

Analysis of “Surplus Value ”In Socialist Public Economy

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Abstract

The connotation, origin and final purpose of socialist surplus value is different from that of capitalism. Socialist surplus value reflects the relation of cooperation between people, rather than exploitative relation. Based on necessary labor and surplus labor, labor is still goods. And there is surplus value in socialist public economy.

Keywords

Economic surplus, surplus value, surplus labor, socialist public economy.

1. Introduction

It is a common knowledge that many scholars believe that law of surplus value is unique in capitalism, and they do not think there exists surplus value in socialism, and they deny the possibility of surplus value in socialist public economy. They consider the value of labor from workers is economic surplus not surplus value in public economy. Thus, it is necessary to define the surplus value and economic surplus whether there is surplus value in a further study in socialist public economy.

2. Understanding of Economic Surplus and Surplus Value

2.1 Connotation and Classification of Economic Surplus

The connotation of economic surplus is firstly put forward in *The Growing Political Economy* written by Paul Alexander Baran. Then it is also defined again as “The difference between what a society produces and the cost of producing it” in *Monopoly Capital* co-authored by Paul Alexander Baran and Paul Marlor Sweezy. He classified economic surplus as actual, potential and planned economic surplus. Actual economic surplus refers to the difference between the actual production of labor and the actual consumption in the current society, equal to current savings and accumulation; potential economic surplus refers to between a product that can be produced from available production resources and a consumer good that is considered essential under certain conditions; planned economic surplus is the unique economic category in socialist system.

2.2 The Connotation and the Nature of Surplus Value

1. Marx and Engels' Definition for Surplus Value

In *Das kapital*, Marx deeply reveals the secret of capitalist exploitation and the origin of surplus value through the study of capitalist mode of production, thus created the theory of surplus value. He defines surplus as “surplus value is the value created by workers beyond the labor value but possessed by capitalist”. Based on the economic condition of capitalism, Marx defines the surplus value, but surplus value that discussed by Marx is only suitable for capitalism. However, it is not meant that there is surplus value only in capitalism. In Marx's *Das kapital*, it is pointed out that “if we put our wages and surplus value, the necessary and the surplus labor of the unique nature of capitalism away, then, the rest is no longer the several forms but just as the foundation of all social production mode share”¹. Engels also said: “All the development of human society after its separation from the stage of animal barbarism began when the products of domestic Labour had created the needs of subsistence. The surplus of the Labour products over and above the cost of maintaining Labour, and the accumulation of the surplus of the funds of social production and reserve funds, was and is the basis of the political

¹Marx: Capital [M] Volume 2, People's Publishing House, Edited by the Compilation and Translation Bureau of Marx, Engels, Lenin and Stalin's Works of the CPC Central Committee

and intellectual development of all societies².”Both Marx and Engels believe that surplus labor creates surplus products that accumulate the surplus value. Surplus labour is necessary firstly is the society wants to be developed in a further way. Because surplus value can only be created by surplus labour, which is the material foundation of social development. This is a sufficient condition if socialism with Chinese characteristics has to be developed. Therefore, there exists surplus value in socialism.

2. Nature of Surplus Value

Surplus value is the physical and chemical expression of surplus labor, which is common and unique. That means value itself has the double qualities: nature and society. The natural attribute of surplus value embodies its universal nature. At the end of primitive society, private ownership and class antagonism appeared, as well as surplus value that is created by laborers who create in their rest of labor time. In a society with relatively developed and productive forces, labor productivity is also high, so more surplus value will be accumulated in the society. Thus, according to the general law of the development of human society, there exists surplus value in socialism. The social attribute of surplus value embodies its uniqueness, which is decided by the nature of ownership of the means of production. In commodity economy, surplus value is a common economic category, and its social attribute is determined by the property of means of production it reflects. Surplus value in capitalism reflects the relationship between capitalists and workers, while surplus value in socialism reflects the relationship between members in the whole group. They are different from each other in nature.

2.3 Differences between Surplus Value and Economic Surplus

There are many differences between surplus value and economic surplus, which can be shown as follows. Firstly, many economic activities exit in the market that leads to the economic surplus but do not has the possibility of surplus value, thus, we say that surplus value is a part of economic surplus, rather than the whole part of economic surplus. Secondly, economic surplus has nothing to do with distribution in that there exists surplus anyway no matter who or how is distributed. However, surplus value has a close relation with distribution. If surplus value created by workers in their rest labor time is distributed to workers, there is no surplus value but with economic surplus. Finally, economic surplus can be shown as the form of value but also that of material and fortunes. In a general sense, surplus value belongs to the form of value. At present, China is still in the primary phase of socialism, which is also the basic national condition. And non-public economy is an important part of China's economy. Capital, market and products and other qualities play an essential role in the operation of Chinese economy, as well as the general law of surplus value and surplus value.

3. The Inevitability of Surplus Value in Socialist Public Economy

It is a hot point whether there exists surplus value in social public economy in academic field. The uniqueness of ideology of surplus value itself has to be defined if it is to be solved, but it is not the same as the definition in *Das kapital*. Marx has clearly expressed that the creation of surplus value is determined by labor that has become a product. Thus, it is essential to define the nature of labor in social public economy if there is surplus value .

1. The Nature of Labor in Socialist Public Ownership Economy is Commodity

Whether the nature of labor is a product or not lies in the fact that whether laborer possesses means of production directly or indirectly by organizations in social public economy. Laborer cannot use means of production in a direct way, and there is no answer for this. But I believe that there is labor products both in capitalist private economy and socialist public economy, but they are different in their nature. In capitalism, two points has to be satisfied if the labor is product: “On one hand, workers are free and their labor can be distributed by themselves; on the other hand, they has nothing to sell

²The Complete Works of Marx and Engels (Volume 20) [M], People's Publishing House, 1972.

but freedom³". It means that workers has the right of freedom with nothing and do not possess means of production. Therefore, laborers must sell their labor if they want to survive on the basis of the fact that capitalists possess means of production in capitalist private economy. The wage labor of laborers under capitalist private ownership is the cruel exploitation of capitalists, and the fruits of their labor are far beyond proportion to their labor efforts. If workers have means of production, therefore, they will not sell their labor for a living, and would choose to sell or transfer the means of production, or choose to use their labor combined with their own means of production to make a living, this is the definition of product said by Marx, and these two conditions cannot be short. It is commonly believed that labor is a special product in capitalism but has an argue about the nature of labor. Some scholars think that laborers in public economy is not "nothing at all", for the means of production belongs to all members and laborers in public economy is the owner of means of production. Now that they are not "nothing at all", their labor cannot be the products if they do not possess the conditions said by Marx. And some scholars believe that conditions of becoming a product in social public economy and capitalist private economy are different. Their differences lie in the second one. In capitalism, laborers have nothing but their labor, and they has no any means of production. While in social public economy, each worker has their means of production; at the same time, they can sell their labor freely. Although laborer is the owner of means of production, the means of production is not created by individual but co-created and accumulated social fortunes by laborers. Then these means of production can only be mastered and distributed by the governments at all levels and their subordinate enterprises owned by the whole people or collective enterprises based on the fact that we do not have a clear thought about the creation of these social fortunes. Because any laborers have no right to master in a private way and control these means of production, they cannot achieve the direct combination between labor and means of production but an indirect way, otherwise, they cannot obtain those means of subsistence. The indirect combination between labor and means of production presents the attribute of products. Because the value of labor can be achieved more value than itself only to transfer the using value and get the necessary means of subsistence. In terms of what we have mentioned above, the nature of labor exists in the socialist society but has different attributes when compared with labor products in private capitalist society.

Source of Surplus Value in Socialist Public Economy: Socialist Surplus Labor

Marx thinks that surplus labor can be divided into two parts: the general surplus labor and capitalist surplus labor. Firstly, since the end of primitive society and been through the slave society, feudalism and capitalism, and even socialist and the future communism, there is surplus labor. Secondly, capitalist surplus labor only exists in capitalist. Labor of workers is divided into surplus labor and necessary labor in socialist. Because their income is not used as personal consumption but used as necessary deduction, such as expanding the funds of production, non-productive capital construction funds, social reserve funds, social consumption funds, etc. These funds are not used to satisfy the personal needs of people but the social needs of people.

Marxists believe that the future communism (Marx divides it into the phase of socialist and communist) has no the relation of products and currency, but there still exists surplus labor in the first stage of communist. In accordance with the fact that labor commodity is in the social public economy, transferring the use value of labor is the only way to create more values and achieve its true value. So labor is still divided into necessary labor and surplus labor in socialist public economy, and socialist surplus labor is the source of surplus value.

In *Critique of Gotha Program*, Marx criticizes the wrong opinion of "earned strictly by his own labor". And it also puts forwards the idea of "Income earned strictly should belong to all members of society with equal rights⁴", which means that all products created by all members should be distributed to

³Marx: Capital [M] Volume 1, People's Publishing House, Edited by the Compilation and Translation Bureau of Marx, Engels, Lenin and Stalin's Works of the CPC Central Committee, p. 192.

each member of the society “strictly”. On the contrary, Marx pointed out that the total social products produced by labor should be deducted from society before being distributed to individuals. These deductions should include: the part of the means of production used to compensate for consumption, the additional part used to expand production, the reserve fund used to cope with unexpected accidents and natural disasters, and the cost of social management. After deducting the total social products, the remaining personal consumer goods will be distributed to all workers in the way of distribution according to what they have done. Therefore, the products that each worker receives from society are exactly what he gets after deducting all kinds of personal labor and what he has done for society. The social deduction proposed by Marx is exactly the surplus labor that laborers provide to the society. Therefore, in the socialist, the daily working hours of laborers are also divided into necessary labor and surplus labor. However, under the condition of socialist public ownership, neither the necessary labor nor the surplus labor of laborers has the nature of class confrontation.

In a socialist society, no matter what form of ownership enterprise, the value formed by surplus labor provided by laborers is partly turned over to the state in the form of taxes or profits as social consumption funds and accumulated reserves, while the other part is owned by the enterprise in the form of retained profits as development funds of the enterprise and surplus of public utilities. No matter the taxes or profits turned over to the state or the after-tax profits retained as enterprise funds, they are all concrete forms of surplus labor under socialist conditions. Their common point is that they are collectively owned by working people of different scopes and cannot be owned by any private person. This is one of the most basic characteristics of surplus labor under socialist conditions, and it is also a fundamental sign that it is different from surplus labor under all exploitative class social conditions.

Judging from the actual situation, as our country is in the primary stage of socialism, the productive forces are backward and the commodity economy is underdeveloped. Therefore, our country should vigorously develop the productive forces, adhere to the market economy and at the same time establish and perfect the socialist market economic system, cultivate and perfect the market system. The labor market is an important part of the market system. Since the labor market exists, it means that there must be the purchase and sale of labor, and labor has the attributes of commodities. The labor force in the socialist public-owned economy becomes a commodity, which means that he must sell his labor to obtain the minimum living materials necessary for his life, and this means that surplus labor exists in the public-owned economy, and the value that laborers create through surplus labor during surplus labor time is the socialist surplus value. Therefore, I believe that the existence of surplus value in socialist public ownership is the necessity of social development at this stage, because socialist surplus value is an important source of material wealth for the development of socialist society. Therefore, we must face to the problem of surplus value seriously in the socialist public ownership economy.

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