hesitancy of economists and politicians to rigorously approach the theoretical aspects of reform, this reluctance reflects a cultural predicament that is particularly evident in twentieth-century socialism. Modern socialism, regardless of its particular and concrete historical origins in various countries, is an appearance of production based on the theoretical heritage of Marxism. Although various changes have taken place throughout this historical process, the inner relationship between theory and practice remains obscure. Therefore, if one hopes to truly understand the necessity of modern Eastern reforms and their historical context, and if one hopes to understand why China, my own country, has met with such difficulty in its attempts at modernization, an exploration of the theoretical origins of modern socialism in the thought of Karl Marx is necessary. Please note that here we are examining theory only; in later chapters we will discuss what actually occurred in the historical development of socialism.

I begin by posing a question: what, according to Marx, is to be the basic character of a future communist (or socialist) society? What is to be the relationship between such a society and a commodities economy? Are they able to coexist or not? What is the foundation of Marx's theory regarding this relationship? These questions are interrelated, and their further exploration will constitute the first step of my analysis.

We have before us the enormous corpus of Marx's work, but

not one of these writings deals exclusively with his views on future society. It is necessary to extract his main ideas on this issue from bits of relevant information scattered throughout various books. I believe that for Marx the economic character of a future society is to be an ideal socioeconomic set of relations based on direct social labor and socialized regulation of production. In *Capital*, one of his most famous works, Marx says:

socialized mankind, the associated producers, will regulate their interchange with Nature rationally, bring it under their common control, instead of being ruled by it as by some blind power, and accomplish their task with the least expenditure of energy and under such conditions as are proper and worthy for human beings. (1953, 3:963; or 1956, 260)

“Blind power” is an expression of Marx’s that refers to the *law of value* (see glossary), which is the most fundamental law of commodities economy (Marx himself expounded this point splendidly in his analysis of the fetishism of commodities.) For Marx, future society as an ideal socioeconomic set of relations will not include or involve market relations; instead, the former will be a transcendence of the latter in the historical dialectic.

Engels was more frank in his discussion of this matter. He predicted:

The seizure of the means of production by society eliminates commodity production and with it the domination of the product over the producer. The anarchy within social production is replaced by consciously planned organization. The struggle for individual existence comes to an end. It is only at this point that man finally separates in a certain sense from the animal kingdom and that he passes from animal conditions of existence to really human ones. (1976, 366).

The basic economic characteristics of a future society consist of the following features: (1) the socialized seizure of the means

of production (public ownership) and the rational regulation of whole production; (2) the consequent absence of a commodities and market relation; (3) the presence of a new, liberal nature of labor associated with the extinction of the old division; and (4) the adoption of a new principle of distribution—"From each according to his ability, to each according to his needs." It is important to recognize that in the academic circles of the People's Republic of China, these characteristics of a future society are frequently explained in purely economic terms. But this is, in fact, a very superficial understanding of Marx's thought. As E. From has pointed out, Marx maintains that labor and capital were not only economic categories but also anthropological categories, categories in which Marx's humanistic standpoint is rooted (From 1983). This interpretation of Marx's thought is, in my view, equally suitable to my explanation of Marx's writing on future society.

More precisely, Marx's concept of future society in the economic sense has a philosophical-anthropological origin.<sup>6</sup> This means that Marx's assumptions concerning the state of the economy in his future society, including his forecast of the elimination of commodity production, originally presupposes a special understanding of human nature. It is just this philosophical-anthropological understanding of human nature which demands more serious attention.

Ever since the *1844 Economic-Philosophical Manuscripts* were first published in the Soviet Union in the 1930s, there has been a long-lasting debate regarding both Marx's concept of mankind and the relationship between the "young" Marx and the "old" Marx. I will discuss my own views regarding this debate in chapters 5 and 6. My concern now is to first clarify *what* Marx said; later I will trace the *why* (Marx's rationale) behind it.

What is human nature? Marx has a definite answer to this question. In the *1844 Manuscripts* he writes:

Man is a species-being [see glossary] not only in the sense that he makes the community (his own as well as those of other things) his object both practically and

theoretically, but also (and this is simply another expression for the same thing) in the sense that he treats himself as the present, living species, as a universal and consequently free being. . . . Productive life is, however, species-life. It is life creating life. In the type of life activity resides the whole character of a species, its species-character; and free, conscious activity is the species-character of human beings. Life itself appears only as a means of life. (1964, 126–27)

This is certainly not a simple mixture of Feuerbachian and Hegelian language. Marx quickly defines the “free, conscious activity” of human nature more concretely as *labor*. In the same way that modern philosophy seeks to reduce human nature to linguistic behavior, Marx seeks to define human existence as labor. Two of the most important components of his philosophical-anthropology are the “objectification” and “nonphysical needs” of labor.

“Objectification” means that human nature is embodied in the realistic product of human activity, that is, labor. For Marx, labor, whether it is spiritual or physical, obtains an ontological status when it is expressed as a necessary inner impulse of a human being’s self-realization. At the same time, “it is only when the object becomes a human object, or objective humanity, that man does not become lost in it” (1964, 160). This “objectification” not only entails an entirely new philosophical-anthropological understanding of the relationship between humankind and nature, but it also gives to labor itself a more clearly defined aesthetic character. (From this perspective we can see why Marx sees an artist’s labor as the ideal model of human activity in a future society.)<sup>7</sup>

“Nonphysical needs” refers both to the formal embodiment of the essence of humanity and to the necessary precondition for the realization of such an essence. In discussing nonphysical needs, Marx makes a meaningful comparison between animals and mankind:

Of course, animals also produce. . . . But they only produce what is strictly necessary for themselves or

their young. They produce only in a single direction, while man produces universally. They produce only under the compulsion of direct physical needs, while man produces when he is free from physical needs and only truly produces in freedom from such needs. (1964, 128)

Marx values highly “nonphysical-needs” production as an important expression of human nature. According to this viewpoint, labor not only provides for man’s physical survival but also, and more importantly, gives mankind the status of a conscious species-being. Therefore, logically speaking, only labor that is free from the restriction of direct physical needs can truly be called free human labor.

Of course, this claim does not intend to deny the fact that mankind in future society has physiological needs. On the contrary, eating, drinking, and procreating are also, in Marx’s opinion, “genuine human functions”; but if they are “abstractly considered, apart from the environment of human activities, and turned into final and sole ends, they are animal functions” (1964, 125). Genuine nonphysical-needs production, or creative labor, will exist “outside the sphere of material production proper” (1953, 3: 962; 1956, 259). The realization of this separation will mark the dialectical transcendence of mankind’s animal nature and the realization of its own unique human essence.

There is another concept associated with labor which requires attention. This is the concept of *sociality*, which complements and deepens Marx’s conception of labor. Marx states:

the social character is the universal character of the whole movement; as society itself produces man as man, so it is produced by him. Activity and mind are social in their context as well as in their origin; they are social activity and social mind. The human significance of labor only exists for social man. . . . Thus society is the accomplished union of man with nature, the veritable resurrection of nature, the realized natural-

ism of man and the realized humanism of nature.  
(1964, 157)

Marx especially emphasizes that

[i]t is above all necessary to avoid postulating "society" once again as an abstraction confronting the individual. The individual is the social being. The manifestation of his life—even when it does not appear directly in the form of a communal manifestation, accomplished in association with other men—is, therefore, a manifestation and affirmation of social life. Individual human life and species-life are not different things, even though the mode of existence of individual life is necessarily either a more specific or a more general mode of species-life, or that of species-life a specific or more general mode of individual life. (1964, 158)

In short, the species-essence of human beings yields a harmonious relationship between the individual and society; such is the ontological character of society. Society, as a truly human environment, guarantees for every individual a development which is free and not depressed; creative and not "stuck in old ways"; balanced and not lopsided. Such a development is the precondition for society's very existence. The individual, on the other hand, obtains a status of species-being as a result of his free, creative association with society, in which he becomes a social being. Here the self-realization of the individual and the broad socialization of humanity are closely connected. It is just in this dialectical context that human nature obtains its perfect embodiment.

Based on these ideas, Marx, in the 1844 *Manuscripts*, puts forth a rigorous critique of the age in which he lived. This critique is Marx's widely known theory of *alienation* (see glossary), which, in my opinion, can be seen as both an attempt to explicate his abstract ideas on human nature and as a fundamental step in his analysis and prediction of a future society.

Marx's ideas of *alienation* in a capitalist society can be summarized in several points. First, there is the alienation from the product of labor. Originally, "the product of labour is labour which has been embodied in an object and turned to a physical thing"; therefore, "this product is an objectification of labour." But in a capitalist society, objectification appears "as a loss and as servitude to the object," and appropriation appears "as alienation" (1964, 122).

Second, there is the alienation from the process of labor. As Marx says, "Alienation appears not merely in the result but also in the process of production, within productive activity itself" (1964, 124). In contrast with the conscious, creative and delightful labor, work in a capitalist reality "is external to the worker," "is not part of his nature." Because of this alienation, labor is "not the satisfaction of a need, but only a means for satisfying other needs" (1964, 125).

Third, therefore, there is the alienation of mankind from himself. Labor "alienates man from himself" and also "alienates him from the species" (1964, 127). People are no longer themselves; they are no longer manifestations of their original selves. A sharp conflict arises between a person's essence and his or her practical existence.

Finally, the "direct consequence of the alienation of man from the product of his labour, from his life activity, and from his species life, is that man is alienated from other men" (1964, 129).

These forms of alienation are only seen by Marx as "fact" in a society based on private property. There are important questions that arise from this alienation: "How does it happen?" and "How is this alienation founded in the nature of human development?" (1964, 133). In the 1844 *Manuscripts*, Marx does not answer these questions. It can in fact be said that Marx's later work was centered, to a certain extent, around the search for such answers. The most important consequence of this search is Marx's theory of historical materialism.

On the surface, Marx's theories of alienation and historical materialism seem to differ greatly in subject matter; the forms of



language used for each are also quite different. Although these differences should not be overlooked (and we will analyze them at a suitable place later), to overstate them would be equally undesirable. It is best to say, in the context of our present discussion, that the coherence and continuity between the two theories significantly outweigh the discontinuities.

Using the "language" of both alienation theory and the theory of historical materialism, I would like to attempt in the following pages to explain how Marx's theory of historical materialism accounts for mankind's alienation. In other words, I intend to elucidate Marx's belief in the historical necessity of the manifestation of an ideal human nature in a future society. From this explication I draw some important conclusions that are relevant to my later discussion.

It is important to note at first that mankind's existence is the result of a long history in the evolution of the natural world. In the early stages of human life, adverse circumstances and a very low level of production forced people to draw support from the collective community in order to survive and reproduce. The social organization which was able to suit the needs of the community was the primitively communist clan-system. The greatness (and, concurrently, the limitation) of this clan-system was that there was no class domination, a characteristic that causes many historians in "civilized" times to be deeply moved by the honesty and simplicity of the people within this system. However, that which constituted the basis of this simple, cooperative behavior was not, after all, species-consciousness, but rather its effectiveness in terms of personal survival value. This behavior, which seems today to be so noble, was actually rooted in natural necessity. Along with the development of history, this natural necessity would eventually be (and indeed was) overcome through the power of increased productivity.

The first great social division of labor, in which pastoral tribes separated themselves from the masses of other barbarians, made a system of exchange of goods necessary. An increase in surplus products led to the emergence of private property and, associated with it, individual families, both of which sig-

nify a move away from "community mentality." The second social division of labor, in which handicrafts separated from agriculture, promoted the disintegration of primitive society and the beginning of class division. The class division was the beginning of mankind's self-alienation. Production which was aimed directly at exchange, that is, commodity economy (see glossary), emerged and developed rapidly, and gave rise to the new class of merchants. This development of commodity production signified the alienation of humans. (This alienation as a historical product can be clearly seen in commodity exchange and interrelations.)

Originally, the rise in productive forces, the expansion of class divisions, and, as a result of the former, the development of human demand, all strengthened people's interrelations. But, as a result of the existence of private ownership, these interrelations required an indirect medium of exchange, which in turn required reciprocity. It is from this need for reciprocity that a series of contradictions arose. The final purpose of every commodity producer is no more than to satisfy his or her own needs. In order to do so, he must first produce a commodity which will be useful to others, yet valuable to himself in terms of his ability to exchange it for other things he needs. Whether or not this exchange value can be realized is dependent upon many contingent factors. The relationship between two commodities in exchange is enormously complex; indeed, Marx's own concept of *dialectical logic* (see glossary) as the unity of opposites is designed to account for the various types of "quantitative" and "qualitative" economic relations that often seem to "repel one another" (see Marx 1976, 28).<sup>8</sup>

The contradiction was resolved with the appearance of money as a "universal equivalent form of value" which, accompanied by the development of exchange itself, gradually obtained a dominant position in economic life. It was just this situation which took human alienation to a new stage. If it can be said that, in primitive society, the sociality of individual labor was directly embodied in labor's community, in feudal society it was embodied in labor's particularity, and in a society charac-

terized by commodity production, that is, bourgeois society, such a sociality of individual labor is embodied in labor's generality. Originally, this labor as generality would be the deepest expression of the human essence as species oriented,<sup>9</sup> but here, precisely as a result of this "labor as generality," an astounding transposition occurred between mankind and the product made: mankind became a slave to the matter he produced and was forced to be at its mercy! Marx's "fetishism of commodities" is undoubtedly the deepest expression of alienation in human history, even if this alienation is indeed logical and understandable.

Furthermore, the contrast between mankind's true essence (according to Marx) and his actual practical existence is also manifested in the fact that, accompanied by the infiltration of the entire social sphere by market relations, the physical resources of mankind's life activity, labor power, must be seen as, and only as, a commodity. Labor is treated only as a means of maintaining the laborer's biological existence; meanwhile, capital as the antithesis of labor power, becomes both the original motivation for and the final aim of the whole movement. It is within this situation that the real historical cause of class conflict (based upon which the various forms of alienation arise) can be discovered.

Does this alienation imply a continuing regression of humanity? Does it imply that mankind will simply become more and more powerless to manage its relationships with nature as well as with other persons? Is it the case that, due to the wide gap which exists between mankind's essence and its actual behavior, Marx's ideas of an ideal human nature are destined to be proved to be illusions? Certainly not! At the core of the historical dialectic is the idea that the development of anything involves a process of going from positive through negative to a new, higher positive. It is true that the alienation of mankind and the unfortunate circumstances connected with it will leave scars upon human history, but this alienation is a necessary step in the formation of the ideal future society. The recalculation of mankind's progress must draw support from his "retrogression"; the combination of

mankind and nature must have the aid of their "separation." The achievements and limits of the capitalist system, especially as a "matured" modern social formation, are the best embodiment of the historical dialectic. Because of this, alienation can be seen as a temporary situation, but it will be affirmed in the end as having been necessary.

Therefore, as Marx writes,

Communism is the positive abolition of private property, of human self-alienation, and thus the real appropriation of human nature through and for man. It is, therefore, the return of man himself as a social, that is, really human, being, a complete and conscious return which assimilates all the wealth of previous development. Communism as a fully developed naturalism is humanism and as a fully developed humanism is naturalism. It is the definitive resolution of the antagonism between man and nature, and between man and man. It is the true solution of the conflict between existence and essence, between objectification and self-affirmation, between freedom and necessity, between individual and species. (Marx 1964, 155)

The basic outline of Marx's theories of alienation and historical materialism given here remains quite rough. But it is still possible to draw two important conclusions from it. First, since human nature, as it will be truly expressed in a future society, will be "free, conscious activity" characterized by creative labor or nonphysical-needs production on the basis of "real appropriation," then it is just this nature of labor itself that will determine the economic form of that society (ideal "product economy" without value-exchange) and the motivation to run the entire socioeconomic system with creating labor will become life's principle need.

Second, presuming that the "return of man himself as a social being" is a strong tendency in human development, care must be taken to provide the historical conditions necessary for

such a return. These conditions entail the existence of a high level of development of their productive forces and, as a result of this development, a complete revolution of private ownership and the means of production. The philosophical-anthropological realization of such historical conditions embodies the process of social development as a natural-historical process.

The reliability of these two conclusions will be thoroughly analyzed later. For now, I would like to suppose that they are right and, taking them as two theoretical postulates of socialism and communism, see what an analysis of history can tell us.