

Marx' four solutions to the problem of heterogeneous labour

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In his book "Understanding Marx" from 1985 Jon Elster wrote: "I conclude that the presence of genuinely and irreducibly heterogeneous labour is a major stumbling-block for Marxist economics. If taken seriously, it prevents the labour theory of value from even getting off the ground, since the basic concepts cannot be defined."

Also authors that fundamentally agrees with Marx' views and method like Paulo Guisanni (1986) comments on the lack of progress in modern Marxian economics in the following way: "A good proof lies in the fact that the marxist school has been unable to provide a consistent solution to the problem of reducing complex (or skilled) to simple (or unskilled) labour, a shortcoming exploited by orthodox economics in order to demonstrate that the labour theory of value is only circular reasoning.

There have been very few papers on this fundamental issue since Guisanni (1986). As far as I know only Makoto Itoh's book "The Basic Theory of Capitalism" (1987) has an extensive discussion and proposes a solution – that all labour is "abstract labour" and that consequently there is no need to find the reduction coefficients between skilled and unskilled – complex and simple – labour. This paper agrees with Itoh's conclusion but the line of argument is different. Itoh's solution will be discussed at the end of the paper.

The starting point of this paper is four key passages where Marx – en passant – indicates a solution to the problem of heterogeneous labour. I say indicates because nowhere did he treat the problem at length or in depth. A main point of the paper is that the various solutions proposed by Marx are contradictory – and shows that he only wanted to get the "problem" out of the way.

The keywords for the Marx' indications to ways of solving the labour reduction problem (LRP) are:

- Custom, (in German and some English translations, tradition)
- Education costs,
- Measured by the labour producing gold
- The "American solution"

In the English and German literature "the gold producing labour" solution has been almost totally overlooked since it is only found in the French version of Das Kapital I.

In addition there is a very long footnote¹ to the "custom" passage where Marx gives some empirical/quantitative flesh and blood to the problem, which is very little discussed, since this concretisation by Marx poses even more questions – and runs contrary to the most favoured solutions – those taking "education costs" as their starting point.

This paper argues that it is important to look closely at the occupations that Marx mentions like "farm worker", "damask weaver" and "brick-layer" and how he classifies them into the categories of simple and complex labour respectively. Also the numerical proportions Marx mentions in "the long footnote" are important: the overwhelming part of the working class is doing simple labour. These concrete examples – and their theoretical implications are scarcely – discussed in the literature.

¹ Hereafter referred to as "the long footnote".

The paper uses the polemic of Roman Rosdolsky against Böhm-Bawerk as a vehicle for arguing – like Itoh – for the “non-problem” solution – that the concept of abstract labour is prior to skilled/complex and unskilled/simple. If one abstracts from *all* specificities of labour – as one does if one accepts the concept of abstract labour – one cannot – and need not – introduce a complex-simple dichotomy later on.

This “radical” – non-problem – solution has textual support in all the passages where Marx argues for the concept of abstract labour, especially the “American solution”. In his description of the labour market in USA Marx argues that when a normal person can perform – and in fact do perform – all kinds of labour – in contrast to former historical epochs - this is the concrete manifestation of “abstract labour”.

The importance of the “American” solution is that in “modern society” abstract labour becomes a “Realabstraktion”. This has consequences for our view of what is the correct structure of wages, and that is equal wages – which is the fundamental instinct of the tradeunion movement. The paper argues that in a situation where the labour movement is strong, where there is a representative democracy – wages will *tend* to be equalized – as happened in most countries three first decades after WWII – but most pronounced in the Nordic countries, where the social-democratic hegemony was probably the strongest and most prolonged.

The importance of solving the heterogeneous labour problem is not to raise the scientific prestige of Marxian economics, but to arm the popular movements (labour, women, anti-globalisation)-mondialist) with a scientific theory on wages.

The “custom quote”

The first of our four key passages I call the “custom” passage, since Marx’ key argument for how the labour reduction problem (LPR) is solved is that the relation between simple and complex labour depends to a large degree on custom. This custom (traditions) in its turn being formed by a process going on “behind the back of the producers”. I quote this and the other passage in extenso, because it is necessary to have Marx’ line of argument in toto, not tearing one sentence or two out of its context. The “custom” passage reads as follows:

“By our assumption, the coat is worth twice as much as the linen. But this is a mere quantitative difference, which for the present does not concern us. We bear in mind, however, that if the value of the coat is double that of 10 yds of linen, 20 yds of linen must have the same value as one coat. So far as they are values, the coat and the linen are things of a like substance, objective expressions of essentially identical labour. But tailoring and weaving are, qualitatively, different kinds of labour. There are, however, states of society in which one and the same man does tailoring and weaving alternately, in which case these two forms of labour are mere modifications of the labour of the same individual, and not special and fixed functions of different persons, just as the coat which our tailor makes one day, and the trousers which he makes another day, imply only a variation in the labour of one and the same individual. Moreover, we see at a glance that, in our capitalist society, a given portion of human labour is, in accordance with the varying demand, at one time supplied in the form of tailoring, at another in the form of weaving. This change may possibly not take place without friction, but take place it must.

Productive activity, if we leave out of sight its special form, viz., the useful character of the labour, is nothing but the expenditure of human labour power. Tailoring and weaving, though qualitatively different productive activities, are each a productive expenditure of human brains, nerves, and muscles, and in this sense are human labour. They are but two different modes of expending human labour

power. Of course, this labour power, which remains the same under all its modifications, must have attained a certain pitch of development before it can be expended in a multiplicity of modes. But the value of a commodity represents human labour in the abstract, the expenditure of human labour in general. And just as in society, a general or a banker plays a great part, but mere man, on the other hand, a very shabby part,[*Footnote 1*] so here with mere human labour. It is the expenditure of simple labour power, i.e., of the labour power which, on an average, apart from any special development, exists in the organism of every ordinary individual. Simple average labour, it is true, varies in character in different countries and at different times, but in a particular society it is given. Skilled labour counts only as simple labour intensified, or rather, as multiplied simple labour, a given quantity of skilled being considered equal to a greater quantity of simple labour. Experience shows that this reduction is constantly being made. A commodity may be the product of the most skilled labour, but its value, by equating it to the product of simple unskilled labour, represents a definite quantity of the latter labour alone.[*Footnote 2*] The different proportions in which different sorts of labour are reduced to unskilled labour as their standard, are established by a social process that goes on behind the backs of the producers, and, consequently, appear to be fixed by custom. For simplicity's sake we shall henceforth account every kind of labour to be unskilled, simple labour; by this we do no more than save ourselves the trouble of making the reduction.

We see that Marx' starts out by arguing that all kind of labour is abstract labour, that the specific form of labour is in this context of no importance. He is not very explicit whether weaving and tailoring is complex or simple labour, but since one man can do both, since they are both just an expression of her ability to work. One might think that this ability to work is almost ahistorical, an innate ability of the human being, but Marx' says explicitly that it varies in "character" in different countries at different times. One could here interpret this as related to the fact that one need to know the technological culture of ones country/epoch, like stone-age, metal-age, steam-power or computerized societies. There is a lot of very specialised knowledge necessary to make a living in these different technological cultures, but experience shows that humans very rapidly adapt, and can mix techniques almost at will.

But the key question is of course what kind of process Marx has in mind when he talks about a social process going on behind the back of the producers which makes the relations between the various kinds of simple and complex labour to be fixed by custom? Can it be anything else than the long run tendencies of the market wages, disregarding all accidental and contingent factors, all the "noise"? The problem with such an interpretation is only that Marx' and most Marxists are not very willing to accept the wage differentials given by custom as "correct" and or "fair". This will become clear when I below discuss the "education cost" passage.

There are three footnotes not the "custom" quote². One of them is relevant for the LRP:

The reader must note that we are not speaking here of the wages or value that the labourer gets for a given labour time, but of the value of the commodity in which that labour time is materialised. Wages is a category that, as yet, has no existence at the present stage of our investigation.

This is an important clarification from Marx. It underlines the separation of labours ability to create value – and the wage. Even if the wage is nil – labour creates value. This of course do not exclude that wages might be an indicator of the value creating ability of labour, i.e. that complex labour creates more value per hour. But there is clearly no necessary relation between the two.

² There are two other footnotes with a reference to Hegel and Adam Smith that is not particularly relevant in this context.

The “education cost” passage

“We stated, on a previous page, that in the creation of surplus-value it does not in the least matter, whether the labour appropriated by the capitalist be simple unskilled labour of average quality or more complicated skilled labour. All labour of a higher or more complicated character than average labour is expenditure of labour-power of a more costly kind, labour-power whose production has cost more time and labour, and which therefore has a higher value, than unskilled or simple labour-power. This power being higher-value, its consumption is labour of a higher class, labour that creates in equal time proportionally higher values than unskilled labour does. Whatever difference in skill there may be between the labour of a spinner and that of a jeweller, the portion of his labour by which the jeweller merely replaces the value of his own labour-power, does not in any way differ in quality from the additional portion by which he creates surplus-value. In the making of jewellery, just as in spinning, the surplus-value results only from a quantitative excess of labour, from a lengthening-out of one and the same labour-process, in the one case, of the process of making jewels, in the other of the process of making yarn. [18]

But on the other hand, in every process of creating value, the reduction of skilled labour to average social labour, e.g., one day of skilled to six days of unskilled labour, is unavoidable. [19] We therefore save ourselves a superfluous operation, and simplify our analysis, by the assumption, that the labour of the workman employed by the capitalist is unskilled average labour. [Chapter 5, section 2, The production of surplus-value]

I guess that many Marxists have wished that Marx did not save himself for the “superfluous operation” and had gone deeper into the LRP.

The “previous page”

It is not obvious what page is the “previous” - and in the German original the reference is more vague “Es wurde früher bemerkt” – “As stated above”. But one likely candidate for this “previous page” is:

Here, on the contrary, where we consider the labour of the spinner only so far as it is value-creating, i.e., a source of value, his labour differs in no respect from the labour of the man who bores cannon, or (what here more nearly concerns us), from the labour of the cotton-planter and spindle-maker incorporated in the means of production. It is solely by reason of this identity, that cotton planting, spindle making and spinning, are capable of forming the component parts differing only quantitatively from each other, of one whole, namely, the value of the yarn. Here, we have nothing more to do with the quality, the nature and the specific character of the labour, but merely with its quantity. And this simply requires to be calculated. We proceed upon the assumption that spinning is simple, unskilled labour, the average labour of a given state of society. Hereafter we shall see that the contrary assumption would make no difference. [ibid]

The reason why I quote this is that in the German original the last sentence of this quote starts with “Man wird später sehn...” “We shall later see that”. The problem is that in the first place Marx promises that he will later show that reducing complex to simple labour does not change anything, and when he returns to the topic, he argues that he earlier has stated that this reduction makes no difference. This is – if not the kind of circular reasoning that Böhm-Bawerk accused him of – an example of “let’s assume we have a can-opener” when we have the problem of opening a can – and assuming that we have one – saves us the superfluous operation of getting a can opener.

The key issue here is that Marx only defines complex labour in the most general terms: **“All labour of a higher or more complicated character than average labour is expenditure of labour-power of a more costly kind, labour-power whose production has cost more time and labour, and which therefore has a higher value, than unskilled or simple labour-power. This power being higher-value, its consumption is labour of a higher class, labour that creates in equal time proportionally higher values than unskilled labour does.”**

But there are several problematic aspects of this definition. First of all – is labour –power “produced”? As we have seen above and will see below, Marx constantly argues that the ability to work is an innate, ahistorical quality of man, a lot of the necessary basic training is done in the family. One could just as well talk about “reproduction” as “production”. But there are many problems with this “education cost” explanation pointed out by both friends and foes. First of all – how to reconcile an emphasis on education costs with “custom”, with a process going on behind the back of the producers. Education costst, either direct, monetary, or time spent by family members, colleagues etc. is fairly visible. Not easy to measure accurately, but not something closely connected to hidden processes. And as we shall see from the same passage in the French edition – the key word “whose production has cost more time and labour...” is replace by the far more general “plus difficile a former”. But another question that arises with the use of the phrase “whose production” is wether the complex labour in it self is just simple (or abstract?) labour – and the edcuation costs are just transferred to the product, just like a part of the cost of a machine is transferred to the product. The mathematical solutions of authors like Okisho (19??) and Rowthorn (19??) builds on this principle. The solution of Bowles and Gintis (1977) does not – but they have no mathematical use for the concept of abstract labour, so different types of labour is here only inputs like any other input. Hilferding is the spiritual father of this “education cost” solution, but he – like the other authors – do never check empirically what the relation between education costs and different value creating ability of different types of concrete labour is. All these authors are vague – to put it midly - on the relation of different valuecreating abilities of different specific labour and wages. Steedman (1985) as usual cuts through – and points out the redundancy of the concept of abstract labour in these “education cost” solutions, the lack of empirical basis/investigation. Morishima (1978, in Camb.Journ of Ec) dismisses these solutions since they violate the “law” of the same rate of exploitation – a problem very similar to the classical transformation problem. The Morishimas objection is not fundamental, since Marx clearly states that an equal rate of exploitation is only a simplification on a fairly high level of abstraction. In real life all kind of “frictions” will create only a statistical correlation between value creating ability and the wage.

But the “education cost” argument becomes even more problematic in light of the long footnote in which Marx gives some more hints to how this is to be understood.

The “long footnote”

This footnote is overlooked by most authors, and only partially discussed even by those who goes deep into the LRP like Rosdolsky.

[1] **“The distinction between skilled and unskilled labour rests in part on pure illusion, or, to say the least, on distinctions that have long since ceased to be real, and that survive only by virtue of a traditional convention; in part on the helpless condition of some groups of the working-class, a condition that prevents them from exacting equally with the rest the value of their labour-power. Accidental circumstances here play so great a part, that these two forms of labour sometimes change places. Where, for instance, the physique of the working-class has deteriorated, and is, relatively speaking, exhausted, which in the case in all countries with a well developed capitalist production, the lower forms of labour, which demand great expenditure of muscle, are in general considered as skilled, compared with much more delicate forms of labour; the latter sink down to the level of unskilled labour. Take as an example the labour of a bricklayer, which in England**

occupies a much higher level than that of a damask-weaver. Again, although the labour of a fustian cutter demands great bodily exertion, and is at the same time unhealthy, yet it counts only as unskilled labour. [2] And then, we must not forget, that the so-called skilled labour does not occupy a large space in the field of national labour. Laing estimates that in England (and Wales) the livelihood of 11,300,000 people depends on unskilled labour. If from the total population of 18,000,000 living at the time when he wrote, we deduct 1,000,000 for the "genteel population," and 1,500,000 for paupers, vagrants, criminals, prostitutes, &c., and 4,650,000 who compose the middle-class, there remain the above mentioned 11,000,000. But in his middle-class he includes people that live on the interest of small investments, officials, men of letters, artists, schoolmasters and the like, and in order to swell the number he also includes in these 4,650,000 the better paid portioti of the factory operatives! The bricklayers, too, figure amongst them. (S. Laing: "National Distress," &c., London, 1844). "The great class who have nothing to give for food but ordinary labour, are the great bulk of the people." (James Mill, in art.: "Colony," Supplement to the Encyclop. Brit., 1831.)"

I have separated the footnote in two parts [1] and [2]. In the first part Marx says something about what kind of labour belongs to skilled and unskilled respectively. First of all we note that education costs plays no important part in the first part of "the long footnote". We get the impression – and there are more textual support for such an interpretation – that complex and simple labour is something physical, something that has to do with the complexity of the operations. Why should otherwise brick-layer work be regarded as simple and damask weaving complex?

Secondly – if some groups of labour are in a “condition that prevents them from exacting equally with the rest the value of their labour-power” does not this imply that there ordinarily is a connection between the higher value creating ability of complex (more “delicate”) and the wage, that is the value of labour power? And why then not only use wage differences as first rough indicator for the reduction coefficients? But if the solution was so simple – why did not Marx say so? The explanation I think is straight forward – Marx, Marxists and most radical trade unionist and feminists would not agree that wages reflected value creating ability. The obvious historical example would be male and female wages, “coloured” vs. “white” wages.

When Marx says that the “delicate forms of labour” sink down to the level of unskilled labour, this must mean that at the bottom there is a physiological scale of “delicate” and less delicate labour – and that the wage scale is the normal indicator of delicatness. Marx regards damask-weaving as complex and brick-laying as less complex, but many would regard both these occupations as skilled; both demanding a certain amount of training (= education cost). When Marx introduces the “fustian cutter” (fustian is a particular kind of cloth, a forerunner of corduroy). The cutting certainly demanded training like other handicrafts, and as far as I can see clearly of a more delicate nature than brick-laying. But Marx mentions the “bodily exertion” (körperliche Anstrengung). If the amount of bodily effort is the main aspect of fustian cutting – what makes fustian cutting a skilled profession and brick-laying an unskilled? Again – note the absence of any clear relation to training costs.

It is in this context an interesting point that the different German editions of *Das Kapital* differ regarding which occupations Marx regard as skilled/complex and unskilled/simple respectively. More precisely, in the “custom” passage above tailoring and weaving are by most authors regarded as unskilled labour. One reason is that Marx points to the fact that in some societies these two kinds of labour are done by one and the same person, not mentioning any particular “costs” of producing these kinds of labour. But in the first German edition of *Capital*, after the sentence just before the first footnote “But the value of a commodity represents human labour in the abstract, the expenditure of human labour in general...” There comes a paragraph comparing the farm worker (Bauernknecht) with weaving and tailoring. Marx points out that if “for example

the farm work was regarded as simple labour or just plain human labour, and tailoring as complex labour (höher entwickelt Arbeitskraft) then farm work could be $\frac{1}{2}$ W and tailoring W.

It is really ironic that Harry Braverman in his "Labour and Monopoly Capital" has a long argument against the relegation of "farm work" which in his opinion demands an intimate knowledge of farm life, i.e. a set of just as skill demanding task as a lot of the urban, Tayloristic occupations. Braverman (19??) writes:

"The farm hired hadn was able to be of assistance to the farmer because he was the product of years of farm life and had a mastery fo a great many skills involving a knowledge of land, fertilizer, animals, tools, farm machinery, construction skills, etc. and the traditional abilities and dexterities in the handling of farm tasks. Only in thisway could he be set to work by the farmer in plowing \, milking, caring for animals, mending fence, harvesting etc. [...] But to disregard, as is now customary, the broad range of abilities required of so many farmworkers and to be deceived by the use of catch-all designations of "laborer" is nto deal not in social science, but in in promotional labelling."

It is an interesting topic in itself how Braverman could write his magnum opus without touching upon the labour reduction problem, not to speak of discussing Marx' – use of farm work as an example of simple labour – in contrast to tailoring. The question of "education costs" is also interesting seen in a Bravermanian light. It is obvious that you need "years of farm life" – but does that make farm labour something "whose production has cost more time and labour" – and if so – more time than what kind of labour?

The share of simple labourers in the labour force

The second part of the "the long footnote" concerns the share of the labour force that is skilled. If start with 18 million people and then deduct one million as upper class, one and half million of paupers and prostitutes we are left with 4.5 million. But this group middle class contains contains all the intellectual professions – and worse – the better paid part of factory workers – and even the brick-layers! If we say that there are 2 million "real" skilled workers (damask-weavers, fustian cutters) and one million "false" skilled workers then roughly somewhere around 15 – 20 percent of the "real" working class contributes skilled labour. If this is the case, then of course it is not a very heroic assumption to count all labour as simple labour.

If not the differences in value creating ability is dramatic. Marx does not say anything precise about the actual quantitative relationship, he only comes with "thought experiments", hypothesis. The ratio that Marx then uses is often 1:2 or 1:3. If we use the latter ratio this means that 2 mill skilled people produces 6 million value creating man-years and 12 million unskille creates by definition 12 mill. In other words that less that 17 % (1/6) creates half of the value. In that case the skilled/unskilled dimension has so great quantitative consequences that it in my opinion merits a more detailed treatment.

Footnote 2 – one particular type of labour

There are several passages where Marx argues that the concept of abstract labour implies to disregard all specificities, and the same goes for all "simple labour". Then it is a bit surprising that in the second footnote to the "education cost" passage he writes:

"Where reference is made to labour as a measure of value, it necessarily implies labour of one particular kind ... the proportion which the other kinds bear to it being easily ascertained." ("Outlines of Pol. Econ.," Lond., 1832, pp. 22 and 23.) [most probably Marx quotes from the conservative economist John Cazenove]

One particular kind? Does Marx here have a specific type of work in mind? Farm work as he has used as a yardstick earlier? It does not seem likely that it is the concept of “simple labour” that Marx has in mind. But the use of one particular kind of labour as numeraire one could argue is contrary to the abstraction from the concrete needed to get simple labour. In my opinion Marx here uses Cazenove as a witness that the reduction coefficients/proportions is no problem - neither for radical nor conservative economists.

The “gold producing labour” passage

As stated in the introduction the French version of *Capital* – the last that Marx himself worked on – has been overlooked in the Anglo-German literature, despite the clear statement of Marx that the French version is not a mere translation. In the afterword to the French published in 1875 edition Marx wrote:

“Mr. J. Roy set himself the task of producing a version that would be as exact and even literal as possible, and has scrupulously fulfilled it. But his very scrupulosity has compelled me to modify his text, with a view to rendering it more intelligible to the reader. These alterations, introduced from day to day, as the book was published in parts, were not made with equal care and were bound to result in a lack of harmony in style.

Having once undertaken this work of revision, I was led to apply it also to the basic original text (the second German edition), to simplify some arguments, to complete others, to give additional historical or statistical material, to add critical suggestions, etc. Hence, whatever the literary defects of this French edition may be, it possesses a scientific value independent of the original and should be consulted even by readers familiar with German.”

The second German edition was published in 1873 – two years before – so not all revisions could have been transferred to the original and the change made in the “education cost” passage was not. Why Engels did not include it in the third and fourth German edition is a question I have not studied.

En examinant la production de la plus value, nous avons supposé que le travail, approprié par le capital, est du travail simple moyen. La supposition contraire n'y changerait rien. Admettons, par exemple, que, comparé au travail du fileur, celui du bijoutier est du travail à une puissance supérieure, que l'un est du travail simple et l'autre du travail complexe où se manifeste une force plus difficile à former et qui rend dans le même temps plus de valeur. Mais quel que soit le degré de différence entre ces deux travaux, la portion de travail où le bijoutier produit de la plus-value pour son maître ne diffère en rien qualitativement de la portion de travail où il ne fait que remplacer la valeur de son propre salaire. Après comme avant, la plus-value ne provient que de la durée prolongée du travail, qu'il soit celui du fileur ou celui du bijoutier [\[Footnote 1\]](#).

D'un autre côté, quand il s'agit de production de valeur, le travail supérieur doit toujours être réduit à la moyenne du travail social, une journée de travail complexe, par exemple, à deux journées de travail simple [\[Footnote 2\]](#). Si des économistes comme il faut se sont récriés contre cette « assertion arbitraire », n'est ce pas le cas de dire, selon le proverbe allemand, que les arbres les empêchent de voir la forêt ! Ce qu'ils accusent d'être un artifice d'analyse, est tout bonnement un procédé qui se pratique tous les jours dans tous les coins du monde. Partout les valeurs des marchandises les plus diverses sont indistinctement exprimées en monnaie, c'est à dire dans une certaine masse d'or ou d'argent. Par cela même, les différents genres de travail, représentés par ces valeurs, ont été réduits, dans des

proportions différentes, à des sommes déterminées d'une seule et même espèce de travail ordinaire, le travail qui produit l'or ou l'argent.³

There are several minor differences for example that the passage does not start with “on a previous page” and that Marx warns those economists that cry out against this arbitrary assertion that they do not see the wood for the trees, but the core of the passage is almost identical to the German “education cost” passage. Marx uses the now well-known spinner (fileur) as an example of simple labour and the jeweler (bijoutier) as an example of complex labour. There are two main differences: ‘

a) that the "whose production has cost more time and labour" is replaced by the much more general "une force plus difficile the former" = “a power more difficult to form/educate/make competent”. In French "formation" often have the meaning "education". But it is not the meaning of the word “former” in this context which is really important. It is the absence of “production” and all the problems that this word produces, since labour power is not produced under the same profit seeking logic as ordinary commodities. One could ask if the bijotier really needs more years to be “formed” than Bravermans farm worker, but probably more than a “mere spinner”. But the “education cost” solution favored by Marxists like Hilferding and Rosdolsky do get significantly less support in this last and most authoritative version of Marx Capital.

b) The most important difference comes in the final sentence where Marx makes the labour producing gold or money to a kind of numeraire: "Par cela meme les différents genres de travail, représentés par ces valeurs, ont été réduits, dans des proportions différentes, à des sommes déterminées d'une seule et même espèce de travail ordinaire, le travail qui produit l'or ou l'argent." One possible translation to English is: “In the same way these different types of labour, represented by their values, have been reduced, in different proportions by one sole kind of simple labour, the labour that produces gold or silver⁴”.

Whatever the correct translation of this "French" solution is, there is in my opinion no doubt that that nowhere in the German/English editions is the gold producing labour given any particular role. One interpretation might be that the gold/money producing labour here is the “particular kind of labour” that Marx quotes from Cazenove. But in my opinion it would be more in the spirit of Capital to see the gold producing labour as the labour that directly produces the monetary expression of labour time (MELT). It is beyond the scope of this article to discuss the role of money, commodity money versus “symbolic” money, but there is no doubt that for Marx, the gold producing labour was special as have been argued for example by Ernest Mandel (1984).

Whatever specific interpretation one chooses of this “French” solution I cannot see that it really solves the core problems:

- how to draw the line between complex and simple labour (and different types of complex labour).
- how to calculate (estimate) the reduction coefficients without using wages as a starting point
- how to tell what are the real differences from those distinctions between “skilled and unskilled labour” that “rests in part on pure illusions”

My hypothesis is that the reason why this French solution has not been more widely known is that it is hard to see it as a better solution to the labour reduction problem. Maybe that is why Engles did not include it in the later editions of Capital. For conemporary Marxists economist Isaak Rubins book “Essays on Marx’ Theory of Value” (Rubin 1972) discusses the differences

³ Quoted from <http://www.marxists.org/francais/marx/works/1867/Capital-I/kmcapI-7.htm>. The two footnotes, including the "the long footnote" are just translated from the German version.

⁴ Argent can be mean both silver or money, but in this context my feeling is that silver is the most accurate translation.

between the French and the second German edition, so these differences have not been completely unknown to serious Marxist economists. My knowledge of the French literature on this topic is limited, but to my knowledge no one has proposed a solution where gold producing labour is the key to solving the reduction problem.

Abstract labour and developed capitalism – the “American solution”

I have come to the last of the four key passages – that I have called the “American solution”, which in short is that all different specific labours can be subsumed under the category “abstract labour” and that there is no need for the twin concepts of skilled and unskilled labour. Not because there are not differences in skill, but that these do not have different value creating ability. This passage is also used by Roman Rosdolsky in his polemic against Böhm-Bawerk. A discussion of Rosdolsky's line of argument concludes this paper so it is useful for that purpose. In “Grundrisse” Marx writes:

“Labour seems a quite simple category. The conception of labour in this general form – as labour as such – is also immeasurably old. Nevertheless, when it is economically conceived in this simplicity, ‘labour’ is as modern a category as are the relations which create this simple abstraction. The Monetary System, for example, still locates wealth altogether objectively, as an external thing, in money. Compared with this standpoint, the commercial, or manufacture, system took a great step forward by locating the source of wealth not in the object but in a subjective activity – in commercial and manufacturing activity – even though it still always conceives this activity within narrow boundaries, as money-making. In contrast to this system, that of the Physiocrats posits a certain kind of labour – agriculture – as the creator of wealth and the object itself no longer appears in a monetary disguise, but as the product in general, as the general result of labour. This product, as befits the narrowness of the activity, still always remains a naturally determined product – the product of agriculture, the product of the earth par excellence. “It was an immense step forward for Adam Smith to throw out every limiting specification of wealth-creating activity – not only manufacturing or commercial or agricultural labour, but one as well as the others, labour in general. With the abstract universality of the object defined as wealth, the product as such or again labour as such, but labour as past, objectified labour. Adam Smith himself from time to time still falls back into the Physiocratic system. Now, it might seem that all that had been achieved thereby was to discover the abstract expression for the simplest and most ancient relation in which human beings – in whatever form of society – play the role of producers. This is correct in one respect. Not in another. Indifference towards any specific kind of labour presupposes a very developed totality of real kinds of labour, of which no single one is any longer pre-dominant. As a rule, the most general abstractions arise only in the midst of the richest possible concrete development, where one thing appears as common to many, to all. Then it ceases to be thinkable in a particular form alone. On the other side, this abstraction of labour as such is not merely the mental product of a concrete totality of labours. Indifference towards specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference. Not only the category, labour, but labour in reality has here become the means of creating wealth in general, and has ceased to be organically linked with particular individuals in any specific form. Such a state of affairs is at its most developed in the most modern form of existence of bourgeois society – in the United States. Here, then, for the first time, the point of departure of modern economics, namely the abstraction of the category ‘labour’, ‘labour as such’, labour pure and simple, becomes true in practice. The simplest abstraction, then, which modern economics places at the head of its discussions, and which expresses an immeasurably ancient relation valid in all forms of society,

nevertheless achieves practical truth as an abstraction only as a category of the most modern society. One could say that this indifference towards particular kinds of labour, which is a historic product in the United States, appears e.g. among the Russians as a spontaneous inclination. But there is a devil of difference between barbarians who are fit by nature for everything and civilized people who apply themselves to everything. And then in in practice the Russian indifference to the specific character of labour correponds to being embedded by tradition within a very specific kind of labour, from which only external influences can jar them loose. [Grundrisse, p. 104-105, Pelican paperback edition]

One should note that in this passage the concepts complex/skilled and simple/unskilled plays no role. In my opinion Marx here shows his method of analysis and abstraction, how concepts tht are in a way ahistorical cannot be grasped fully before there is enough change and variation so that the essence, the practical truth of abstract labour can be grasped.

I have not found this passage in Capital, but there is a passage that says essentially the same and have a footnote with a clear reference to the core of the argument – that an individual can do all sorts of labour:

Modern Industry never looks upon and treats the existing form of a process as final. The technical basis of that industry is therefore revolutionary, while all earlier modes of production were essentially conservative. [Footnote] By means of machinery, chemical processes and other methods, it is continually causing changes not only in the technical basis of production, but also in the functions of the labourer, and in the social combinations of the labour-process. At the same time, it thereby also revolutionises the division of labour within the society, and incessantly launches masses of capital and of workpeople from one branch of production to another. But if Modern Industry, by its very nature, therefore necessitates variation of labour, fluency of function, universal mobility of the labourer, on the other hand, in its capitalistic form, it reproduces the old division of labour with its ossified particularisations. We have seen how this absolute contradiction between the technical necessities of Modern Industry, and the social character inherent in its capitalistic form, dispels all fixity and security in the situation of the labourer; how it constantly threatens, by taking away the instruments of labour, to snatch from his hands his means of subsistence, [Footnote] and, by suppressing his detail-function, to make him superfluous, We have seen, too, how this antagonism vents its rage in the creation of that monstrosity, an industrial reserve army, kept in misery in order to be always at the disposal of capital; in the incessant human sacrifices from among the working-class, in the most reckless squandering of labour-power and in the devastation caused by a social anarchy which turns every economic progress into a social calamity. This is the negative side. But if, on the one hand, variation of work at present imposes itself after the manner of an overpowering natural law, and with the blindly destructive action of a natural law that meets with resistance [Footnote reproduced below] at all points, Modern Industry, on the other hand, through its catastrophes imposes the necessity of recognising, as a fundamental law of production, variation of work, consequently fitness of the labourer for varied work, consequently the greatest possible development of his varied aptitudes. It becomes a question of life and death for society to adapt the mode of production to the normal functioning of this law. Modern Industry, indeed, compels society, under penalty of death, to replace the detail-worker of to-day, grappled by life-long repetition of one and the same trivial operation, and thus reduced to the mere fragment of a man, by the fully developed individual, fit for a variety of labours, ready to face any change of production, and to whom the different social functions he performs, are but so many modes of giving free scope to his own natural and acquired powers.” [Part V, Chapter 15, Section 9]

The footnote:

“A French workman, on his return from San-Francisco, writes as follows: "I never could have believed, that I was capable of working at the various occupations I was employed on in California. I was firmly convinced that I was fit for nothing but letter-press printing.... Once in the midst of this world of adventurers, who change their occupation as often as they do their shirt, egad, I did as the others. As mining did not turn out remunerative enough, I left it for the town, where in succession I became typographer, slater, plumber, etc. In consequence of thus finding out that I am fit to any sort of work, I feel less of a mollusk and more of a man." (A. Corbon, "De l'enseignement professionnel," 2ème ed., p. 50.)”

Again, this is a footnote that also Rosdolsky points to, when he argues for abstract labour as an “Realabstraktion”.

Rosdolsky versus Böhm-Bawerk – who proves too much?

Roman Rosdolsky had a maybe unparalleled knowledge - and in my opinion also understanding of Marx' economic texts, as summed up in his magnum opus “The making of Marx' Capital”. The German original “Entstehungsgeschichte des Marxschen ‘Kapital’ was published in 1968, the English translation used here was published in 1977. In his book Rosdolsky discusses the fate of the planned “Book on Wage-Labour” and devotes a special chapter to the labour reduction problem focussing on Böhm-Bawerk's famous critique in “Karl Marx and the Close of his System”, but also including a discussion of Hilferdings critique and solution to the problem. Rosdolsky starts out with a sketch of the main arguments of Böhm-Bawerk and then goes to what he sees as the core of the matter:

It is clear that their respective products – disregarding the labour objectified in the raw materials and means of labour – ‘embody different kinds of labour in different amounts’. However, isn't this also the case if we compare, for example, the labour of a stone-breaker bricklayer, a car worker or a porter, as any simple, unskilled labour is, depending on its specific properties, different from other unskilled labour? This is surely not a unique property of skilled labour as such. On the other hand the amount of value-embodied labour in the products of the stone-breaker, bricklayer or car worker is in no way known from the outset, even if we know that they have all worked for the same amount of time, for we do not know whether they have produced their product under ‘socially normal conditions of production’ and with the ‘socially average level of labour’. (For example, if the labour of a textile worker from a particular firm is especially productive or intensive, it might be that the product of half a day of his labour might exchange for an entire day's work by a stone-breaker.) In order for their products to be measured as values, the various labours contained in these products must be reduced to ‘undifferentiated uniform’ ; ‘only then can the amount of labour embodied in them be measured according to a common measure, according to time’.

It is inexplicable why these qualitative and quantitative distinctions between the work of different workers only occurred to Böhm-Bawerk when he came to look at skilled labour. Or is this a case of the prejudices of the ‘educated classes’, according to which the labour of certain ‘higher professions’ (e.g. sculptors) – which on the one hand are not to count as ‘unproductive’, but on the other should be distinguished from all other labours – are fundamentally distinct from those of the ‘common labourer’ ? So distinct that the latter can be easily reducible to ‘undifferentiated uniform human labour’ it not the former? Be that as it may, in this respect Böhm proves too much, and consequently too little as well. He fails to notice that according to his formulation the main attack should be directed at Marx's concept

of ‘undifferentiated human labour’ and should not be confined to the special case of skilled labour, to which Marx later applied this concept. This is because one cannot possibly prove an exception to the rule with arguments which destroy the rule itself. Either, the reasons mentioned by Bohm are correct, in which case no labour is reducible to general human labour, and it is also superfluous to demonstrate this with special reference to skilled labour; or, they are not valid and other reasons must be found for giving a special status to skilled labour. [p. 510]

We are here at the very core of the labour reduction problem to which there are to fundamentally different approaches which I will try to illustrate by using the abstract concept of fruit. If we call all types of apples for simple fruit, and all other types of fruit like oranges, bananas, grapes etc. complex fruit, one can ask like Rosdolsky – what does allow us to call all types of apples “simple fruit” – since they might be radically different in colour, taste, size, durability – as different as “simple” labour are too. Why challenge this method of abstraction only when it comes to oranges and bananas, isn’t this just a case of prejudices of the ‘educated classes’ that see oranges and bananas as fundamentally different from “common fruit” which every ordinary family can grow in their garden. But what Marx’ repeatedly do is to define “abstract fruit” by disregarding every specificity of apples, oranges and bananas, just measuring them by their weight (time). When Rosdolsky asks why the “latter” (apples, simple fruit) can be “easily reducible” to “undifferentiated uniform human labour (fruit)” measured only by time/weight and not the “former” (complex/skilled labour/fruit) in my opinion it is him that proves “too much”, or at least in my opinion he proves that the simple/complex division cannot be prior to “abstract labour” – and if all kind of labour can be reduced to abstract labour – measured only qualitatively by time – then there is no room for – or need for a reduction of complex/skilled/delicate to simple/unskilled/non-delicate labour.

The whole of Capital is written using abstract labour and nobody has really missed the reduction coefficients. Not the least because as soon as one claims that some kind of labour, for example damask weaving or fustian cutting is more value creating than brick-layers and therefore deserves a higher wage in order not to be overexploited, the great majority of radical trade union activists would protest and not without reason. It is beyond the scope of this paper to discuss this at length, but the key argument is that since all humans are equal our time is equally much worth, and since all of us are able to do most professions given the appropriate opportunities for education, training, socialisation there is no fundamental reason why wages should be different. Even if you have a special talent for doing something – why should you get extra paid – it does not cost you any extra effort. Marx’ concept of “abstract labour” – his arguments for the validity of this concept – as can be seen from the “American solution” is entirely in line with this egalitarian instinct. Another way to put it is to say that (labour) time is the only real cost as did Adam Smith. Marco Lippi (1979) has an excellent – and critical – discussion of this in his book “Value and naturalism in Marx” in English. The Italian title is more telling: “Marx: il valore commo costo sociale reale”.

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