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# RETHINKING MARX'S LABOR THEORY OF VALUE AND ITS SIGNIFICANCE

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*Marx's labor theory of value is being formed and developed under certain historical conditions, it went through the process from questions to support and from support to positive innovation. This process is not only the process of Marx's understanding of historical materialism, but also the combination of historical materialism and labor theory of value. Only by clarifying the scientific process of Marx's labor theory of value and deepening the modern understanding of Marx's labor theory of value can we really grasp the essence of the theory of labor value and grasp its great significance more comprehensively. The article reveals the formation of the theory of labor value in the works of Karl Marx, as well as estimates of the current value of the labor theory of value for finding solutions to the challenges of modern social and economic life. The author focuses on the following provisions, indicating the theoretical and practical significance of Marx's labor theory of value: (1) it provides the theoretical basis for historical materialism; (2) it does not only have guiding significance for the liberation of working class, but also indicates that the working class will be the representative of advanced productive forces in the future; (3) it makes the socialism from dream to science, and lays the theoretical basis for the scientific socialism. The author also identifies the following directions for deepening the Marx's labor theory of value, necessary for its development in the 21st century: definition of productive labor and non-productive labor; the role of scientific and technological personnel and management personnel in social production and value creation; the understanding of the relationship between value creation and value distribution.*

***Keywords:*** *Marx; labor theory of value; formation and development of theory; productive labor and non-productive labor; contemporary significance of the labor theory of value*

***JEL classifications:*** *B14, B24, B51, P26*

# ТЕОРЕТИЧЕСКОЕ ОСМЫСЛЕНИЕ И ЗНАЧЕНИЕ ТРУДОВОЙ ТЕОРИИ СТОИМОСТИ МАРКСА

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*Трудовая теория стоимости Маркса формировалась и развивалась в определенных исторических условиях, она прошла путь от недоверия к поддержке научным сообществом и далее от поддержки к позитивному развитию. Это был путь понимания Марксом не только исторического материализма, но и сочетания исторического материализма с трудовой теорией стоимости. Для того, чтобы по-настоящему понять сущность трудовой теории стоимости и ее значение для современности, необходимо исследовать процесс ее становления и углубления ее понимания в работах исследователей, посвященных позитивной критике и развитию этой теории. В статье раскрывается формирование трудовой теории стоимости в работах Карла Маркса, а также дается оценка ее эвристического потенциала для выработки решений проблем современной социально-экономической жизни. Автор фокусируется на следующих положениях, указывающих на теоретическое и практическое значение трудовой теории стоимости Маркса: трудовая теория стоимости (1) обеспечивает теоретическую основу исторического материализма; (2) не только имеет определяющее значение для освобождения рабочего класса, но также указывает на то, что рабочий класс будет представителем передовых производительных сил в будущем; (3) способствует превращению социализма из мечты в науку и закладывает теоретические основы для научного социализма. На основании проведенного исследования автором выделены следующие направления углубления трудовой теории стоимости Маркса, необходимые для ее развития в XXI веке: определение производительного и непроизводительного труда, адекватное современной экономике; роль научно-технического и управленческого труда в общественном производстве и создании стоимости; понимание взаимосвязей между созданием и распределением стоимости.*

***Ключевые слова:*** *Маркс; трудовая теория стоимости; становление и развитие теории; производительный и непроизводительный труд; современное значение трудовой теории стоимости*

Labor theory of value is an important part of Marxist theories system; its creation is based on historical materialism. Therefore, to truly grasp the realistic meaning of Marx's labor theory of value, we must take the historical materialism as the starting point and further explore the development and innovation of Marx's labor theory of value in the present era.

I. **The scientific process of Marx's labor theory of value.**

Marx's labor theory of value is formed and developed under certain historical conditions, it went through the process from questions to support and from support to positive innovation. This process is not only the process of Marx's understanding of historical materialism, but also the combination of historical materialism and labor theory of value. To understand the scientific process of Marx's labor theory of value is helpful for us to grasp the essence of labor theory of value and to further deepen our understanding of Marx's labor theory of value.

(1) the Paris notes – questions about the labor theory of value.

Marx began to study political economy at the end of 1843.The main content involved was the understanding of the nature of national economics, which is consistent with Engels's view that national economics is the science of getting rich according to its essence. The second is to question the scientific nature of bourgeois economics. At this time, Marx did not really realize the materialist view contained in classical economics, and he did not distinguish classical economics from vulgar economics, and he even referred to Ricardo's economics as "non-human" science. At that time, Marx's doubts about Ricardo's labor theory of value were mainly reflected in the following three aspects: the first is that in the research method, not from the point of view of historical materialism, as opposed to "abstract" in Hegel's idealism, he also rejects the notion that classical economics abstracts value from an abstract perspective, arguing that only the price of market competition is real. The second, he agreed with Proudhon in this period, that prices are not determined by value, and they equate price with value. The third, on the theoretical point of view, Marx agrees with Engels' point of view, pointing out that: "Production costs... This category is also based on competition; "If you don't take the competition into consideration (...) abstract value and its determination by the costs of production are, after all, only abstractions, nonentities" (Marx & Engels, 1956, p. 604).

(2) The "Holy Family", the German Ideology-Major changes.

By the mid-1840s, Marx began to support the idea of labor theory of value. During this period, Marx gradually formed the viewpoint of historical materialism, which provided scientific world outlook and methodology for his further understanding of labor theory of value. First of all, in the "Holy Family", Marx gradually formed the dialectical materialist doctrine in the process of criticizing the young Hegelians, and he also infiltrated the viewpoint of historical materialism. Secondly, in the "Holy Family", Marx began to elaborate on commodities. In his critique of Powell, he said, "Powell does not know that the value of the item and what it gives to others are two very different things." (Marx & Engels, 1957, p. 58). At this point, we can see that Marx began to recognize the difference between the use value and value of goods, the use value of goods transfer will happen in the process of exchange, and the value of the goods will not. Thirdly, Marx analyzed the use value and value of commodities, and further studied the decision of commodity value. He said: "the labor time required to produce an item is the cost of production of this item the production cost of an item is also its value, that is, how much it can be sold (if the competition is ignored)" (Marx & Engels, 1957, p. 61). It can be said that although Marx did not really reveal that labor was the only factor determining the value of commodities at this time, he saw the effect of this factor on the value. Finally, Marx uses labor time to measure value and abolish private ownership. He thinks that with the abolition of private ownership, labor time will determine the value of goods. It can be seen that Marx changed the labor theory of value in the "Holy Family".

If there is the beginning of the transformation of Marx's labor theory of value in the "Holy Family", then the German ideology is the basis of this transformation. First of all, Marx reveals the dialectical relationship between productive forces, production relations and labor theory of value for further research provides scientific theoretical basis, from the perspective of historical materialism in the "German ideology". It can be said that the recognition of labor value theory is the continuation and development of the historical materialism in the field of economics. In addition, Marx's view of labor theory of value from previous negative and skeptical in "German ideology" turned into the criticism and inheritance of science using the method of historical materialism on the labor theory of value research. Marx pointed that "The price of bread in the field of competition is determined by the cost of production, not by the baker." (Marx & Engels, 1960, p. 430). "As for metal money, it is entirely determined by the cost of production, the labor." (Marx & Engels, 1960, p. 430). Here Marx admits that commodity value is determined by the cost of production, at the same time that production cost is determined by the labor cost in the production of, which makes his scientific labor value theory is a huge step forward again.

(3) "Poverty of Philosophy" -- the formation of scientific labor theory of value.

In the "Poverty of Philosophy", Marx realized that the source of commodity value is labor, and further saw that the value of goods is determined by the amount of labor produced. He pointed out the class limitations of David Ricardo's theory, and believed that Ricardo simply regarded capital as an eternal natural relation, and treated the capitalist mode of production as an eternal category, not examining the scope of value from the perspective of history. It can be seen that the creation of Marxist scientific labor theory of value has two important bases. The first one is the formation of Marx's historical materialism, it is an important philosophical foundation for the transformation of Marx's labor theory of value. Such as Engels comments: "Labor determines the value of goods, and labor products are freely exchanged between commodity owners who have equal rights according to this value scale – as Marx proved – the theory of labor value is the continuation of Marx's historical materialism in the field of economics, and the establishment of the theory of the value of scientific labor is the verification of the historical materialism" (Marx & Engels, 1965, p. 210). The second, Marx's analysis and research on the labor theory of labor value of Adam Smith and Ricardo, is the realistic basis for his ideological transformation. It can be said that it is precisely due to Marx's dialectical criticism and absorption of classical economists' ideological connotation that the scientific revolution in the history of economics has been realized.

II. **The theoretical and practical significance of Marx's labor theory of value.**

To deepen the understanding of the contemporary significance of Marx's labor theory of value, we should not only trace back to the source, but also be based on the present. It is necessary to return to the theory itself and to explain and to analyze the essence of the labor theory of value based on the "source" of the theory, based on the present, to enrich the connotation of labor theory of value and to promote the innovation and development of theory.

(1) Marx's labor theory of value provides the theoretical basis for historical materialism. Labor theory of value that labor is the basic premise of existence and development of human society, labor created a man, created social labor, labor created civilization, through the complicated phenomenon of goods, only human labor is the only source of value. In the labor theory of value and historical materialism, the subjective status of the people has inherent unity. The development of history and the transformation of social form are all attributed to the role of man, because of the man's mastery of the material forces, so as to gather strength and create history. The people who master this material power are not only the creators of material wealth and spiritual wealth, but also the historical subjects to realize their liberation and social change. Thus historical materialism emphasizes

adherence to the "people-oriented", insisting on the interests of the masses of people as the most fundamental, constantly giving play to people's enthusiasm and initiative, and making the social wealth full flow. Marx's labor theory of value lies in the commodity economy "value" from the factors and conditions associated with it, sees the role of human in the process of complex commodity production. In the complex economic environment, it highlights the importance and dynamic force of a human being to promote the development of economic strength and to reveal the "value" behind a distinct feature of "people-oriented". "People-oriented" is not only determined by the social and historical status of the masses, but also the intrinsic requirement of the labor theory of value. If the labor theory of value is negated, it is the negation of the dominant position of the person, and then negates the materialist conception of history, which will lead to the whole social development into a difficult situation.

(2) Marx's labor theory of value provided a theoretical basis for changing the fate of the working class. Marxism has been closely connected with the fate of the working class since it emerged, and it represents the interests of the proletariat thought that and guides its liberation. Marxist scientific theory system does not only stand on the standpoint of historical materialism, but also guides the practice of working class's revolutionary struggle. At the same time, Marx's labor theory of value puts forward the historical materialism and the reality, thus revealing the free exploitation and occupation of the bourgeoisie in the capitalist society. Marx's labor theory of value does not only have guiding significance for the liberation of working class, but also indicates that the working class will be the representative of advanced productive forces in the future. First of all, workers can not only occupy the natural world through labor, but they also gain the sole ownership of their own creation value. Marx once talked about the law of "possession" of workers in many works. On the one hand, workers can transform the natural world through their own labor to obtain the material information of the life they need. On the other hand, workers obtain their own labor results through their own labor and enjoy legal ownership. It can be seen that whether the "possession" of the natural world or the "possession" of the fruits of their labor is to be realized through labor. This is an important inspiration for the construction and development of the current market economy, because the market economy is "labor's ownership of the fruits of labor" (Marx, 1980, pp. 462–463). Therefore, under the condition of market economy, the labor rights of workers and the ownership of the results of labor should be guaranteed according to law. Second, workers get equal rights through their ownership of labor. Workers obtain the products of their labor through their own labor. If others want to obtain the products of their labor, they must obtain the ownership of others' products by transferring their labor results. This means that people have equal rights in front of labor. In the process of social interaction, workers also have equal rights to exchange. Finally, the labor theory of value reveals the secret of capitalist exploitation of workers and raises the human dignity and appeal. Marx believed that labor is the only source of value creation. Workers obtain the products of their labor through their own labor, and in exchange for equal amounts of labor equality in return for ownership. But under capitalist commodity economy, Marx pointed out that the working class lost its own labor ownership, but became the tool for the capitalist to obtain surplus value. Therefore, Marx mercilessly criticized the capitalist society's exploitation of workers and aroused the value demands of the working class to realize their own emancipation.

(3) Marx's labor theory of value provides a theoretical source for unswerving communist ideal and belief. Marx's labor theory of value as the basis of historical materialism and surplus value theory and the core, reveals and criticizes the capitalist system under the capitalist relentless squeeze and exploitation of workers, reveals the essence of capitalist society exploitation, makes the socialism from dream to science, and lays the theoretical basis for the scientific socialism. As a scientific theory, Marx's labor theory of value has an irreplaceable historical position both in the past and in the future. First of all, the basic

principles of Marx's labor theory of value are not outdated because of the changes in the world. The historical experience proves that the theory of Marx's labor theory of value on the nature of commodity economy and the operation rule of commodities is still scientific and is the correct theory. Secondly, under the condition of socialism, although the production relationship has changed, the working people have become the masters of the society, and the working time is still the intrinsic measure of the commodity. Finally, in the market economy based on public ownership, the changes in the contradiction of commodity economy will not only affect Marx's labor theory of value, but also provide a broader space for development. In the new era, Marx's labor theory of value must keep abreast with the times, explore and innovate, and guide the practice of market economy better.

III. **To deepen the understanding of Marx's labor theory of value.**

Marx established the era of labor theory of value as the steam engine era in the early stage of industrialization. In the 21st century, the social and economic conditions have changed greatly compared with the times of Marx. In the face of new problems and changes in today's society, we must deepen our understanding of Marx's labor theory of value, innovate and develop it on the basis of inherited practice. This new aspects are partly reflected in modern publications of Marxists and our text will develop already published studies (see: Amin, 1997; 2018; Bellofiore, 2018; Boltansky & Chiapello, 2005; Castells, 2010; Drucker, 1993; Fine & Saad-Filho, 2018; Foley, 2000; Kotz, 2015; Lee, 1993; Li, 2014; Mandel, 1967; 1987; Meng, 2010; Postone, 1993; Tong, 2011; Yang, 2008).

(1) Deepening the understanding of the labor of creating value and making a new definition of productive labor. Productive labor and non-productive labor are two important categories of Marx's labor theory of value. Marx takes quality and quantity to combine analysis method, to productive labor, to carry on relevant treatise. Marx pointed out: "only labor that is consumed by the value of capital in the process of production is productive labor." (Marx & Engels, 2009, p. 520). However, with the development of society, the productive labor of Marx's labor theory of value also posed new challenges (see Mohun, 1996; Marginson, 1998; Comor, 2015; Ouellet, 2015). On the one hand, from the labor process, traditional labor is more about the physical transformation between man and nature, and there is only the risk of private labor transferring to social labor. In addition, to manual labor and mental work, modern labor also includes cultural innovation and other labor, whether in scientific and technological innovation or in the production of commercial labor. On the other hand, from the perspective of labor and value creation, modern labor creates value more and more widely. Therefore, we should deepen our understanding of productive labor theory and make new understanding and definition of productive labor.

(2) To deepen the role of scientific and technological personnel and management personnel in social production and value creation. In the discussion of the "Das Kapital" on "the ordinary worker", Marx believed that with the development of society and the progress of the division of labor, the unified production process should be completed by many laborers: "Some of them are managers, engineers, technologists, etc. Some people work as supervisors, others as direct manual laborers or as simple auxiliaries." (Marx & Engels, 2009, pp. 521–522). In today's society, under the condition of the innovation of science and technology it is becoming more and more important, engaged in the work of science and technology and the management of knowledge workers, "ordinary workers" is not only a modern society an indispensable part of the total labor, and as a higher level of complex labor, and they create simple significantly higher than the value of labor. Therefore, with the development of science and technology and division of labor, it is inevitable to study the connotation and extension of the "total workers".

(3) Deepening the understanding of the relationship between value creation and value distribution. At the present stage, with the increase in the proportion of production factors, it is obviously not true that many people use this to negate the theory that labor

is the only source of value creation. Value creation is a problem in the field of production, and value distribution belongs to the field of distribution. In fact, what is the value of creating the answer to the question of how valuable it is and how valuable it is, and it's more about the concentration of economic relations between people. Value distribution is the question of where and when the value goes, it is limited by the ownership of the property. Of course, value creation and value distribution are also interrelated. Value creation is the premise of value distribution, from value creation to value distribution, a process of transformation can be said that the value distribution is closely related to value creation. Therefore, the relationship between value creation and value distribution is theoretically clarified, which is more conducive to the processing and solving of the distribution problems in real life.

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