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The Basic Theories of Karl Marx

Marx and Engels on the Economy of Post-Capitalist Societies

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Marx was disinclined to comment at length about how a socialist or communist economy would operate. He thought such comments to be essentially speculative. Nevertheless, in his major works, especially the Grundrisse and Das Kapital, there are some sparse comments on the subject.

Marx returns to them at greater length in two works he was to write in the final part of his life, his comments on the Gotha Programme of united German social-democracy, and the chapters on economics and socialism he wrote or collaborated with for Engels' *Anti-Dühring* (1878). Generally his comments, limited and sketchy as they are, can be summarised in the following points.

Socialism is an economic system based upon conscious planning of production by associated producers (nowhere does Marx say: by the state), made possible by the abolition of private property of the means of production. As soon as that private property is completely abolished, goods produced cease to be commodities. Value and exchange value disappear. Production becomes production for use, for the satisfaction of needs, determined by conscious choice (*ex ante* decisions) of the mass of the associated producers themselves. But overall economic organisation in a postcapitalist society will pass through two stages.

In the first stage, generally called 'socialism', there will be relative scarcity of a number of consumer goods (and services), making it necessary to measure exactly distribution based on the actual labour inputs of each individual (Marx nowhere refers to different quantities and qualities of labour; Engels explicitly rejects the idea that an architect, because he has more skill, should consume more than a manual labourer). Likewise, there will still be the need to use incentives for getting people to work in general. This will be based upon strict equality of access for all trades and professions to consumption. But as human needs are unequal, that formal equality masks the survival of real inequality. In a second phase, generally called 'communism', there will be plenty, i.e. output will reach a saturation point of needs covered by material goods. Under these circumstances, any form of precise measurement of consumption (distribution) will wither away. The principle of full needs satisfaction covering all different needs of different individuals will prevail. No incentive will be needed any more to induce people to work. 'Labour' will have transformed itself into meaningful many-fold activity, making possible all-round development of each individual's human personality. The division of labour between manual and intellectual labour, the separation of town and countryside, will wither away. Humankind will be organised into a free federation of producers' and consumers' communes.