

## IN DEFENCE OF CONSUMER-LED PLANNING.

*Just as Marx analysed in great detail, the Paris Commune in 1871, so it has been obligatory for those who have adopted his methodology and world-view to analyse in the greatest detail the Russian Revolution together with the USSR which it brought into being. The Charter of Workers' Rights which are further elaborated here, has two sources. The Critique of the Gotha Programme written by Marx and the lessons from the fall of the USSR. Marx's Critique which is primarily a polemical pamphlet, contains in embryo the basis for a Workers' Charter for Socialism, the elaboration of which has been more or less neglected until the present. Though Marx was loath to prepare a blueprint for the future, we must, because the failures and betrayals that followed the Russian Revolution have besmirched the good name of Communism, and unless we are able to resurrect Communism, not by parroting shibboleths from the past, but knowledge gained since then, we will lose the ideological battle, the greatest most decisive battle of them all.*

This article draws heavily on Lenin's *State and Revolution* and through it on the writings of Marx and Engels. It supports Lenin with regard to his understanding of the bourgeois state, and particularly the difference between the capitalist state and the workers state. The former being the dictatorship of the capitalist class and the latter being the dictatorship of the proletariat. What they have in common is the enforcement of class rule. But there their commonality ends because the former is a dictatorship of a minority over a majority, while the latter is the dictatorship of the majority over the minority, and while the former seeks to preserve the majority in order to exploit it, the latter seeks to absorb the minority by building a dynamic society where exploitation is ended. The capitalist state is therefore a permanent state until it is forcibly overthrown, while the worker state is temporary, withering in proportion to the elimination of classes.

Having stated what unites the Marxist tradition and its approach to the state, it is now time to discuss the differences relating to the relationship between the workers' state, production and the working class after the conquest of state power. Here the criticism of Lenin is not based on the century that has elapsed since he wrote this seminal work, a period in which the cultural and technical levels attained by capitalism are much more advanced, providing a more prominent and clearer political landscape, but because Lenin was theoretically wrong at the time about the political framework of a socialist society. In short what this article will explore is the distinction between working class rule and the administration of the economy.

### **Bourgeois right and the ending of democracy.**

This is a common theme of Lenin's pamphlet and one explored in great detail. Unlike a century ago, most countries now enjoy universal suffrage and a blend of bourgeois parties, some of which have their roots in the working class. In the United Kingdom, Her Majesty's Loyal Opposition Party is the Labour Party. This party, due of its political control of the working class, has enabled British Capital to survive two World Wars, one General Strike and two Depressions.

In addition, unlike a century ago, most of the states in the richer countries are endowed with a welfare sector though this has been whittled down over the last three decades. Nonetheless, despite universal suffrage and welfarism, the core capitalist state, sometimes referred to as the deep state, remains the dictatorship of the capitalist class. This is demonstrated each time the class struggle flares up. While it is commonplace to see workers on strike being baton charged for defending their workplace from closure, we have yet to see a boardroom, especially a bank boardroom, invaded by baton wielding police forcing the directors to stop their economic vandalism.

Bourgeois democracy is therefore a shallow and restricted form of democracy. Parliament does not decide on the matters which directly affects the lives of the majority of society. It does not decide what workers earn even when it sets the floor under the lowest wages, nor does it decide who will be employed and where, or what factories will be opened and what factories will be closed, nor what will be produced. Those are the decisions preserved for the boards of directors of the various corporations acting in the name of profit and in the interest of their shareholders.

It is for this reason that parliament, as Marx first pointed out, has a purely legislative function. It has no executive function. It is not a working body, one that decides, implements and executes. It only sets, and adjusts, the legal framework for the executive, most often under the tutelage of the executive itself. In every sense parliament is beholden to its highly paid, professional and long serving civil servants who advise it and even educate it at both a national and city level. These senior civil servants, bourgeois to their core, are of course unelected, but highly versed in the ways and needs of capital.

A working body, is therefore infinitely more democratic than a parliament, because the "executive" itself has to be elected. And here we look beyond the token number elected in the USA. It is no longer the case that a few hundred parliamentarians, the majority still being men, are the only ones elected. Now it is the case that all "officials" numbering hundreds of thousands, are elected and recallable with none allowed to earn more than the average wage. Both legislative and executive now become representatives of the working class and it is they, together with the armed workers' militias, that form the core of the workers' state. This is described particularly well by Lenin in his pamphlet which draws on Marx and Engels' writings.

The workers' state, has two prime political imperatives. Firstly, and more short-term, to protect the gains of the revolution from counter-revolution until such time as the superiority of socialist production over capitalist production has been proven and therefore unassailable. Secondly, and more long term, to supervise workers rights until such time as they become redundant because the conditions which called them forth, no longer exist.

It is to the second imperative that attention is now focused. At the outset, it is necessary to abandon the term bourgeois democracy in the abstract. Marx, Engels and Lenin himself use the term "bourgeois right", as the body of rights existing in the first phase of Communist Society. In Section 3. *The First Phase of Communist Society*, Lenin quotes Marx's famous statement of rights drawn from the *Critique of the Gotha Programme*:

*"But these defects are inevitable in the first phase of communist society as it is when it has just emerged, after prolonged birth pangs, from capitalist society. Law can never be higher than the economic structure of society and its cultural development conditioned thereby."*

Despite the fact that a century later, today's average worker is twelve times more productive than in Lenin's day, Marx's statement continues to hold true. However, what is being contested, is whether the rights that pertain to a socialist society freed of capital, should be described as bourgeois rights or bourgeois workers' rights or workers' rights - the rights of the emancipated producers? Marx held that they should be called bourgeois rights because rights and the laws that underpin them, indicate that humanity still finds itself trapped in the realm of scarcity implying that distribution is still executed on an individual basis.

Bourgeois rights are therefore individual rights or rights in general. However, that could be confusing. Under capitalism, bourgeois rights are the rights that fall to the specific owners of property, or what is the same thing, commodities, and the processes they engage in as sellers and consumers of these

commodities. Hence, they are the galaxy of rights that fall to the owners the means of production, land and labour power in their commodity form. They are the protection of the profits, interests, rents and wages enjoyed by these owners. They are bourgeois, because they are predicated on private property relations.

The proletarian revolution ends the separation of the producers from their instruments of labour, thus abolishing the class that lives off private property together with their underlings who enforce this separation, both physically and ideologically. It extinguishes the rights of commodity owners and replaces it with the rights of the producers. This distinction, outside the concerns of philosophy, requires a new categorisation, a new identification of transformed social relations, a distinct sub-set of rights. Therefore, it is necessary to introduce and to remain loyal to the category “workers’ rights”. Although Marx held all rights to be bourgeois because they were individual: *“Hence, equal right here is still in principle -- bourgeois right, although principle and practice are no longer at loggerheads,...”* (Marx, Critique of the Gotha Programme) he also states in the same pamphlet: *“If the material conditions of production are the co-operative property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one.”* Hence distribution is different and so are the rights that underlie that distribution.

This category needs to be defended vigorously and untiringly against the inane declaration of “people’s rights” whose purpose is to merely disguise class conflict and contradiction. The only time the phrase, people’s rights, can legitimately be used, is when in the dim and distant future, a socialist society gives way to a communist society, or at that moment, when rights themselves serve no purpose and become redundant. There with a dying gasp, the eclectic democrat is finally allowed to declare for universal democracy. But in today’s capitalist society, to talk about people’s rights, when the only people who rule and matter politically are the capitalist class, is to render rights meaningless and empty democracy of its content.

### **Workers’ rights and democracy.**

Here we are unconcerned with the workers state as the victorious and armed might of the working class. Nor are we interested in the period pre-ceding and succeeding the overthrow of capitalism, that is the revolutionary period. We are concerned with the state’s subsequent supervision of workers’ rights once the revolutionary state of emergency is over. Engels’ statement quoted by Lenin is apposite:

*“All socialists are agreed that the state, and with it political authority, will disappear as a result of the coming social revolution, that is, that public functions will lose their political character and become mere administrative functions of watching over social interests.”*

To concretise what Engels is saying, we need to address the limitations of the role of the state for the management of the economy, the subject Lenin deals with in Part V of his pamphlet: *The Economic Basis of the Withering Away of the State.*

*“And only then will democracy begin to wither away, owing to the simple fact that, freed from capitalist slavery, from the untold horrors, savagery, absurdities, and infamies of capitalist exploitation, people will gradually become accustomed to observing the elementary rules of social intercourse that have been known for centuries and repeated for thousands of years in all copy-book maxims. They will become accustomed to observing them without force, without coercion, without subordination, without the special apparatus for coercion called the state”*

In this quotation taken from the pamphlet Lenin discusses the future persona of a working class which has put the horrors of capitalism behind it and which now adopts elementary rules of social

intercourse. This presumes a psychological transformation in thinking, the emergence of the new and possibly heroic men and women. This is woefully inadequate because it ignores the unavoidable period of workers' democracy based on a charter of workers' rights. An extended period which not only embraces the revolutionary period, but the period that follows, the assembling of a dynamic socialist economy and its repeated and ascending reproduction. Such a period needs more than goodwill.

Workers' rights are needed for one reason and one reason only: we inherit a class which is numbered in the billions not the millions, but one divided by inequality. It is divided vertically and horizontally by both conscious design (divide and rule) and unconsciously by the historically formed necessity to separate physical from mental labour. It is an unequal working class whose "social intercourse" needs to be harmonised and regulated by workers' rights, and as long as these rights are needed, they need to be supervised by a workers' state. In the distant future, when our class, no longer unequal, basks in the luxury of an expanded production, then no doubt elementary rules of social intercourse will prevail. The object however is to get to this stage.

Turning to the question of the most fundamental rift in the working class, labour divided into physical and mental labour, the scale of the task soon becomes clear. The purpose of capitalist production is to reduce cost price to not only to increase profit, but to accelerate the accumulation of capital which forms the material foundations for a socialist society. It is the source of its dynamism, and the substance of its progress.

This requires that the production process be reduced to a maximum of unskilled (physical) steps integrated by a minimum of skilled intellectual steps. Capitalism thus renders the mass of workers unskilled and cheap to reproduce, while maintaining a small cadre, of more expensive to train, skilled workers. The leading contemporary example being the relation between China and the USA, where, Apple retains its core Research, Design and Development functions in the USA while farming out the unskilled assembly and component manufacture to China. From the viewpoint of capital, unskilled labour is cheap and replaceable. The result of the vertical division of labour, exercised internationally, is to not only trap hundreds of millions of workers in menial jobs, but even whole nations.

Alongside and amplifying this division are the selective (manipulative) divisions based on sex, age, nation and race all of which represents the attempt by a minority to divide and rule a majority class. These divisions are further exacerbated by the uneven development of capitalism. The planet is divided into richer and poorer nations, by more productive and less productive nations and even regions within nations. But this is to be expected from history's first industrial society with its chaos and limitations.

The net result is an unequal class. Such a class can be held together and united in its efforts only by a charter of workers rights. To which must be added, a pricing system that rewards workers equally for their efforts. Let us dwell on this for a second in order not to be distracted from our main theme, the elaboration of workers' rights. Under capitalism, prices play the same unifying role for the capitalist class. Here equilibrium prices, what Marx described as market prices of production, are designed to distribute the pool of unpaid labour produced by the mass of workers in a manner which rewards individual capitalists in proportion to their investments. It results in the averaging out of the rate of profit between industries. In slogan form it could be said thus: from each capitalist in proportion to their investment, to each a proportionate share of the profits. Capitalists are reconciled to each other by being rewarded equally for their investments. This incessant redistribution of profits between the capitalists only breaks down during periods of recession, when losses replace profits, forcing capitalists turn on each other to avoid losses up to and including war.

The pricing system in an economy run by workers is of course distinct from that of the capitalist system. The pricing system in a socialist economy is an objective pricing system. It is directly connected to the actual costs of production or what is the same thing the weighted average labour time needed to produce an item. Its purpose is to reward workers for the expenditure of their labour time. This was impossible in the USSR where prices were designed to deprive workers of part of the labour. This rendered prices fictitious which collapsed the economy, because a pretend economy cannot flourish.

At first sight, weighted average labour times seems so simple. But for labour time to become real, and commensurate, it has to become universal, and for it to become universal, the same intensity of labour must apply within a plant, between the plants occupying an industry, between industries and between countries. Immediately the question is posed, who sets this intensity. Lenin was quite clear on this with his "iron discipline", it would be the workers' state.

Formally, no contradiction exists between workers' control and the workers' state. We would expect all plant management to be elected and some of their number to be nominated to the local assembly. However, there could be a problem if the intensity of labour is set outside production, by for example the workers' state, by armed men and women outside of production. That would rob workers of their control of production. Workers control of production is control of the intensity of labour or it is not workers' control, and, it emerges from the workplace or not at all.

Therefore, the workers' state can only facilitate the discussion between workers, between plants, between industries and between regions as to the level of intensity. It brings together all the worker delegates needed to resolve this issue. It only regulates this intensity after it is set voluntarily by the workers themselves. It cannot under any circumstances impose intensity from without or from above.

If socialism is to mean anything, it can only mean the voluntary association of emancipated producers. As it is these producers who are expending their labour, they alone can determine how fast they work (intensity). This is the essence of workers' control and a prime workers' right. Of course, there are those "observers of human nature" contaminated with elitism who declare that workers are slothful and left to their own devices would work as slowly as possible. These people know nothing of the working class. Workers are aware that their output depends on their effort and their effort on the pace of work and do not need lectures by people who have never got their hands dirty except from page dust through book turning. If a dispute arose over the intensity of labour between workers and the state it would have to be resolved in favour of the workers, which is why independent trade unions could still play a useful function.

Thus, the intensity of work must arise out of the working class itself, out of the discussion that accompanies it, formed by the recognition of what needs to be produced to ensure society escapes from the gravity of private property. Workers cannot and must not be commanded. Here instead of the state enforcing intensity the opposite will be the case, it will become a criminal offence to force workers to work faster than what has been agreed to.

Once labour has become universal because of a standardised intensity of labour, then labour time as the basis of cost emerges. It is these costings that the planning bodies now work with as they allocate the labour time of society to deliver the articles of consumption ordered by consumers. At no time are the planning bodies, these administrative and organising bodies, allowed to speed up production. That is the preserve of the workers who now control production.

Intensity must not be confused with productivity. Two workers working with equal intensity produce at different rates, because in the first instance, a worker supervises two machines, but in the second instance, a worker supervises three machines because they are more automated. It will be the case

that productivity will differ, despite a common intensity, because workers around the world will be working with different means of production, both in terms of quantity and quality.

This is of little direct concern because these different productivities will still yield a weighted average labour. All that will change is that where there is a preponderance of more productive workers, weighted labour times will fall, and where there is a preponderance of less productive workers labour times will rise. In the first case prices will fall below their simple average and in the latter prices will rise above their average. If the social need for something can only be met by mobilising all the available means of production including the least efficient efficient plant, then the only penalty will be a price penalty. The issue of bankruptcy does not arise.

This has relevance for the spread of the revolution. If the revolution begins in those countries with the highest productivities and moves to those with lower productivities, then it is the case that prices will rise as lower productivity countries are absorbed. The opposite is the case, if the revolution spreads from the less productive countries to the most productive, then prices will fall. It is for this reason that the revolution needs to be international, we must win over the most productive countries.

The pricing system is therefore the great unifier. It ensures that workers who work with the same intensity, no matter where and with what, are rewarded equally by the pricing system. The pricing system prevents all sectional disputes in the working class. It prevents more productive workers demanding more because by accident or by birth, they find themselves in a specific factory in a specific country.

But lest we be accused of inefficiency, an objective pricing system ensures the most efficient allocation of resources, something unavailable to capitalism which allocates investment based indirectly on profitability, or the USSR where the veil of fictitious prices disorientated investment. In a society based on objective prices, investment will be guided by those decisions which maximises the reduction in the price of a product at a given volume of need? The answer is ready made; where the gap between the actual cost of the existing plant and the new potential plant is greatest, or in other words, production can expand fastest and with the greatest fall in price when new plant replaces the least efficient plant. Hence the maximisation of price-falls ensures the efficiency of investment, contrary to Von Mises and his subsequent followers.

Finally, an objective pricing system rewards every worker for their effort. When workers reduce the labour-time needed to produce products, prices fall to reflect this fall in labour time. Price falls raises standards of living without the need to raise "wages". When prices accurately reflect effort and efficiency, so that effort and reward are indissolubly linked, then no coercion is needed.

There is no need for "iron will" nor state supervision. The workers' state plays absolutely no role in determining prices. Its role is reduced to investigating fraud only. Two leading examples of fraud affecting prices would be the fraudulent registering of hours worked, or, that the forging of the vouchers which register individual hours worked.

Thus, an objective pricing system refutes the criticism of Von Mises that a socialist society is incapable of price discovery. Now the tables are turned. It is Von Mises who is incapable of discovering real prices. Real prices under capitalism are the prices that clear production, but only at the average rate of profit. Capitalists do not sell for the sake of selling. If demand and supply meet, but at a price below the average rate of profit, investment is withdrawn, and prices will rise until profitability is restored. Conversely if demand exceeds supply, yielding an above average rate of profit, more supply is created reducing prices until an average rate of profit is yielded. Prices under capitalism are therefore always

refracted by profit. These prices are therefore only real to the capitalist class, not to the workers who produce them.

The real absurdity of Von Mises and his followers are to be found in the following statement: *“Without market prices there can be neither economic calculation nor the social coordination of multitudes of individual consumers and producers with their diverse demands, localized knowledge, and appraisements of their individual circumstances.”* And again, *“The pricing system is what gives rationality—an efficient use of resources—and direction to society’s activities in the division of labor, so that the means at people’s disposal may be successfully applied to their various ends.”* (*WHY SOCIALISM IS IMPOSSIBLE*, Richard M. Ebeling, 2004 published in *The Freeman*.) It is difficult not to be rude about this primitive presentation of the subject. Mr Ebeling uses a seafaring analogy to illustrate the argument and we shall return the compliment amplified. Consider the differences between a sailing ship and a motorised ship. The sailing ship is buffeted by wind, current and tide. It cannot sail in a straight line and at a constant speed. Its destination may be three thousand miles yonder, but it will cover ten thousand miles to get there due to its zig zag course. Nor can the time of its landing be calculated with any certainty as it is subject to the vagaries of the wind. Of course, it cannot be denied it will make landfall at some point, though its cargo may no longer be needed nor find its expected value. That sailing ship is the pricing system under capitalism, buffeted hither and thither by uncontrollable competing forces, unexpected forces or plain bloody bad luck, as described by Mr Ebeling above. On the other hand, the motorised vessel is the pricing system employed by a socialist society, one that travels in a straight line to its destination with minor adjustments to its rudder and which arrives more or less on time. Just as the motorised vessel is a more advanced vessel, so too is the pricing system found within a socialist society. No worker wants to see their labour squandered by “unknown knowns” and by competing interests.

Having exhausted the issue of pricing it is time to return to the rights themselves. Lenin deals with the right to receive in proportion to contribution, which comprises the most fundamental right of a socialist society. He cites Marx and in doing so shows the errors of those who simply parrot Lenin, Marx and Engels ahistorically as will become clear anon.

Marx sets out the differences in both mental and physical labour: *“But one man is superior to another physically, or mentally, and supplies more labour in the same time, or can labour for a longer time; and labour, to serve as a measure, must be defined by its duration or intensity, otherwise it ceases to be a standard of measurement. This equal right is an unequal right for unequal labor. It recognizes no class differences, because everyone is only a worker like everyone else; but it tacitly recognizes unequal individual endowment, and thus productive capacity, as a natural privilege..”* (Critique of the Gotha Programme)

What Marx is saying that if all workers received the same share of the output without regard to their input, the correspondence between what an individual worker contributes to production and what they withdraw will be broken. We would all receive equally, there would be only a single average “wage”. This would mean those who contribute above the average will receive back less than they contribute and those who contribute less than the average will receive more. Workers would no longer be working for themselves. Crudely speaking one set of workers would be exploiting the other set of workers. This is barrack socialism.

The right to receive in proportion to contribution (setting aside deductions) ensures that one worker may consume more than another. This equal right therefore leads to unequal consumption. But this equal right is needed because the working class is unequal, but not for the reasons set out by Marx

which are dated and historically obsolete, and in the case of intensity, wrong, because labour of the same duration but of different intensities cannot be made commensurate and therefore measured.

However, the technical development of capitalism has made the discussion over intensity obsolete, because labour power is in most cases no longer exerted directly on the object being produced or moved. Marx, one hundred and fifty years ago could not imagine how power-tools, power steering and the forklift truck would render the difference in muscle power irrelevant. Today a short woman is just as productive as a tall man when driving a tractor, operating a crane, or typing software. Even the family analogy is dated. In the modern welfare system there is paternity and maternity leave, nursery care, child credits and so on. The purpose of this welfare is to reduce the “penalty” for having children. Imagine therefore, how many more benefits the socialist state will add, ensuring that no parent suffers a financial loss for having children and having to bring them up. Socialism marks the end of unpaid domestic labour while at the same time ending its isolating effect.

However, there is an undeniable and indisputable contemporary inequality, one which has become more graduated as production has become more complex, and that is the vertical division of labour. Workers contribute differentially to production because their skill levels differ. The relevancy of Marx’s identification of “mental superiority” rather than “physical superiority” remains current. More skilled workers contribute more to production than do less skilled workers. They have different productivities.

This is an objective fact, and because it is an objective fact, it can be measured. A scientific criterion can be established to determine the co-efficient of labour each worker commands. This criterion will include the level of education and experience. (Note 1.) No state can set these coefficients arbitrarily. Instead, the workers state is limited to setting up a commission to first identify these criteria and then determine the ways to best measure them.

How do equal rights interact with the inequality which makes them necessary? Are we to believe that the purpose of equal right is to abolish inequality thereby making these rights redundant. The answer is an emphatic no. The purpose of workers rights is to unite the working class, while its function over time is to yield the economic conditions which ends inequality. In this way they unite the working class in the process of eliminating these inequalities.

The difference between the purpose and function of workers’ rights requires further elaboration as it is the source of much confusion these days. Many of our dreamers who also call themselves Marxists, such as found in the Socialist Party and SWP, confuse the purpose of the pricing system with the purpose of workers’ rights. They incorrectly assume that prices will fall so far as to become free, and being free, any workers’ contribution to production is now irrelevant. Everybody can help themselves to most of the output of society because it is free and therefore cannot be measured. Thus, this treasure trove marks the ascent to a communist society, where contribution and need no longer clash. They have the wrong end of the stick altogether. While it is true that price falls makes socialism dynamic, which is its purpose, falling prices cannot end inequality.

What allows a socialist society to become equal lies elsewhere, in another of the workers’ rights that forms our constitution: it is the right of workers to collectively agree the voluntary deductions from the social product for the social fund. Once again it is not the state that decides the level of deductions. All it does is to facilitate the discussion between workers internationally as to the needed level of deduction and its disposition. The activity of the workers’ state is limited to only preventing the fraudulent use of any of these deductions.

These deductions forms the social fund which finances administration, new investment, the care of those who cannot work, the young and the old, and of course education amongst others. (See Note 2.) At first these deductions will be constrained by the level of economic development found after the revolution. This means that the full financing of all the priorities cannot be met and that many compromises will be needed. These compromises will affect education as much as any other priority except the repair of the planet.

But as the wealth of a socialist society expands, so too will the deductions. As the social fund expands exponentially, so the need to compromise between the priorities will recede, including education. Increasingly it will become possible to educate every person on the planet to the highest. All workers in hospitals will become consultants, all workers in factories will become engineers and all workers will be able to have multiple careers. Only then will there be parity of income. With that ends the right to receive in proportion to contribution, not because it is formally abolished and expunged from the statute book, but because it is ignored, because it is no longer relevant, because it has become a historical artefact. Society has moved beyond right and into the realm of the purely personal relations described by Lenin in his pamphlet.

Hence in the earlier phase of a communist society, workers' rights and an objective pricing system unites an unequal working class, allowing it to produce the wealth needed to overcome the legacy of inequality inherited from capitalism. Here then is the purpose and function of workers' rights.

Much has been written about the higher and lower stage of communism. Even more has been written about, what is possibly Marx's most famous prediction: "*only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!*" (Critique of the Gotha Programme, our emphasis). This is not dissimilar to the recognition that with the growth in wealth of a socialist society, the deductions for social need grow both relatively and absolutely, providing the material basis for a caring-sharing society. Indeed, this is implied by Marx himself when he says: "*Second, that which is intended for the common satisfaction of needs, such as schools, health services, etc. From the outset, this part grows considerably in comparison with present-day society, and it grows in proportion as the new society develops.*" (Critique of the Gotha Programme)

### **State Property.**

The emergence of the state ten to twelve thousand years ago, coincides with the emergence of private property either in the form of the producer himself or herself (slavery) or in the form of their product. The state, essentially a body of armed men, later men and women, is organised to police this new exploitative relation together with the results of this exploitative relation.

Just as the state emerged with the advent of property so the state ends with the termination of property. Only one state can put an end to property and that is society's highest and final state, the workers' state, which after ten thousand years ends the separation of the producers from the means of production and the results of production. Uniquely, the purpose of the workers state is not to form a new species of ownership, but to end ownership of the instruments of labour, altogether. Once we all own these instruments then no one owns them, and they cease to be property. (We of course draw a strict distinction between the means of production and articles of consumption. The latter remain the personal property of workers ad infinitum.)

But before such an event can take place, predicated not on the political triumph of the working class but on its economic triumph – the development of a dynamic socialist economic – the legal ownership of these factors of production by the state is needed. Only the state, as the centralised power of the

working class has the capacity to take into its hands, all the strands of private property and weave it into the single cloth that represents the collective ownership by workers of these factors of production outside of labour power.

It is at this point that Marxism and Anarchism part company. The anarchists stand for the individual, rather than the collective expropriation of the capitalist class. Here they betray their petit bourgeois outlook. Their smash and grab approach to the expropriation of the capitalist class would have groups of workers laying claim to their own factories or their own patches of land. This would soon lead to sectional interests and therefore conflicts of interest.

The workers' state does not own the factors of production in its own name, but as the custodian of the working class. It is but the legal expression of newly formed social relations. This is confirmed by the fact that as soon as the means of production becomes state property, this property is ossified, immobilised. The state cannot cede it, move it, or lease it out to any individual or group of individuals. All it can do is treat it as means of production to be allocated in conformity with the plan. State property is a legal husk, a transitional form, forged out of the conditions of expropriation and the danger of its re-appropriation.

But its defining feature, is that it is property no longer able to command labour. This means the state cannot act as an employer. Lenin was completely wrong to assume that state property is equated with the state as employer. *"All citizens are transformed into hired employees of the state, which consists of the armed workers. All citizens have become employees and workers of a single country-wide "syndicate". All that is required is that they should work equally, do their proper share of work, and get equal pay."* These three sentences are redolent with confusion and filled with potential harm.

Firstly, the moment the state becomes an employer, state property becomes active, and it is irrelevant if that state is composed of armed workers. Once active, state property becomes empowering as all property is. The state now can make decisions about production, it can determine what is produced and how quickly, and just as the means are owned by the state, so potentially can the product. Further the first sentence, which contains the word hired, is pregnant with contradiction. The term hire requires two parties, an employer and an employee, even if the employer is comprised of armed workers. The term, hire, expresses a specific social relation, one in which the producer hires themselves to the state.

This is distinct from what Marx and Engels meant by the "free association of producers" This is a horizontal relation not a vertical relation. There are no employers and employees. The state does not play an active role in the economy. It sets up administrative functions in order to relieve itself of these functions, limiting itself purely to the role of supervision. Thus, it does not determine prices. Thus, it does not determine the pace of work. Thus, it does not determine what will be produced. Thus it does not determine the disposition of the means of production. It thus relinquishes all the privileges that befall every employer. It organises society to enable the producers to feely associate with each other based on their equal rights, rights which the state may police but which it cannot interfere with.

And here Lenin violates this equal right when he claims that all workers should get equal pay because they work equally and do their "proper" share of work. Firstly, workers do not work equally because their skills differ, which means they should not receive equal pay as Lenin acknowledges elsewhere in the pamphlet. Secondly, what does "proper" share of work mean, and who decides the proper share of work - the new employer - the state syndicate?

This is fraught. Of course, we are not libertarians saying workers can choose their hours without limit. We are guided by the socialist principle, that in the absence of special needs, every worker has to

work. That living off unpaid labour has now become a criminal offence. We are also aware that the working class is a collective class, and that the products of labour we consume, and, which constitute our standard of living, are the product of connected workers not individual craftsmen or women. We are also cognisant of the fact that with the right to choose what to consume (consumer led planning) the basis of socialist planning, comes the duty to work in accordance with the plan.

Workers don't have to be forced to work proper hours. If prices are determined by labour time, then individual workers are aware of the amount of labour they must contribute to enjoy a given standard of living. They do not have to be led by the nose to work. Nor will workers need iron discipline. The iron discipline arises organically from the pricing system. If workers work badly, they will be penalised by higher prices and therefore a fall in their standard of living. Away with this political paternalism. Marxists recognise the working class to be society's highest and final class, and we treat them with the dignity they deserve.

Marxists also understand the complex interplay between individual and collective workers' rights and duties. But these are comprehensible, clear, equal and something any and every thinking worker understands, namely that their wellbeing depends on the newly developed co-operation which has replaced competition. They understand that the objective pricing system rewards their collective effort, that the right to receive in proportion to contribution rewards their individual effort, that consumer led planning rewards their expenditure of labour with the desired product, that the deductions from their product to finance social need and new investment are voluntary because they have been agreed democratically, all this is the substance of socialism where no worker is elevated above the other, where no state is needed to enforce a relationship that has been entered into freely.

No employer is needed nor wanted nor need apply. A full understanding of consumer led planning reveals how jobs come into being and are reproduced. The hand of the employer is nowhere found.

### **Consumer led planning.**

There are two divergent approaches to planning. Viewing it as a social challenge or as a technical challenge. We will deal with the social challenge first, because in the end, resolving it is the more decisive factor. The social factor makes planning possible while the technical factor makes it efficient.

The social challenge boils down to a harmonious society, and a harmonious society is a society free of conflicts of interest. The obvious conflict of interest, the fault line that intersects capitalist society, is that of class. The class conflict is both historical and inevitable, driving economic development until such time that this conflict itself threatens to undo what has been gained at such great cost. Abolishing capital abolishes class conflicts allowing a socialist society to deal with the differences within the working-class inherited from capitalism.

That is the essence of workers' rights. The equal rights that cohere our multi-billion working class riven by minor inequalities. We have listed these rights above, which together form our charter, the constitution of a future workers' state. It is now time to look at them in the context of planning. Do they make planning both possible and practical? If they do not, then planning will fail, and with that humanity can bid farewell to its hard-earned future.

Planning failed in the USSR because it was ensnared by conflicts of interests. The primary conflict was between the parasitical bureaucracy and the working class. That conflict ensured that no objective pricing system could emerge, because such a system would shine a harsh and unforgiving light on the parasitism of the bureaucracy. However, it is a historical fact that no higher modes of production can exist without an operating pricing system. Capitalism itself does not produce for the sake of producing.

It is not interested in how much it can produce, but on how much profit it can make. It is driven by qualitative considerations not quantitative considerations.

The USSR failed because it did not have a pricing system that accurately or even approximately reflected actual costs of production, which is nothing more than the social expression of weighted average labour times. But without a pricing system, the planning bodies were effectively blind, and being blind, they could not produce qualitatively, only quantitatively. That is why they were reduced to piece rate planning: so many tons of steel, so many metres of cloth, so many litres of diesel, so many million nails. This is the most primitive or elementary form of planning whose initial successes are soon overwhelmed by its subsequent failings.

Here we should pause. Arguments have raged over whether the USSR was socialist or capitalist. Ernest Mandel, the key Trotskyist thinker of the late 20<sup>th</sup> century held that it was not a socialist economy. Tony Cliff the arch-revisionist of the second half of the 20<sup>th</sup> Century insisted it was state capitalist. Neither got it right. Marx's method simply put, is to categorise a mode of production by determining how the labour of the individual becomes part of the labour of society and how that labour is appropriated. Given this methodology, it is clear that the labour of the individual became part of the labour of society in the USSR both directly and immediately. This meant it was a socialised economy, not a capitalist economy, where labour becomes only part of the labour of society, indirectly, that is through having to first be exchanged (sold) against money. It is also true that in the USSR the labour of society was appropriated by a parasitic bureaucracy meaning it could not be a socialist society. It was therefore a specific mode of production, neither capitalist nor socialist, without the advantages of a capitalist economy nor that of a socialist economy.

There were additional conflicts in the USSR that made planning ineffective. The planning bodies were part of a repressive state. They determined what would be produced and how quickly. The former alienated the working class and the latter antagonised the management of the various enterprises. And because planning became the apparatus for ruling the working class and infiltrating every pore of society, it gave rise to a huge bureaucracy.

In greater detail. Workers give of their labour and are rewarded by their product. But in the USSR workers had no say over what was to be produced. Planning was paternalistic, patronising, and insulting to the needs of workers. The result was a high degree of alienation.

Secondly, the relation between the enterprises and the planning bodies was fraught. The only way to manage piece rate planning was to set quantitative targets. Reward, or more to the point, punitive penalties, were then based on meeting or exceeding these targets. Therefore, enterprise managers had an incentive to understate the productive potential of their plant in the hope the planners would set lower targets. The planners in turn were aware of this underestimation which they then compensated for by raising targets. There was thus a continual tug of war between planners and managers which disrupted the plan.

In a socialist society none of this takes place. Exhibit 1. There is an objective pricing system because it is in the interest of the whole of society that the costing of production be accurate. An accurate pricing system allows qualitative production to take place because it enables the conscious allocation of the resources of society in the most expeditious manner. Exhibit 2. There is no longer conflicts of interest between the production side and the planning side. The planners do not decide the intensity of labour, or what amounts to the same thing, how quickly things will be produced. Workers' control of production determines that, and once universalised, they form the costs of production the planners engage with. Exhibit 3. Planners do not decide what will be produced. Workers, as individual

consumers do. This form of planning is called consumer led planning (and it is what we will be concentrating on in this section). This is the opposite to what occurred in the USSR. Now it is workers who are the active decision makers while the planners are the passive administrators, compared to the USSR where workers were passive consumers and the planners the active decision makers. By being reduced to passive administrators, no bureaucracy is possible. In sum, qualitative planning is made possible by an objective pricing system, and by a planning system that does not decide what will be produced nor how quickly.

But before we concentrate on consumer led planning in more detail we have to deal with the so called technical difficulties of planning. Our dated Marxists never tire of pointing out capitalism's hypocrisy when it comes to planning. While the capitalists are criticising planning, economic and technical developments force them to not only plan, but to do so more elaborately. Where our dated Marxists show their inexperience is their assumption that capitalism limits its planning to within the corporation. They do not. Just-in-time production is planning between corporations and industries including the transport industry. Unless the end user co-ordinates production with its suppliers and transport companies, just-in-time production with all its economic advantages, would break down. What needs emphasising, is that just-in-time processes connect suppliers not only nationally, but internationally as well courtesy of the internet.

Secondly, as products become more complex, corporations need to start planning on an industry wide basis. This is the story of Boeing and its development of the Dreamliner. In their analysis of the Dreamliner Story, Tang and Zimmerman detail the structure of the relationship between Boeing and its 50 Tier 1 suppliers and through them the Tier 2 and Tier 3 suppliers, all of whom were integrated via parallel component development, a common computer hub and integrated management. (*Managing New Product Development and Supply Chain Risks: The Boeing 787 Case.* <https://eng.umd.edu/~austin/ense622.d/lecture-resources/Boeing787-Outsourcing2009.pdf>) They point out how Boeing had to adapt to the problems encountered, many of which were unforeseen and some which should have been foreseen, and how these were resolved leading to a successful project.

In addition, numerous planning strategies are implemented by government in the field of infrastructure, industry and housing. Government's plan, even when they subscribe to neo-liberal ideology, and when they are held back from planning, capitalism comes apart at the seam, as workers are not trained up, roads break up, dams crack and bridges collapse.

A number of papers have been written on the technical challenges facing planning. Allin Cottrell and W. Paul Cockshott is chosen here because their article was written in 1993. At that time large computers had the computing and storage power of an expensive smartphone today. Despite the technical level at the time, they showed that the billions of calculations needed to connect inputs and outputs in a planned economy was feasible. This is a feat done daily by the national statistical bureaus albeit post-factum. The article is also useful because it details the key participants on both sides of the debate and it has some useful insights into planning in the USSR itself, notably why accurate labour times was impossible. (*Socialist planning after the collapse of the Soviet Union.* [http://ricardo.ecn.wfu.edu/~cottrell/socialism\\_book/soviet\\_planning.pdf](http://ricardo.ecn.wfu.edu/~cottrell/socialism_book/soviet_planning.pdf))

However, in common with all theorists treating planning primarily as a technical problem, they end up proposing an amalgam between the market and the plan. Prices, they insist, will still be led by demand and supply. In those areas where clearing prices rise above the actual cost of production, investment would be added by the planners thereby increasing supply and driving prices back to their actual cost of production, and conversely, where market or clearing prices falls below cost, supply will

be restricted pushing prices back up to their cost of production. Like a petri dish, prices will be squirming all the time. What nonsense. This would undermine objective prices in no time.

In a socialist society, workers contribution to production is registered individually by means of vouchers, either single use or multi-use, paper or electronic. The sum of these vouchers equals the total price of the goods produced for consumption. When these vouchers are “spent” no goods remain. This is the balance between the production and the consumption side.

What Cottrell and Cockshott are insinuating is that this balance cannot be achieved with any precision without market prices. Therefore, imbalance would be a fact of life. This assumption is false, and it is based on their ignorance of consumer led planning, though to be fair they do dabble with the idea of systems allowing workers to partially decide production priorities though this falls dismally short of consumer led planning.

Consumer led planning cannot eliminate every anomaly, but it can swiftly reduce them to insignificance because the system is inherently responsive. Firstly, a voucher system is being used, not money. To explain the voucher system and simplify it, we will assume these vouchers add up to the “wage” of a worker. However, wages in this context have been stripped of their capitalist content. They now mean full payment for labour, rather than the part payment which is found under capitalism. Total wages are here assumed to equal total vouchers.

Total wages will therefore be equal to the total hours worked adjusted for the differing coefficients of labour. The total prices of the articles of consumption will also equal these total wages because both express labour time. (Note 2). Total wages can only change if the total hours worked rises or falls. Wages are unaffected by changes in productivity. Instead rising productivity causes average prices to fall as output rises within the same time scale.

This leaves total prices unaffected, because the fall in average prices is offset by the rise in output. Total wages continue to equal total prices. A numerical example will explain how this happens. If we assume that the total hours worked does not change nor does the mix of skills, but productivity increases by 5%, we could correctly assume that average prices will fall by 5%, but also, that the volume of products will increase by 5%. The latter contras the former, because, while there are cheaper products, there are also more of these products.

Let us now examine what would happen when total hours worked does not change, but wages rise while prices continue to fall. Total wages would now exceed total prices. An incongruity has arisen between the production side and the consumption side. These excess wages or vouchers would mean demand would exceed supply, forcing prices to deviate from actual costs of production. It could even be the case that with a sufficient increase in wages, average price falls could even be reversed.

But if we had prices deviating from costs, this would imply that goods were being sold rather than claimed. Only when goods are sold can “clearing prices” be meaningful. And indeed, this is what Allin Cottrell and W. Paul Cockshott state in the top middle box of their first diagram. If workers turned up at the shop or warehouse where a popular product was being sold rather than held, they would soon clear the shelves of that product. Yet more workers would turn up trying to claim that product but there would be none. Knowing this the shop would be allowed to release (sell) their new stock at a higher price paid for by additional vouchers.

Two scenarios flow from this, both of which are equally worse. Firstly, the shop remains true to the voucher system. It cancels all the vouchers handed over, even if the total hours they vouch for exceeds the total hours crystallised in the products themselves. In this case, necessary as well as excess vouchers, are cancelled. The result is a shortage of vouchers in the rest of the economy ensuring that

products would be left unclaimed elsewhere. This would create the false impression that supply exceeds demand in other parts of the economy, when in fact this excess supply is due to the excessive cancelling of vouchers. Production and consumption would become increasingly lopsided.

The second scenario is that the surplus vouchers, that is to say, the vouchers whose hours exceed the hours contained in the products, are not cancelled. All that is required from a bookkeeping point of view, is for the shop to cancel as many vouchers as is needed to cover the labour contained in the product it now sells. The surplus vouchers then belong to the shop to be shared with its supply chain in ratios which do not concern us. The main point is that these surplus vouchers can then be used (spent), second hand, to obtain products elsewhere in the rest of the economy. In this case total output and total vouchers balance. However, because these vouchers now change hands, they no longer act as receipts for labour given. They have in effect become money, and money, without exception always severs the bond between prices and costs of production.

Clearing prices are not possible with vouchers unless goods are being sold rather than claimed, which implies that these vouchers are acting as money despite Messrs Cottrell and Cockshott's assertion to the contrary. That is why it is impossible for planning to co-exist with the market. If vouchers remain vouchers, not money, clearing prices disrupts planned production because of the excessive cancelling of vouchers, and if vouchers become money, then prices govern production rather than costs of production.

Secondly, consumer led planning is not reactive. Workers do not enter shopping areas holding their vouchers, going hither and thither, wondering where and when they will spend them, thereby mimicking the consumers found within a capitalist society. Consumers are no longer anonymous. The abolition of the market ends the separation of production and consumption, the producer and the consumer. Now we have the producing consumer.

The producing consumer is no longer dominated by commodity fetishism, nor plagued by advertising, nor manipulated by marketing. For them shopping will be closer to the Amazon experience in terms of ordering. In this sense, Amazon and internet shopping in general, anticipates what is to come. However, before we are accused of confining workers to their homes waiting for deliveries, or preparing dingy city centres and warehouses where goods are to be collected, let us assure our critics that our city centres will be communally alive with emporiums in which to view and try out products, especially new and proposed products, populated by covered piazzas where our class can gather to eat healthy food and to converse, and which will be adorned with art and car free greenery instead of being disfigured by advertising hoardings and private spaces.

Turning back to consumer led planning. The bulk of consumer goods will now be ordered by workers in advance. They are the trillions of instructions given to the planning bodies which when aggregated forms the plan. For this the internet is ideal. This is a plan which is being constantly remodelled in real time. It does not require a five-year plan, though the plan behind the plan, i.e. building the infrastructure of the plan requires longer term planning, as eco power stations, new factories and tunnels are not build overnight.

If the capitalists can achieve "just in time" across industries, then by the power of the silicon chip, we can do it across the global economy. Society need no longer bear the waste of over supply or under supply. There are no longer any accidental coincidences. Prices simply reflect costs. There is no longer external demand but internal ordering.

It may be argued that this would kill innovation. After all, in our future staid society everything is known, and everything is ordered. Is it? If life was so simple! Clearly the development of technology

produces new possibilities, many of which take years to spot. Google and Facebook did not drop from a tree. They were not ideas waiting to happen. If it was not for the prior development of the silicon chip, then the internet and then the worldwide web, and if the latter two were not free to use, then neither Google nor Facebook would exist today. Technology and products are connected but not synchronised.

However, in a socialist society, actual or potential technical developments will be demonstrated to workers to determine if they are of use. Developments no longer depend on inspired individuals beavering away in their garage, or engineers slinking away to form their own company around an appropriated idea born in their place of work or research. Instead the resources to engage with the working class around new technical developments will be made available, and society, unencumbered with considerations of profitability or whether the new product will undermine an existing product line, can decide what they want.

Nowhere is this truer than what is, arguably, society's biggest technological challenge, the development of a chemical battery cheap enough and powerful enough to allow electric motors to replace the internal combustion engine, and, to provide sufficient storage to make the base load hydrocarbon power stations underpinning solar and wind farms, redundant. However, for capitalism, saving on wages is more important than saving the planet. More is being spent on making planes, cars, trucks and tractors driverless, than is being spent on developing a planet saving battery, and this applies to government investment as well.

But even in the realm of battery development, there is to be found, the confusion, the hesitancy, the duplication and the conflicts of interest delaying the emergence of this vital product. All of this is highlighted in the Financial Times discussion about the best way forward for charging electric cars. (*Five ways to tackle the electric car challenge*. F.T. 28<sup>th</sup> December 2017.) The adherents of Von Mises could argue: good here are five competing visions and only the most cost effective and useful one will win, testifying to the vibrancy of capitalism.

Except that what is missing from the F.T. discussion is the need for a standardised car battery using a commonly agreed technology capable of smooth upgrade. This battery could then be interchangeable. Instead of cars having to stop for recharging at home, in the street, outside work, at a supermarket, cars could drive into the equivalent of a gas station, even converted gas stations, and exchange their discharged battery for a fully charged one, in the time frame it now takes to fill up with petrol.

Interchangeable batteries offer numerous additional advantages. Cars could be bought without batteries and batteries rented over the typical 8 - 10year life of a battery. This would dramatically reduce the upfront cost of the electric car, even to below that of a similar petrol or diesel car, increasing its popularity. It is unlikely that the combined charge and battery rental would exceed the cost of filling a car with petrol and diesel over the lifetime of the car. These rental batteries could easily be financed by the hundreds of billions the oil companies have in their coffers, if only these dinosaurs could look over and beyond a barrel of oil. By having interchangeable batteries, distance would not be such an obstacle. By concentrating batteries in filling stations where they can be charged up, the infrastructural requirements for routing electricity from power stations to charging stations would be streamlined. Finally, by storing and charging hundreds of batteries, these filling stations, using smart meters, could charge these batteries in the hours when demand for electricity is at its lowest.

Instead the opposite is happening. Each car manufacturer is building its own unique battery. Cars are then built around these batteries locking them in. Batteries are so unique that it is prohibitive to upgrade the battery in the same car, never mind between cars. Worse, these batteries with their

unique chemical compositions, are difficult to recycle at the end of their useful lives. Car companies are caught in a Betamax moment, developing the wrong product, a battery that is not standardised, that is not interchangeable, that is incompatible and unrecyclable. This would not happen in a planned economy.

This is not being over-critical. All new technologies go through an adolescent period when it is unclear what the best solution is, and where a degree of experimentation is necessary. But in the case of capitalism, as we have seen, this is disorganised, protracted and under-resourced, aggravated by the absence of government intervention due to the paralyses of neo-liberalism. Capitalism may finally find its way, but at what cost to the planet, which urgently needs solutions to global warming now?

Turning back to consumer led planning. Workers will only order products they find useful. If a new product emerges reshaping their preferences, they may place orders beyond the initial capacity to produce this new product. If these orders exceed the available capacity as no doubt they will initially, then democratic means like a "lottery" will be used to randomly allocate the product while production is ramped up. In this way a temporary queue will be formed with workers randomly assigned delivery dates while production catches up.

The queuing of orders will ensure workers continue to spend their vouchers on other products. On the other hand, the total number of orders in real time, will inform the planners by how much to adjust production. In fact, the bigger problem is not the temporary inadequacy of supply of this or that product. It is the consequence of this inadequacy, namely that consumers will hold back vouchers waiting for supply to increase. The consequence of this would be to disrupt the rest of the economy temporarily because some goods will not be claimed due to the absence of vouchers.

A corollary of this is saving. Individual saving should not take place in a socialist society now turning into a caring-sharing society. Whatever saving there is, is done socially, out of the deductions from the social product, where it will be used for pensions and insurance against natural disasters. If individual workers were to save, then some vouchers would lie gathering dust on the one side, and products unclaimed on the other. It would be disruptive. To workers who are saving, the advice will be to work fewer hours or to hand over any excess vouchers to the social fund.

Consumer led planning is the antithesis of state planning. It is still an unfortunate fact that our dated Marxists, caught in their time warp, still hold on to the shibboleth that the state somehow still plans what will be consumed. In order not to confuse the issue, we are focused here on planning for consumption, or what is the same thing, the grand plan. Consumer led planning is based on the principle, namely, that only those who produce have the right to determine the plan with their preferences. Only the producers can decide what they will consume, because they alone have expended their labour and contributed to production. How dare any Marxist assume that the state can decide on their behalf. It cannot. It has no right. And because it has no right, the consequence of the state monopolising decision-making, will be its bureaucratisation.

Consumer led planning is an absolute right. Each producer as consumer is free to make whatever decision they choose, as to what, how much, where and when they will consume. No state or any other individual can interfere with it. Any interference in this right, which breaks the connection between effort and reward, must be seen for what it is, oppressive. Just as the owner of money under capitalism has the right to spend it as they see fit, so under socialism, the producer has the right to state their consumer preferences without interference.

But why call it consumer led planning, not producer led planning. Does producer led planning not conform more to what Marx and Engels meant? The answer lies in the distinction between concrete

labour and social labour. What each producer or worker contributes to production is a specific form of specialised labour, or concrete labour for short. A welder contributes welding, a baker contributes baking while a data analyst contributes computer programming and so on and so on.

But what each of these workers consume is the labour of thousands of different specialities and millions of connected workers. The sphere of consumption is no longer populated by individual labour but social labour. Reference was made to the Boeing Dreamliner above which contains 6 million parts and is the product of thousands of disciplines ranging from forgers, to riveters to painters. So, every time a welder or a baker or a data analyst flies on one of these planes, they are consuming the labour of tens of thousands of connected workers.

Planning cannot therefore be done from the production side. How can steel workers in a steel plant decide how much steel they should produce when they have no clue as to where the steel is going and for what purpose it is to be used. But if consumers decide they want so many steel pots, so many buildings and so many cars, only then is it possible to decide how much steel to produce within the spectrum of other products. Planning must be done from the “demand” side.

This is also the great lesson to be learnt from capitalism itself. The most successful capitalist corporations are those closest to their consumers, those who are most aware of what they want and more importantly what they do not want. Hundreds of billions of dollars are spent each year by marketing departments seeking to shine a light deep into the murky market. When consumers spend their money on a product, they are voting what to produce, and it is a vote that any and every capitalist corporation ignores at their peril.

In consumer led planning within socialist society, consumers too are voting, but this time it is proactive rather than reactive, it is before the fact not after the fact, it has an organising rather than a clearing role. They are no longer anonymous consumers. It is their preferences, given in advance, that guides production.

But it could be said, what determines demand. Again, this does not present a problem. Production is really reproduction, a continuous process. Workers are always contributing their labour to production without which production would cease. Workers know what their “wages” are because they know how long they have worked, and they will know what things cost to produce in real time. Therefore, they can continuously quantify how much of anything they intend to consume and when, the latter being more important for durable goods.

Here the internet, television, data mining, predictive algorithms, artificial intelligence and every other technical advance will play its role in ensuring planning will be that much more efficient, putting to an end the wasteful market where capitalist corporations seek out anonymous, transient, impulsive and skittish consumers. What won't be tolerated, however, is invasive intelligence, the spying or eavesdropping on consumers. The planners will only be allowed to work in the back ground on the orders placed by workers.

### **The nature of work.**

Lenin's “workers are employed by one giant syndicate” implies the hiring of workers, the emergence of a contractual rather than a consensual relationship. Whatever the case, it misses the most important aspect of the free association of producers – how they work together. Marxists recognise that freedom is the recognition of necessity. How does that shape the free association of producers and how does it form their working relations? How can it be free if there are limits? Is it up to individual workers to decide how and when to work and in what capacity? Do the planning bodies respond to hundreds of millions of workers demanding this or that work?

The starting point, as always, is the relationship between freedoms and duties. If workers are free to choose what they wish to have produced, and if their aggregated decisions forms the plan, it follows they then have the duty to work in accordance with the plan. No worker can decide for themselves how, when and where they can work. If they did, if the anarchists had their way, what would be the consequence? The plan would fail, and, the gravity of the market would reassert itself. It is simply impossible to reconcile the consumer preferences that composes the plan with producer preferences where and how they want to work.

With consumer led planning, it is the consumers who are active and the planners who are passive. The planning bodies cannot decide what will be produced nor how quickly. Their remit is the organising of production to fulfil the plan as expeditiously as technically possible. Another way of saying this is that the planners organise, or allocate, the labour time of society to fulfil the requirements of the plan. Allocating the labour time of society means first and foremost organising and re-organising the jobs needed by the plan.

This is the remit of the planners. The unification of labour power with the means of production involves the simultaneous allocation of labour power and the means of production. Hence fulfilling the requirements of the plan may require more of one kind of labour and less of another, just as it will require investment in more of one kind of machinery and less of another kind. It may require more training here and less training there. The planning bodies are thus the huge global choreographer of labour, a task which will stretch the intellectual capacity of society to its limits to begin with. But they are not the employer of workers despite being the provider of their jobs.

At this point it would be wise to pause and consider the following. Planning, unlike the state does not wither, it just gets more precise. The state will long pre-decease the planning bodies. Hence while the state legislates and facilitates these planning bodies, they are not set up to be state bodies. The withering away of the state, accelerated by a dynamic socialist economy, leaves the functions of the planning bodies unchanged.

Hence the right to work in a socialist society, its sacred right, is not the right to work "where I choose". Again, this is quite intelligible to the average worker. The majority of workers work in larger workplaces. Their work depends on being part of a team, on synchronicity. If part of the team is missing, then nothing can be accomplished. It is only the spoilt intellectual, the dreamer, those who do not understand socialism and historical necessity, who balk at being told they will be working in this or that capacity, who are the objectors. Hence while the planners do not employ the workers, it is the planners who by organising production, provide the jobs needed to be filled.

The overarching fact is this. Capitalism may have been the first, crude industrial society, but it has brought into being, over the last two hundred years, a complex industrial world, and our first order of the day is to take it over, to learn to run it more efficiently and comprehensively than the capitalists ever could, thereby providing sufficient velocity to escape the gravity of the market. This means being part of a team which works intelligently with the planners, but planners who cannot dictate the pace of work nor what is to be consumed.

In most countries, apart from a few African countries, the working class is the dominant class measured by size. Therefore, we no longer need engage with the tedious argument over whether or not capitalism is under-ripe or over-ripe for overthrow. If anything, capitalism is overripe for expropriation. We need look no further than global warming and the epidemic of chronic illness blighting this planet.

But the very conditions that make capitalism over-ripe for abolition, has a sting in its tail, because it has also produced a modern working class that contains nearly as many unproductive workers as it does productive. About 48% to 52% in 2010. (*Unproductive Labor in the U.S. Economy 1964-2010*. Simon Mohun. <https://www.rrp.sagepub.com/content/46/3/355>). The divide between unproductive and unproductive workers amounts to this: unproductive workers do not produce or distribute commodities, the things we consume. Instead they are responsible for selling these commodities, marketing them, accounting for them, administrating, or settling disputes over their ownership – legal. As workers have become more productive and the volume of items has swelled, two things have happened. Relatively fewer workers are needed to produce these commodities while relatively more workers are needed to circulate and to administer to this increased volume.

While unproductive labour is necessary for the metabolism of capitalism, it is not required for the metabolism of socialism. In a socialist society the bulk of this unproductive labour would be wasted labour. These workers would have to be reassigned by the planning bodies to useful work. If these workers now change roles so that they are engaged in productive work, the number of individual hours needed to be worked for a given output, would be halved. This means that at any given level of output, twice as many workers are available to work, meaning that each worker need only work half the time to maintain their standard of living. Conversely, if there are sufficient means of production to double the number of hours, twice as much can be produced, implying a doubling in standards of living. Therefore, the results of this unbelievably huge migration from unproductive to productive work can either be enjoyed via a halving of hours or a doubling of standards of living.

It is this economic argument that will ensure the harmonious re-allocation of labour despite all the travails this will entail. Whatever is suggested in a socialist society must always make economic sense. The test for the planners regarding every move they make, will be: what is the economic advantage for each producer and for society from this action, and is there any conflict between the two. In the case of re-allocating labour from the unproductive sphere to the productive sphere, it is the elimination of wasted labour. Any wasted labour would have to be subsidised and this would result in lower standards of living all round for those living in a socialist society. Those who criticise a socialist society by claiming it will be wasteful, therefore need to think again.

Hence harmony all round. On top of this, of course, is the ending of unpaid labour which amounts to 60% of the expenditure of labour under capitalism. Its abolition would also result in a doubling in the standard of living for workers, everything else being equal. Taken together with the abolition of wasteful labour, the potential exists for a quadrupling in standards of living for the average worker based on the same number of individual hours being worked.

Hence under these conditions, the re-allocation of labour should not meet resistance, provided it is done through consultation and by taking the circumstances of individual workers into account. However, this does not mean the planners are employers. No employment contract is signed between the planning bodies and the worker. If any disciplinary action needs to be undertaken it will be up to the work unit to do this, because it is uniquely positioned to know if someone is failing to pull their weight. Work units will sign off vouchers, but these vouchers need not be issued by the work unit itself, just as today, where wages are organised by specialist payroll firms servicing hundreds of companies.

### **State of emergency.**

It is a matter of conjecture whether capitalism will collapse under its own inertia, whether revolutions will break out in isolation or in numerous locations, whether the revolutions will provoke a chain

reaction around the world, whether the international working class will achieve its emancipation by means of a short civil war or a protracted civil war. What is known is that until the working class is supreme and empowered internationally, a state of emergency will exist in those countries that have achieved power. A state of emergency is the exceptional political event that results from heightened class conflict which may or may not be accompanied by economic privations.

Under these circumstances the workers state will play a more prominent role in the affairs of the working class. It may even have to introduce rationing to keep the class alive. What is clear is that there will be an inability to implement the workers' rights under examination here. However, to delineate a state of emergency, so that it may not be permanent, the rights that are presently impossible must be fully detailed and never lost sight of. The purpose of the state of emergency, other than the protection of the class, is to create the conditions for the implementation of workers' rights at the earliest opportunity. This is its only objective.

Hence our declaration of a workers' constitution is the goal of a workers' revolution. It spans the period from the consolidation of working class power, to the emergence of a society where rights are no longer needed because they have put an end to themselves. In the incomparable language of Marx taken from his Critique: *"In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour, and therewith also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want; after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly..."* that marks the moment when the relations between people are no longer regulated by rights but purely by human considerations. Thus, ends society's agonising journey through the disfiguring vale of scarcity. Religion, which always capsizes reality, holds that the Garden of Eden lies behind us, when in fact it always lay ahead of us, but only if we make history.

Note 1. Let us examine in detail this criterion as it applies to education. Let us assume two workers. Both work the equivalent of 45 years. But the one worker absorbs 15 years of education and the other 25 years. From this we may deduce that the second worker is more skilled than the first and therefore more productive. But how do we account for the 10 years difference in education. We may legitimately assume that there is commonality in the first 10 years of their education. This could be their schooling which has been applied by equally skilled teachers, teaching common subjects. In turn these teachers may have been educated up to a common standard, here measured by three years of university education. Already the complexity presents itself. The co-efficient of labour is already being applied to the teachers themselves because they too have absorbed the efforts of others, their university lecturers. Returning to the two workers, the first worker only absorbs another five years of training, mainly on the job to improve his or her skills or to operate new equipment as it becomes available. The second worker goes to university and completes a five-year degree. But the senior lecturers who teach and guide him or her, have absorbed twice as much education to fulfil this task as have the trainers who have instructed the first worker over the course of his or her 45 years. Thus, the 5 years of university education translates into 10 years when measured against the first worker's instructors. Clearly then we are dealing with complex relations. The years of training cannot be measured quantitatively only qualitatively. But once done it yields accurate results allowing skills to be measured by educational input itself measured in labour time. This will yield a narrower spectrum of co-efficients than is found under capitalism.

Under capitalism, educational co-efficients do form the main component for wage differentials. According to research on occupations done by the Bureau of Labour Statistics in 2013 (within the USA) ([https://www.bls.gov/oes/2013/may/wage\\_differentials.xlsx](https://www.bls.gov/oes/2013/may/wage_differentials.xlsx).) senior management earned \$120K p.a. while scientists and engineers earned \$90K, technicians \$55K, degree educated specialists \$35K and unskilled workers \$20k. From this we may deduce a multiplier of about 5 for the wage differentials between the least and most skilled. However, these are averages. Variations based on discrimination, such as the 25% difference between male and female workers exist as do more minor variations based on locality and between different companies in the same industry.

Furthermore, when it comes to experience, capitalism has had a love hate relation with rewarding workers for their acquired experience. This was most acute in Japan when seniority based on life-time employment, automatically advanced the pay of Japanese workers. This was a function of two factors. Firstly, the actual recognition by Japanese bosses that experienced workers were more productive than less experienced workers. Secondly, the balance of class forces which ensured these pay scales were enforced by the unions. In the 1990s, pressurised by falling profitability, corporations sought to abolish seniority scales by replacing older and more expensive workers with cheaper less experienced younger workers. It was not a tactic aimed at ignoring experience, but devaluing it by driving down the pay of the older more experienced workers through heightened competition with younger workers.

As a result, the productivity enhancements that goes with experience, were redirected to produce additional profits for the bosses. This is the opposite of what will be experienced in a socialist society. In a socialist society, productivity gains resulting from experience can be measured objectively. Therefore, it rewards the worker directly by means of an adjustment to their coefficient of labour.

As long as workers' democracy prevails, and there is no state to arbitrarily set scales, these complex issues will be discussed and settled. The key as always is working class democracy. However, the spectrum of co-efficients will never be as large as the five-fold variation in pay found in the capitalist market, simply because no worker can absorb five times as much learning as another because to achieve such a gap requires 20 years of higher education versus no higher education or retraining.

Note 2. The total wages paid in a socialist society will be the wages of workers engaged in production and distribution plus the wages of the workers paid out of the social fund (the deductions from wages.) Hence to be accurate, the wages fund available for consumption will be total wages less the deductions for additional investment and insurance (the setting aside of a portion of the product against the threat of natural disasters). Marx deals with the categories forming the deductions in *The Critique of the Gotha Programme*. First, the general costs of administration not connected to Production, second, Common Satisfaction of Needs, third, funds for those unable to work.

Brian Green, January 2018.