This essay will attempt, first and foremost, a definitive exposition of Marx’s theory of productive and unproductive labour.¹ This theory is presented in the three volumes of Capital and in Theories of Surplus Value—Marx’s projected historico-critical fourth volume.² This seems useful and necessary for several reasons. First, as one of the most suspect legacies of classical political economy, its importance in Marxist political economy is disputed.³ As a result, it has not been accorded a central place in most expositions of Marx’s political economy, and its relation to the fundamental concept of surplus value has not been sufficiently emphasized.⁴ To anticipate, if the essential problem for Marx in his mature economic writings was the explanation of surplus value under capitalism, then, on any count, the distinction between productive labour which creates surplus value, and unproductive labour much of which is supported out of surplus value—this distinction is a critical one. Its analysis is the more urgent since several Marxist writers, notably Baran,⁵ have recently reinterpreted the concept in the course of focusing on the disposal and absorption of the surplus under
monopoly capitalism. Lastly, there has been a recent growth of awareness that the concepts of productive and unproductive labour may have political implications, by influencing our interpretation of the class structure of present-day monopoly capitalism.  

With these requirements in mind, this paper is divided into three parts (or rather two and a half, since the third is relatively brief and inadequate). First, there is an attempt to spell out precisely what Marx meant by the terms productive labour and unproductive labour, by summarizing and reproducing where necessary, his writings on the subject. In so doing, I shall follow Marx's own order of analysis by beginning with the basic concepts of Capital volume I, as developed and expanded in the first volume of Theories of Surplus Value, and by then proceeding with their modification to take account of commercial labour in volumes II and III. In the second part, the concept of productive and unproductive labour is situated in its context, by relating it to the central propositions of Marx's political economy. The questions and ambiguities which this raises are then analysed, by comparing the role and status of the concept for Marx with Adam Smith and classical political economy on the one hand, and with more recent Marxist writers on the other. Lastly, there is a very brief consideration of the political implications of the theory of productive and unproductive labour.

I Marx's Concept

1 Labour productive of Use Value

_ONLY bourgeois narrow-mindedness, which regards the capitalist forms of production as absolute forms—hence as eternal, natural forms of production—can confuse the question of what is productive labour from the standpoint of capital with the question of what labour is productive in general, or what is productive labour in general; and consequently fancy itself very wise in giving the answer that all

1 This essay originated in a Manchester study group which for two years systematically read and discussed the three volumes of Marx's Capital.

2 To avoid unnecessary footnotes, references to these volumes are placed immediately after any quotation. References to Capital give first the volume, second the chapter and third the page numbers in the Moscow editions of 1961 (vol. I), 1967 (vol. II) and 1966 (vol. III). Treating Theories of Surplus Value as the fourth projected volume of Capital, I refer to the three parts as IV/1, IV/2 and IV/3, followed by the page numbers in the Moscow editions of 1969 (part 1), 1968 (part 2) and 1972 (part 3).


5 P. Baran, op. cit. See also J. Gillman, The Falling Rate of Profit (London, 1957); the stimulating debate between J. Morris and J. Blake in Science and Society, vol. 22, 1958 and vol. 24, 1960; and J. Gillman, Prosperity in Crisis New York 1965. These alternative interpretations are discussed in part II.

6 See M. Nicolaus, 'Proletariat and Middle Class in Marx', Studies on the Left, VII, 1, Jan.–Feb., 1967.
labour which produces anything at all, which has any kind of result, is by that very fact productive labour.’ (IV/1, 393).

For Marx, the concept of productive labour was an historically specific concept, and for this very reason it was necessary to distinguish at the outset productive labour under capitalism from ‘productive labour in general’. We begin, therefore, with his analysis of the latter, which Marx in volume I, chapter 1 of Capital calls useful labour. This—the production of use values through the labour process—is a necessary condition of human existence:

‘In the use value of each commodity there is contained useful labour, i.e.: productive activity of a definite kind and exercised with a definite aim . . . so far therefore as labour is a creator of use value, is useful labour, it is a necessary condition, independent of all forms of society, for the existence of the human race; it is an eternal nature—imposed necessity, without which there can be no material exchanges between man and Nature, and therefore no life.’ (I, 1, 42–3).

This necessary condition holds, therefore, for all commodity production and for all capitalist production:

‘In order that his labour may reappear in a commodity, he must, therefore, before all things, expend it on something useful, on something capable of satisfying a want of some sort. Hence, what the capitalist sets the labourer to produce, is a particular use-value, a specified article. The fact that the production of use-values, or goods, is carried on under the control of a capitalist and on his behalf, does not alter the general character of that production.’ (I, 7, 177).

However, a few pages later in this chapter on the labour-process, Marx terms this general attitude of all human labour, productive labour:

‘In the labour-process, therefore, man’s activity, with the help of the instruments of labour, effects an alteration, designed from the start, in the material worked upon. The process disappears in the product; the latter is a use-value, Nature’s material adapted by a change of form to the wants of man . . . If we examine the whole process from the point of view of its result, the product, it is plain that . . . the labour itself is productive labour.’ (I, 7, 181).

A footnote to the above continues:

‘This method of determining, from the standpoint of the labour-process alone, what is productive labour, is by no means directly applicable to the case of the capitalist mode of production.’

It seems clear that the labour viewed from the standpoint of the labour-process alone is useful labour, as Marx has used the term up to that point. To help distinguish this from productive labour under capitalism, we shall continue to denote all labour productive of use-values ‘useful labour’.  

7 It is precisely because the historical specificity of concepts is central to Marx’s political economy, that he utilises abstractions referring to phenomena common to all societies, such as ‘the labour process’ and ‘production in general’, cf. ‘Production in general is an abstraction, but it is a rational abstraction,’ Introduction to A Contribution to a Critique of Political Economy, Marx’s Grundrisse, London 1971 p. 18.
This distinction also aids the interpretation of the following well-known passage in volume I:

‘As the co-operative character of the labour-process becomes more and more marked, so, as a necessary consequence, does our notion of productive labour, and of its agent the productive labourer, become extended. In order to labour productively, it is no longer necessary for you to do manual work yourself; enough if you are an organ of the collective labourer, and perform one of its subordinate functions. The first definition of productive labourer...still remains correct for the collective labourer, considered as a whole. But it no longer holds good for each member taken individually.’ (I, 16, 508–9).

With spreading division of labour, it is increasingly rare for a single person to produce unaided a use-value. Hence he cannot be called a useful labourer as first defined. Nevertheless the collectivity of individuals does produce a use-value and does therefore labour usefully. The necessity for reinterpreting this passage in terms of useful labour will, I hope, emerge later on. Similarly, the important question of what constitutes a use-value is left to one side for the time being.

2. Labour productive of Surplus-value

Productive labour specific to the capitalist mode of production is labour which produces surplus-value. This definition is presented in volume I of Capital:

‘That labourer alone is productive, who produces surplus-value for the capitalist, and who thus works for the self-expansion of capital...Hence the notion of a productive labourer implies not merely a relation between work and useful effect, between labourer and product of labour, but also a specific, social relation of product, a relation that has sprung up historically and stamps the labourer as the direct means of creating surplus-value.’ (I, 16, 509).

Marx then says no more on the subject in volume I but refers us to ‘Book IV, which treats of the history of the theory’. In part I of Theories of Surplus Value a long chapter considers Adam Smith’s views on productive and unproductive labour, and those of his followers. One must be careful in interpreting these passages, since Marx follows his usual policy here of simultaneously recounting and criticizing the views of other economists. But we are left in no doubt of his views on productive and unproductive labour, since he sets them out clearly in a separate addendum to part I. It is this text that we shall use as our guideline and main source of information in this and the following three sections.

In a dozen and more places, Marx repeats this fundamental property of productive labour:

‘Only labour which is directly transformed into capital is productive.’ (IV/1, 393).

‘From the capitalist standpoint only that labour is productive which creates a surplus-value.’ (IV/1, 153).

‘Productive labour, in its meaning for capitalist production, is wage-labour which, exchanged against the variable part of
capital . . . reproduces not only this part of capital (or the value of its own labour-power), but in addition produces surplus-value for the capitalist.' (IV/1, 152).

This must not be confused with the simple purchase of labour services with money, which, we shall see, is precisely what characterises unproductive labour. Marx emphasizes that 'productive labour in the first sense'—what we have called 'useful' labour—is a necessary, but not sufficient condition for productive labour in this second, correct sense.

'Labour which is to produce commodities must be useful labour; it must produce a use-value . . . And consequently only labour which manifests itself in commodities, that is in use-values, is labour for which capital is exchanged. But it is not this concrete character of labour, its use-value as such . . . which forms its specific use-value for capital and consequently stamps it as productive labour in the system of capitalist production.' (IV/1, 400).

If productive labour is labour exchanged with capital to produce surplus-value, unproductive labour is labour exchanged with revenue:

'This also establishes absolutely what unproductive labour is. It is labour which is not exchanged with capital, but directly with revenue, that is wages or profits (including of course the various categories of those who share as co-partners in the capitalist profit, such as interest and rent).’ (IV/1, 157).

Here Marx is clearly referring to the Ricardian gross revenue, or what we would call income. In other words wage-labourers can purchase unproductive labour no less than capitalists and those with whom they share surplus-value:

'The labourer himself can buy labour, that is commodities which are provided in the form of services . . . As buyer—that is a representative of money confronting commodity—the labourer is in absolutely the same category as the capitalist where the latter appears only as a buyer . . . ’ (IV/1, 404).

The capitalist qua capitalist purchases labour-power with which to create surplus-value. The capitalist (or worker for that matter) qua consumer purchases labour services for the direct use-value they provide. The former labour is productive, the latter unproductive. Included in the latter are all state employees, whose services are purchased with revenue whether the original taxes are paid out of wages or out of the various categories of surplus-value.

Marx stresses the importance of this distinction between productive and unproductive labour in the following passage:

‘Productive labour is only a concise term for the whole

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8 The transformation or exchange of labour with capital consists of 'two essentially different though interdependent phases' (IV/1, 397). First, labour power is bought with money, and second, it is consumed, the labour power is set to work to produce surplus value:

'Labour is directly materialized, is transformed directly into capital, after it has been formally incorporated in capital through the first transaction . . . The statement that productive labour is labour which is directly exchanged with capital embraces all these phases.' (IV/1, 398–399).

9 See IV/1, 84.
relationship and the form and manner in which labour power figures in the capitalist production process. The distinction from other kinds of labour is however of the greatest importance, since this distinction expresses precisely the specific form of the labour on which the whole capitalist mode of production and capital itself is based . . .' (IV/1, 396).

Productive labour is the *sine qua non* of capitalism, a category which expresses the 'form and manner in which labour power figures in the capitalist production process'.

3. Labour productive of Material Goods

The bulk of chapter 4 of part 1 of *Theories of Surplus Value* is concerned to demonstrate, first, that Adam Smith correctly defined productive labour in the way we have just considered, and second, that he confused this with another, incorrect distinction. This second definition of Adam Smith's, and Marx's comments on it, are considered in this section. Smith also saw productive labour as that which 'fixes and realizes itself in some particular subject or vendible commodity, which lasts for some time at least after labour is past,' whilst services are unproductive labour because they 'generally perish in the very instant of their performance, and seldom leave any trace or value behind them'.

Thus this second distinction was based on the *material characteristics of the product*, rather than on the social relations embodied in the labour. This concept was the source of great confusion among economists following Smith, and Marx vehemently rejected it on every occasion, including the passage in *Capital*, volume I:

> 'If we may take an example from outside the sphere of production of material objects, a schoolmaster is a productive labourer, when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the school proprietors. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, does not alter the relation.' (I, 16, 509).

More specifically:

> 'It follows from what has been said that the designation of labour as *productive labour* has absolutely nothing to do with the *determinate content* of that labour, its special utility, or the particular use-value in which it manifests itself. The same kind of labour may be *productive or unproductive*.' (IV/1, 401).

> 'An actor for example, or even a clown, according to this definition, is a productive labourer if he works in the service of a capitalist (an entrepreneur) to whom he returns more labour than he receives from him in the form of wages; while a jobbing tailor who comes to the capitalist's house and patches his trousers for him, is an unproductive labourer. The former's labour is exchanged with capital, the latter's with revenue.' (IV/1, 157).

There are several other passages just as explicit, but Marx does note that in practice, at the time Smith and he were writing there was a large

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overlap between the two concepts. As the capitalist mode of production spreads, it gradually conquers the field of material production, but impinges very little on non-material production. Thus labourers producing material goods were often productive labourers employed by capitalists, and labourers providing services were often paid for out of revenue, were unproductive labourers. But the conceptual distinction is in no way obscured by this fact:

‘In considering the essential relations of capitalist production it can therefore be assumed that the entire world of commodities, all spheres of material production, are (formally or really) subordinated to the capitalist mode of production (for this is happening more and more completely . . .) . . . It can then be said to be a characteristic of productive labourers, that is, labourers producing capital, that their labour realizes itself in commodities, in material wealth.11 And so productive labour, along with its determining characteristic—which takes no account whatever of the content of labour and is entirely independent of that content—would be given a second, different and subsidiary definition.’ (IV/1, 409–10).

In the case of services proper,

‘here the capitalist mode of production is met with to only a small extent, and from the nature of the case can only be applied in a few spheres . . . All these manifestations of capitalist production in this sphere are so insignificant compared with the totality of production that they can be left entirely out of account.’ (IV/1, 410–11).

Though Marx has in mind here ‘artists, orators, actors, teachers, physicians, priests, etc’, many of whom are now employed by the State—thus are supported out of revenue and unproductive on this count, nevertheless the growth of services supplied by capitalist enterprises must qualify this observation today.

4. The labour of Handicraftsmen and Peasants

Marx’s brief observations here are relevant to the labour of all self-employed persons in capitalist societies, though he considers only those producing a material commodity for sale—not a service. He criticizes contemporary analyses of the peasant which regarded him as simultaneously capitalist and wage-labour, setting himself to work with his own capital.

11 Sic. One reason why a reader can still leave Marx with the impression that productive labour is identified with labour producing material goods, is in his use of the term ‘commodity’ to mean a material good, rather than any use-value produced by human labour for exchange. However, in the following passage, Marx clarifies this usage and answers his critics:

‘The materialization, etc, of labour is, however, not to be take in such a Scottish sense as Adam Smith conceives it. When we speak of the commodity as a materialization of labour—in the sense of its exchange-value—this itself is only an imaginary, that is to say, a purely social mode of existence of the commodity which has nothing to do with its corporal reality; it is conceived as a definite quantity of social labour or of money. It may be that the concrete labour whose result it is leaves no trace in it.’ (IV/1, 171)

We consider in Part II an alternative reason why Adam Smith maintained that productive labour necessarily produced material goods, which suggests that this was intentional and not necessarily due to any ‘confusion’ on his part.
‘The means of production become capital only in so far as they have become separated from labourer and confront labour as an independent power. But in the case referred to the producer—the labourer—is the possessor, the owner, of his means of production. They are therefore not capital, any more than in relation to them he is a wage labourer.’ (IV/1, 408).

Independent handicraftsmen and peasants are not therefore productive labourers. But neither are they unproductive whose labour is exchanged directly for revenue:

‘They confront me as sellers of commodities, not as sellers of labour, and this relation therefore has nothing to do with the exchange of capital for labour, therefore also has nothing to do with the distinction between productive and unproductive labour, which depends entirely on whether the labour is exchanged for money as money or for money as capital. They therefore belong neither to the category of productive or unproductive labourers, although they are producers of commodities. But their production does not fall under the capitalist mode of production.’ (IV/1, 407).

In other words labour outside the capitalist mode of production cannot be analysed in terms of Marx’s distinction between productive and unproductive labour—there is a third category of labour which is neither. This is consistent with his aims of analysing productive and unproductive labour from the standpoint of capitalist production.

5. Collective Labour

We consider further here Marx’s observations on the ‘collective labourer’ and on ‘fringe’ groups in the productive process, such as transport workers. He remarks that the expanding division of labour under capitalist production, means that for many workers:

‘the direct relation which their labour bears to the object produced naturally varies greatly. For example the unskilled labourers in a factory . . . have nothing directly to do with the working up of raw material. The workman who functions as overseer of those directly engaged in working up the raw material are one step further away; the works engineer has yet another relation and in the main works only with his brain, and so on.’ (IV/1, 411).

Nevertheless, they are all productive labourers because (a) they collectively produce a use-value—they are all ‘organs of the collective labourer’, and (b) they are all individually wage-labourers who have exchanged their labour for capital.

‘But the totality of these labourers . . . produce the result, which, considered as the result of the labour-process pure and simple, is expressed in a commodity or material product; and all together, as a workshop, they are the living production machine of these products—just as, taking the production process as a whole, they exchange their labour for capital. . . . The relation of each one of these persons to capital (is) that of wage-labourer and in this pre-eminent sense (is) that of productive labourer. All these persons are not only directly engaged in the production of
material wealth, but they exchange their labour directly for money as capital.' (IV/1, 411–12).

Of course in contemporary analysis, the problem is to decide how direct is 'directly'. But Marx throughout interprets this broadly:

'Included among these productive workers, of course, are those who contribute in one way or another to the production of the commodity, from the actual operative to the manager or engineer (as distinct from the capitalist).' (IV/1, 156–7).

This would suggest the inclusion nowadays of large numbers of scientists, technologists, technicians and engineers, plus substantial sections of management and white collar workers—which groups precisely will emerge in the next section.

The transport industry is regarded by Marx as the 'fourth sphere of material production', in addition to extractive industry, agriculture and manufacture. (IV/1, 412). Consequently,

'The relation of productive labour—that is, of the wage-labourer—to capital is here exactly the same as in the other spheres of material production.' (IV/1, 412).

The reasoning behind this is quite consistent: it is that transport alters the use-value of the commodity—and the labour is therefore useful labour:

'Quantities of products are not increased by transportation. Nor, with a few exceptions, is the possible alteration of their natural qualities brought about by transportation an intentional useful effect; it is rather an unavoidable evil. But the use-value of things is materialized only in their consumption, and their consumption may necessitate a change of location of these things, hence may require an additional process of production, in the transport industry.' (II, 6, 153).

'Its [the commodity's] spacial existence is altered, and along with this goes a change in its use-value, since the location of this use-value is changed.' (IV/1, 412).

On this basis:

'Its exchange-value increases in the same measure as this change in the use-value requires labour... although in this case the real labour has left no trace behind it in the use-value... .' (IV/1, 412–13).

Marx's analysis of transport workers therefore both confirms the concept of productive labour that we have thus far arrived at (as the production of use-value and surplus-value), and helps us in interpreting the term 'use-value'.

6. Labour employed in the Circulation Process

On the last page of Theories of Surplus Value part 1, at the end of the important appendix that has so far guided us, Marx writes:

'Here we have been dealing only with productive capital, that is, capital employed in the direct process of production. We come later to capital in the process of circulation. And only after that,

in considering the special form assumed by capital as merchant’s capital, can the question be answered as to how far the labourers employed by it are productive or unproductive.’ (IV/1, 413).

We must therefore now turn to the relevant passages in Capital, volumes II and III, beginning with the treatment of ‘pure’ merchant’s capital in volume III. This treats of commercial capital:

‘. . . stripped of all heterogeneous functions, such as storing, expressing, transporting, distributing, retailing, which may be connected with it, and confined to its true function of buying in order to sell.’ (III, 17, 282).

‘We leave entirely out of consideration all possible processes of production which may continue in the process of circulation, and from which the merchant’s business can be altogether separated; as, in fact, the actual transport industry and expressage may be, and are, industrial branches entirely distinct from commercial.’ (III, 17, 288–9).

The remaining merchant’s capital, devoted solely to buying and selling and their associated functions, is capital functioning in the sphere of circulation, hence creates no surplus-value.

‘The pure functions of capital in the sphere of circulation . . . the acts of selling and buying—produce neither value or surplus-value.’ (III, 17, 281).

‘Merchant’s capital is simply capital functioning in the sphere of circulation. The process of circulation is a phase of the total process of reproduction. But no value is produced in the process of circulation, and, therefore, no surplus-value. Only changes of form of the same mass of value takes place. In fact, nothing occurs there outside the metamorphosis of commodities, and this has nothing to do as such either with the creation or change of values.’ (III, 16, 279).

This analysis is in no way altered if these functions become the special concern of a separate group of merchant capitalists who themselves employ wage-labourers:

‘If selling and buying commodities by industrial capitalists themselves are not operations which create value or surplus-value, they will certainly not create either of these when carried out by persons other than industrial capitalists.’ (III, 17, 281).

The important conclusion, therefore, is that commercial workers are unproductive labourers, despite the characteristics they have in common with workers in the process of production—above all the fact that they are similarly exploited through having to supply unpaid labour (discussed below in part III). The previous definition of productive labour has been narrowed, from all labour exchanged with capital to all labour exchanged with productive capital; whereas the definition of unproductive labour has been expanded to include labour employed in the process of circulation.

But what precisely is the distinction between production and circulation or realization? This question is all the more important with the increasing penetration of the sales effort into the production process
under monopoly capitalism. The answer is provided elsewhere in volume III and in Marx's earlier analysis of the costs of circulation in *Capital* volume II. The critical distinction is between *those activities necessary to production in general*, and *those activities peculiar to commodity production*. That labour is unproductive which is historically specific to the commodity form, including capitalist production:

> 'If commercial capital and money-dealing capital do not differ from grain production any more than this differs from cattle-raising and manufacturing, it is plain as day that production and capitalist production are altogether identical...' (III, 20, 324).

It is the ‘apologetic endeavours of the vulgar economist’ that treats:

> 'commercial capital and money-dealing capital as forms arising necessarily from the process of production as such, whereas they are due to the specific form of the capitalist mode of production, which above all presupposes the circulation of commodities, and hence of money, as its basis.' (III, 20, 324).

This criterion is chiefly developed in Marx's analysis of the costs of storage in volume II, though at times the text is so unclear that the interpretation of certain passages will always be open to doubt. Nevertheless, the overall picture that emerges is of the necessity to distinguish among these costs, between those that arise because of the general nature of social production—the necessity to store and distribute goods—and those due solely to the commodity form:

> 'Whatever may be the social form of the products-supply, its preservation requires outlays for buildings, vessels etc. . . . also for means of production and labour, more or less of which must be expended, according to the nature of the product, in order to combat injurious influences . . . It may now be asked to what extent these costs enhance the value of commodities . . . Insofar as the formation of a supply entails a stagnation of circulation, the expense incurred thereby does not add to the value of the commodities . . . The costs are the same, but since they now arise *purely out of the form*, that is to say, out of the necessity of transforming the commodities into money . . . they do not enter into the values of the commodities but constitute deductions, losses of value in the realization of the value.' (II, 6, 147–51, my emphases).

Thus it is necessary to distinguish, within storage costs, between those arising purely out of the commodity-form, such as the involuntary pile-up of goods when circulation stagnates, and those necessary under any mode of production. Labour employed for the former reason does not add to value or surplus-value and is therefore unproductive. But when the 'commodity-supply is nothing but the commodity-form of the product-supply', when, that is, storage and distribution must necessarily be undertaken as part of the general productive process, then the labour involved adds to value and is productive. As with transport, storage, etc, does not improve the intrinsic quality of the use-value (except for a few exceptional goods), but it does *alter* it by preventing it from deteriorating:

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‘The use-value is neither raised nor increased here; on the contrary, it diminishes. But its diminution is restricted and it is preserved.’ (II, 6, 142).

On this basis, the labour employed is useful labour, hence, if employed by a capitalist, is also productive. The same analysis could be applied to workers in distribution. Those who are really part of the productive process working in the sphere of supply (such as workers who unload goods, move them to the counters, etc) are productive labourers; those who operate the cash registers and are otherwise employed solely because the products assume a commodity form are, on Marx’s criterion, unproductive labourers.

Marx uses the same approach to distinguish elsewhere between supervisory labour that is productive and unproductive, but here the criterion of unproductive labour is extended to include labour specific to all class societies based on exploitation:

‘The labour of supervision and management is naturally required wherever the direct process of production assumes the form of a combined social process, and not of the isolated labour of independent producers. However, it has a double nature. On the one hand, all labour in which many individuals co-operate necessarily requires a commanding will to co-ordinate and unify the process... This is a productive job, which must be performed in every combined mode of production.’ (III, 23, 383).

The remaining labour of management and supervision is unproductive:

‘One part of the labour of superintendence merely arises from the antagonistic contradiction between capital and labour, from the antagonistic character of capitalist production, and belongs to the incidental expenses of production in the same way as nine-tenths of the “labour” occasioned by the circulation process.’ (IV/3, 505. cf. IV/2, 355–6).

These passages clearly reveal the historical dimension which Marx has incorporated into the analysis of productive and unproductive labour. Mandel’s conclusion provides a useful summary of the concept we have now discerned:

‘In general, one can say that all labour which creates, modifies or conserves use-values or which is technically indispensable for realizing them is productive labour, that is, it increases their exchange-value. In this category belong not only the labour of industrial production properly so called, but also the labour of storing, handling and transport without which the use-values cannot be consumed.’

7. Labour productive of ‘unnecessary’ Goods

At first sight, Marx appears to contradict his analyses reproduced in the previous section when he writes:

‘The use-value of the commodity in which the labour of a

14 E. Mandel, *Marxist Economic Theory*, op. cit., pp. 191–2. I would substitute the term ‘distributing’ for ‘realizing’, to make clear that it is the physical modification of the use-value that is critical.
productive worker is embodied may be of the most futile kind.' (IV/1, 158).

Or, the opposite side of the same coin:

‘Labour may be necessary without being productive.’

Thus at no time, Marx argues, does the criterion of productiveness depend on any notion of the ‘necessity’ or ‘social usefulness’ of the actual content of the labour. When elaborating these statements he distinguishes different historical periods and the labour necessary to each of them. Thus some functions would appear to be ‘necessary’ in any society based on class contradictions. Referring to ‘the great mass of so-called “higher-grade” workers—such as state officials, military people,’ etc. Marx comments:

‘The necessity for the inherited social combination of these classes, which in part (are) totally unproductive, (arises) from its own organization.’ (IV/1, 174–5).

Circulation workers are essential for the smooth functioning of commodity production, for instance the buying and selling agent is indirectly productive:

‘He performs a necessary function, because the process of reproduction itself includes unproductive functions. He works as well as the next man, but intrinsically his labour creates neither value nor product.’ (II, 6, 134).

‘Merchant’s capital . . . insofar as it contributes to shortening the time of circulation, may help indirectly to increase the surplus-value produced by the industrial capitalist.’ (III, 16, 280).

Other unproductive labour, devoted to meeting human needs, would expand with the development of communism, for instance the employment of teachers and doctors. But nowhere is the necessity or intrinsic usefulness of the labour confused with productive labour. As Mandel puts it:

‘When they produce dum-dum bullets, opium or pornographic novels, workers create new value, since these commodities, finding as they do buyers on the market, possess a use-value which enables them to realise their exchange-value. But from the standpoint of the general interests of human society, these workers have done work which is absolutely useless, or even harmful.’

By contrast with Baran (see part 11 below), Marx rigorously eschews a historical perspective to determine the usefulness of the end-product of the labour, and thus the productiveness of the labour itself.

But does this not contradict the analysis of the previous section where, as we have shown, the historical necessity of a particular form of


16 See also IV/1, 288–9.

17 K. Marx, Critique of the Gotha Programme, in K. Marx and F. Engels, Selected Works (Moscow, 1949–50), vol. II.

18 E. Mandel, op. cit., p. 191.
labour precisely determines whether or not it is productive? In theory the answer is no. One must distinguish the labour necessary to produce a final use-value, whether consumer goods, capital goods, arms or social services, from the labour employed in producing ‘necessary’ use-values. Marx’s approach (the former) is concerned solely with the labour technically required to produce a given useful effect (at a given level of productivity) without questioning how the demand for this particular use-value has arisen. For Marx in this context, a use-value is anything which is demanded. Thus a historical perspective is adopted to distinguish that labour common to production in general from that generated solely as a result of the commodity-form, but this is not extended to question the nature of the goods produced themselves. A further discussion of this is postponed to the next section since we have here reached the end of our projected exposition of Marx’s writings on productive and unproductive labour.

To conclude, productive labour is labour exchanged with capital to produce surplus-value. As a necessary condition it must be useful labour, must produce or modify a use-value—increasingly in a collective fashion; that is, it must be employed in the process of production. Labour in the process of pure circulation does not produce use-values, therefore cannot add to value or surplus-value. It does not add to the production of use-values because it arises specifically with commodity production out of the problems of realizing the value of commodities. Alongside this group of unproductive labourers are all workers supported directly out of revenue, whether retainers or state employees. This group differs from circulation workers, however, in that they do produce use-values—all public teachers, doctors, etc, would be included in this category today. The following diagram makes clear the two groups of unproductive workers.

<table>
<thead>
<tr>
<th>Labour producing use-values</th>
<th>Labour not producing use-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour producing surplus-value</td>
<td>Productive workers in industry, agriculture, distribution and services.</td>
</tr>
<tr>
<td>Labour not producing surplus-value</td>
<td>Unproductive workers: all State employees, domestic servants, etc.</td>
</tr>
<tr>
<td></td>
<td>‘Pure’ circulation workers: salesmen, advertising workers, etc, and ‘unnecessary’ supervisory workers.</td>
</tr>
</tbody>
</table>

II The Role of The Concept in Marxist Political Economy

From an exposition of the nature and content of Marx’s concept of productive and unproductive labour, we now turn to a consideration of its role within the systems of Marxist and classical political economy.

1. The Problem of Exploitation

For Marx, the central purpose of his mature economic writings was the
explanation of exploitation under capitalism utilizing the concept of surplus-value.\(^\text{19}\) Thus his concept of productive labour was developed to this end—it specified that labour which alone produced surplus-value under capitalism. Since, for Marx, the terms productive and unproductive labour are historical categories, ‘the value or validity of the concepts is determined by the specific problems of the epoch’.\(^\text{20}\) With the rise of industrial capital this became the creation, rather than the worldwide redistribution, of the surplus, and moreover its creation in value form. Inseparably linked as it was to the labour theory of value, surplus-value was premised on the production of use-values in the labour process. Hence followed Marx’s elaboration of the concept in volumes II and III, and the distinction between the production and realization of value incorporated in his analysis of commercial workers. Joan Robinson wishes to disassociate Marx’s analysis of the historical necessity of certain groups of workers, which she regards as ‘important’, from his analysis of the production of value and surplus-value, which she regards as an ‘unnecessary puzzle’.\(^\text{21}\) But she can only suggest this because she rejects (or once rejected) the basis of the labour theory of value. It is this which forges the link between the quantities of social labour embodied in a commodity and its value, as well as between production of use-values—useful labour as the necessary basis to human society—and the production of surplus-value.\(^\text{22}\) Marx’s concept of productive and unproductive labour was shown above to be intimately linked to his basic theoretical categories: it cannot be thrown out without bringing these into question.

Nevertheless, it can be modified in various ways. There are three reasons why one may wish to consider alternative formulations of this or any concept in political economy. First, real conditions may have changed so much since the time Marx wrote that new problems have arisen, or phenomena which existed at that time may have changed qualitatively in importance, even though the mode of production remains capitalist. Three notable trends over the past century that have a bearing on the productive and unproductive labour debate are (a) the growth of state expenditures, some of which (such as health and education expenditure) are now important components of real wages, hence enter into the reproduction of variable capital; (b) the growth of commercial and distribution workers, include advertising and sales executives, financial advisors, etc; and (c) the growth of products designed to meet consumer needs which may be regarded as ‘unnecessary’ or ‘inessential’, having been either purposely created by capitalist enterprises and their sales organs, or shaped by more diffuse forces at work in capitalist society. Marx himself was well aware of the trends in capitalism, as he shows in the following prescient remarks:

‘What he (Ricardo) forgets to emphasize is the constantly growing number of the middle classes, those who stand between the workman on the one hand and the capitalist and the

\(^{21}\) J. Robinson, \textit{op. cit.}, p. 20, n. 1.
Second, and partly in response to a changing reality, the object of analysis of political economy may shift, so that theory is directed to answering different questions. From Marx's (successful) attempts to explain surplus-value under capitalism, attention among many Marxist economists today has focused on the disposal of this surplus under conditions of monopoly capital. This in turn leads to an analysis of accumulation and growth on the one hand, and to capitalist waste on the other.\(^\text{23}\) Third, these two factors—changes in the economic and social reality, and shifts in the goal of economic theory—may in turn reveal ambiguities in Marx's original formulations which previously remained hidden. The principal ambiguity in Marx's theory of productive and unproductive labour emerged at the end of our exposition in part I. It is the use of a historical perspective to distinguish the labour necessary to produce a given use-value, whilst rigorously denying the use of such a perspective to determine the 'necessity' of the final 'use-value' itself. The productiveness of labour depends on the former, but not the latter, according to Marx. The three trends noted above have each put fresh strain on this tenuous distinction.

The growth of state productive enterprises—the nationalized industries—presents few problems. Where labour is exchanged with capital to produce goods or services for sale, and where the enterprises 'usually aim to make enough surplus-value to cover the going rate of interest on government obligations',\(^\text{24}\) then the workers are productive just as in the private sector. As for remaining government activities, Marx is aware that these comprise both useful, historically necessary functions and functions arising from the class nature of capitalist society:

>'Supervision and all-round interference by the government involves both the performance of common activities arising from the nature of all communities, and the specific functions arising from the antithesis between the government and the mass of the people.' (III, 23, 384).

But in this case the distinction has no implications for the productive versus unproductive labour debate since all labour employed by government (except in productive concerns) is exchanged with revenue, hence is unproductive.

This is not the case, however, if a second mode of distinguishing different government expenditures is adopted, i.e. that based on Marx's concept of luxury goods developed in his analysis of reproduction in Capital Volume II. For Marx, luxuries are goods 'which enter into the consumption of only the capitalist class' (II, 20, 407), and which therefore do not re-enter the cycle of reproduction as elements of variable

\(^{23}\) These two strands are brought together in the work of P. Baran, *op. cit.*, P. Baran and P. Sweezy, *op. cit.*, J. Gillman, *op. cit.*, S. Coontz, *op. cit.*

and constant capital, unlike necessities or means of production. Now this may be a fruitful way of categorizing modern state expenditures. Several writers have suggested that arms and military services in general are luxury goods on this definition—the products are not productively consumed, they 'cannot under any circumstances enter the production of other commodities'.

Yet, on the other hand, there has been the expansion of the social services which supply a rising share of the components of real wages—in the form of health, education, housing, etc. Thus the state now supplies directly part of the products which comprise the value of labour-power and which directly enter the cycle of reproduction as elements of variable capital. The question of whether this conflicts with Marx’s concept of productive labour, and of the relevance of reproduction and accumulation to his concept, is analysed in more depth in section 2 below.

Second, the growth of distribution costs, of the commercial middle classes, etc, has placed added strain on Marx’s distinction between the processes of production and circulation, and thus on the notion of productive and unproductive labour. Sweezy, Baran and others have attempted to incorporate not only the growth of salesmen, advertising workers, etc, but also increasing numbers of workers in distribution and production within Marx’s original schema. Part of current distribution costs are ‘unnecessary’ under monopoly capitalism:

‘These activities are, as we know, a part of the process of production proper. But now they become expanded far beyond the limits of what would be socially necessary under competitive conditions. Under monopoly only a part of distributive activities can be considered as productive of value; the rest are essentially similar to selling in the strict sense and share with the latter the attribute of using up value without producing any.’

Here the criterion of necessity is that which would exist under competitive conditions—an un-Marxist approach. Later, Baran and Sweezy extend the unproductive group still further to include those workers who are, in fact, concerned with realization, but are working within the process of production itself, such as those employed on product redesign, packaging, built-in obsolescence, etc. At the same time they alter the criterion of ‘usefulness’ or ‘necessity’ into a hypothetical appeal to the ‘structure of output that could be produced under a more rational economic order’. The comparison is no longer carried backwards with a previous era of competitive capitalism, but forwards with a future socialist (or communist?) era. This would appear a fruitful extension of Marx’s historical analysis and critique of commercial workers, ‘which throughout is premised on the notion of a future society without commodity production, or, in the case of supervisory staff, without class conflict. To the Marxist ... the specific historical

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(i.e. transitory) character of capitalism is a major premise. It is by virtue of this fact that the Marxist is able, so to speak, to stand outside the system and criticize it as a whole.  

But, in reinterpreting Marx's analysis to take account of a changing economic structure, Baran and Sweezy also accentuate yet further the ambiguity noted above. The dividing line between a critique of the labour necessary to produce a given use-value, and a critique of the necessity of the use-value itself becomes ever harder to draw. The second and third trends mentioned earlier draw together here. If the labour required to produce a new car model incorporating several sales gimmicks is unproductive, why not the labour to produce entirely 'useless' goods and services (American funeral parlours; poodle-trimming boutiques; even cars themselves if, in a more rational economic order, a less wasteful and costly system of transport is attainable)? If this is rejected, following Marx's explicit analysis, there still remains the problem of distinguishing 'final' from 'intermediate' goods and services. Is much present-day packaging a means to the consumption of the product, or part of the product itself; is expenditure on roads or commuting services part of final consumption expenditure, or a necessary expense to further social production? Yet, there are grounds for supposing that Marx, if confronted with the volume and composition of production today, would have incorporated this new range of activities under the heading of unproductive labour. This view is based on his analysis of the determination of needs under capitalism. The problem has been confronted by Baran in *The Political Economy of Growth*. This, the second fundamental reinterpretation of Marx's concept of productive and unproductive labour, is considered in section 3.

2. The Problem of Accumulation

To understand how the problem of accumulation relates to the Marxist notion of productive labour, it is necessary first to go back to Adam Smith's development of the concept, which Marx devoted much of his labour in *Theories of Surplus Value* part 1 to understanding and criticizing. The twofold characteristic of productive labour in Smith's theory has already been noted. For Smith, productive labour was intimately linked with accumulation, as the title of chapter 3, book II of the *Wealth of Nations* makes plain: 'Of the Accumulation of Capital, or of Productive and Unproductive Labour'. The chapter begins:

'There is one sort of labour which adds to the value of the subject upon which it is bestowed: there is another which has no such effect. The former, as it produces a value, may be called productive; the latter, unproductive labour.'

28 P. Sweezy, *op. cit.*, p. 22. The comparison could scarcely be backwards with a pre-capitalist mode of production, or, in the case of supervising staff, with primitive communism!

29 A similar dispute has centred on the items to be included in the national income of capitalist economies. See S. Kuznets, *National Income and its Composition, 1919–1938* National Bureau of Economic Research, 1954, ch. 1. Marxist political economy brings with it the historical, critical standpoint—the question at issue is how far it should be used to distinguish productive from unproductive labour.

This can be explained in terms of the contemporary corn-model of the economy, where a single commodity—corn—serves both as means of production and consumption good. At the beginning of the agricultural year the farmer divides his stock of corn. One part he plants and advances to his agricultural workers, the other he himself consumes or uses to support servants, etc. The first part is constant plus variable capital $C$ which yields a further crop of corn equivalent to $C + \Delta C$ next year. The latter part is revenue consumed by the farmer and his retainers. The capital supports productive workers—farm hands—who produce a value and surplus value next year. The corn consumed as revenue ‘adds to the value of nothing’. Hence the smaller the expenditure out of revenue on servants or state officials or armies, the greater the employment of productive labour and the faster the rate of capital accumulation.

Allied to this—the core of the concept in Smith’s theory—were two other distinguishing features between productive and unproductive labour, which followed both logically from the model of economy used, and historically from the time in which he was writing. First, as Marx noted and criticized, productive labourers produce storable commodities and unproductive labourers ephemeral services. As Myint says of Smith: ‘the bias for accumulation involves a materialist bias, because only material commodities can store up labour.’

The corn model of the economy involves a physical commodity in recurring cycles, part of which is stored and consumed over the next cycle. Second, associated with this, was an implicit distinction between the production of necessities and luxuries. ‘The classical economists were working on the basis of an economic system where the bulk of material commodities consisted of “necessities” or basic wage-goods, and where “luxuries” were mainly made up of the services of the menial and professional classes.’

In Smith’s political economy, therefore, the notion of productive labour refers to labour that adds to value by means of producing material and necessary commodities.

In a major reformulation of the Smithian concept of productive labour Gillman, Morris and Blake interpret these characteristics to mean labour productive of constant or variable capital, as opposed to labour which produces luxury goods which is therefore not productively consumed in the cycle of reproduction. ‘The test of durability is to be sought not in the physical properties of commodities, but in their capacity to preserve value by transferring it to other products’—many ‘services’ are therefore now important in the reproduction of variable and constant capital. Similarly, the test of necessity is not the social usefulness or otherwise of the product (this contrasts with Baran—see below) but ‘the relationships to capital consumption and accumulation.’

This formulation takes note of Marx’s criticism of the ‘materiality criterion’ in Smith, whilst retaining its essential core—the identification of labour which contributes to the accumulation of capital. Thus Marx’s category

33 J. Blake, *op. cit.*, p. 171.
of productive labourers is further narrowed—from all workers producing surplus-value, to (in his notation) all workers producing surplus-value in ‘departments I and II’, i.e. means of production and wage-goods. The distinction between wage-goods and luxuries here assumes great importance. If the value of labour-power is socially determined, then the real wage in a period of economic growth will also rise, and new commodities and services be incorporated into it. The distinction between necessities—so defined—and luxuries is difficult to draw in practice, but this is a problem inherent in the concept of ‘the value of labour-power’ itself. Besides, the major items of ‘luxury’ production today no doubt consist of arms and military services, as noted above.

Marx nowhere relates his three-department analysis of volume II to his analysis of productive and unproductive labour. When specifically confronting the problem, he is adamant that a worker who produces a use-value and surplus-value labours productively, whether he produces guns, or jewellery or millionaire’s yachts. But, as Blake notes, the object of his analysis was quite different to Adam Smith’s. For the purposes of explaining surplus-value under capitalism, the difference between workers producing means of production, wage-goods or luxury goods was of no importance; for the purposes of explaining reproduction and accumulation it is critical, as Marx himself is clearly aware in *Capital*, Volume II. One must not confuse the criterion of productive and unproductive labour required ‘for a political economy of growth with the criteria required by a theory of exploitation’.

Nevertheless, it is highly probable that, at the time Marx was writing, he considered productive labour to consist almost entirely of labour which produced necessary wage-goods and means of production, whereas luxuries were chiefly services supplied by unproductive workers supported directly out of revenue. In this case, his explicit analyses cited earlier, would be less relevant—they would indicate that he was aware of the logical problem when forced to confront it, but did not consider it of any practical importance. Evidence for this view is to be found in several passages in *Theories of Surplus Value* where the growing productivity of the productive class is shown to provide the necessary material base for the growth of the unproductive classes.

‘Productive labourers produce the material basis of the subsistence, and consequently, the existence, of the unproductive labourers.’ (IV/1, 186).

‘A larger proportion of the surplus product, consisting of means of subsistence, is consumed by unproductive workers or idlers or exchanged for luxuries.’ (IV/3, 363).

Even so, if faced with the widening gulf which has developed today between these two categories of productive labour following the growth of arms and ‘luxury’ production, Marx would no doubt stand firm on his original definition—that productive labour *does* include output of luxuries. Given the theoretical task he set himself, it is the only logical interpretation of productive labour.

One further problem arises from the Gillman/Morris/Blake interpretation of the Marxist concept. Is the second criterion of productive labour...
labour (labour working in department I and II) an addition to or substitute for the first criterion (labour productive of surplus-value)? Gillman and Morris argue the former, Blake the latter.36 The following diagram illustrates the alternatives more clearly.

<table>
<thead>
<tr>
<th>Labour employed in: Departments I and II</th>
<th>Department III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour producing surplus-value</td>
<td>(2.) Marx—productive labour. Gillman/Morris/Blake—unproductive labour</td>
</tr>
</tbody>
</table>

The major divergence is over workers creating surplus value but producing luxury goods (category 2). However, Blake suggests that, for a political economy of growth, a sufficient definition of productive labour is 'labour whose products can re-enter the cycle of production as elements of variable and constant capital . . . even when such employment does not directly produce surplus-value'.37 Thus he would include as productive, labour in category 3, for instance health and education services provided by the state, and labour employed in scientific and research institutions (which contribute to the production of constant capital). This is a logical development of the neo-Smithian concept, but one which serves to divorce it clearly from the Marxist concept.

3. The Problem of Waste

The most explicit attempt to reinterpret Marx’s concept in terms of necessity or social usefulness has been made by Baran. Unproductive labour

'consists of all labour resulting in the output of goods and services the demand for which is attributable to the specific conditions and relationships of the capitalist system, and which would be absent in a rationally ordered society.’38

Here the historical viewpoint which Marx utilized to separate workers in the circulation process from production workers, is applied to categorize all workers, whether or not they produce a 'use-value'. It thus represents, on the one hand, a logical extension of Marx’s mode of analysis to take account of the ‘waste’ and ‘distortion’ of output which occurs under monopoly capitalism. But on the other, it diverges radically from Marx, as does the neo-Smithian approach, by divorcing the concept of productive labour from the concept of surplus-value. Baran is explicit that not all remaining labour is productive of surplus-value—this is attributable only to labour producing 'essential con-

37 Ibid., p. 173.
38 P. Baran, *op. cit.*, p. 32.
sumption’. There is a second group of workers supported out of the surplus, but who are productive on Baran’s definition:

‘Scientists, physicians, artist, teachers and similarly occupied people live off the economic surplus but engage in labour the demand for which in a rationally ordered society, far from disappearing, would become multiplied and intensified to an unprecedented degree.’

Thus, just as with the Blake concept, there are two groups supported out of surplus-value (categories 3 and 4), but one is productive, the other unproductive. The actual categorization of workers is remarkably similar to Blake’s: workers producing arms, luxury products, etc, are unproductive; scientists, doctors, teachers, etc, employed by the state are productive—but the theoretical derivation is quite distinct. The criterion here is not whether they re-enter the reproduction cycle as elements of constant or variable capital, but their necessity from the standpoint of ‘a more rationally ordered society’.

Is there any theoretical antecedent in Marx for this mode of analysis? I think there is in his treatment of the determination of needs. Needs, according to Marx, are socially-determined, hence in our time are shaped by the capitalist mode of production. This theory is set out in its most abstract form in the Introduction to the Critique:

‘Production thus produces consumption; first, by furnishing the latter with material; second, by determining the manner of consumption; third, by creating in consumers a want for its products as objects of consumption. It thus produces the object, the manner and the desire for consumption.’

It is concretely developed chiefly in the Grundrisse:

‘The production of relative surplus-value, based on the growth of productive forces, requires the creation of new consumption; at the heart of circulation, the sphere of consumption must therefore grow in line with the sphere of production. Consequently: 1. existing consumption is quantitatively expanded, 2. increased needs are created in propagating needs to a wider sphere, 3. new needs are created, new use-values are discovered and produced.’

Much of this writing is in the context of the ‘civilizing mission’ of capitalism, and does not involve a critique, from the future standpoint of a communist society, of the needs thus created. An explicit condemnation of these is found only in his earlier writings, for instance:

‘the extension of products and needs falls into contriving and ever-calculating subservience to inhuman, unnatural and imaginary appetites.’

There is still controversy on whether Marx later abandoned or incorporated this critical view in his mature writings. For some, such early observations constitute an aberration on Marx’s part. For Mandel,
however, 'Marx keeps in view all the time the two contradictory aspects of the historical reality he has experienced'\(^\text{44}\)—in this instance, the positive role of capitalism in creating the all-round development of man’s needs and the negative role in distorting and trivializing these needs. If Mandel is correct, then there exists in the *Grundrisse* and his mature writings the basis for a Marxist critique of the needs fostered by capitalism.

The fact that Marx did not use this in his determination of unproductive labour can be explained in one of two ways. First, that he did not consider this relevant to the creation of surplus-value—his sole aim in utilizing the concept. Once again Baran’s concept focuses attention on the *disposal* of this surplus and its wasteful or productive uses, as distinct from its *creation*. Indeed he quite explicitly dissociates the productiveness of labour from the production of surplus-value.\(^\text{45}\) If this explanation is correct one is left with a choice of concepts, according to the goal of one’s analysis. On the other hand, it is possible that the problem did not arise for Marx since he identified the production of trivial, luxury goods, etc, with unproductive labour hired directly by capitalists, landlords and the consuming classes. In this case the way is open for reinterpreting the Marxist concept along Baran’s lines in the light of changing objective conditions. But at this point large questions are raised about the materialist basis of the labour theory of value, questions which are beyond the scope of this article.

### III Political Implications

Two extreme views can be held regarding the political implications of the Marxist distinction between productive and unproductive labour. The first rigorously identifies productive workers with the working class, thus deduces the political class structure of capitalist society from these economic categories. The second denies any theoretical link or practical correlation between the two. Both viewpoints can lay claim to supporting evidence in Marx’s writings on the subject.

To deny any simple identification of the proletariat with productive workers,\(^\text{45}\) one has only to return to Marx’s analysis of commercial workers in *Capital*. Here, he explicitly notes that commercial wage-labourers have in common with productive workers the fact that (a) their labour is exchanged with *capital*, albeit capital in the sphere of circulation, (b) that consequently they perform surplus labour, in the sense that they work part of the day for nothing, and (c) that their wages are determined in the same way as those of productive workers, reflecting the cost of production of their specific labour power:

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\(^{45}\) Just as Joan Robinson wishes to, but for Baran this does not involve ditching the labour theory of value.

\(^{46}\) For instance ‘To Marx, the proletariat meant productive workers only’, M. Nicolaus, ‘Proletariat and Middle Class in Marx,’ *op. cit.*, p. 49, n. 40.
'In one respect, such a commercial employee is a wage-worker like any other. In the first place, his labour-power is brought with the variable capital of the merchant, not with money expended as revenue, and consequently it is not brought for private service, but for the purpose of expanding the value of the capital advanced for it. In the second place, the value of his labour-power, and thus his wages, are determined as those of other wage-workers, i.e., by the cost of production and reproduction of his specific labour-power, not by the product of his labour. (III, 17, 292).

'Whatever (the commercial worker's) pay, as a wage-labourer he works part of his time for nothing. He may receive daily the value of the product of eight working hours, yet functions ten. But the two hours of surplus-labour he performs do not produce any more than his eight hours of necessary labour, although by means of the latter a part of the social product is transferred to him.'(II, 6,135).

'The unpaid labour of these clerks, while it does not create surplus-value, enables (the merchant capitalist) to appropriate surplus-value . . . It is therefore a source of profit to him.' (III, 17, 294).

Finally, Marx specifically uses the term ‘the commercial proletariat’ on at least one occasion (III, 17, 301n.).

Yet elsewhere the germs of an alternative, contradictory political and class analysis can be found. In part 11 of Theories of Surplus Value, Marx follows his remarks on the growth in the middle classes supported out of the increasing productivity of productive labour, by noting the objective interest of the former class in the exploitation of the latter:

‘For the worker it is equally consoling that because of the growth in the net product, more spheres are opened up for unproductive workers, who live on his product and whose interest in his exploitation coincides more or less with that of the directly exploiting classes.’ (IV/2, 571).

‘What he (Ricardo) forgets to emphasise is the constantly growing number of the middle classes, those who stand between the workman on the one hand and the capitalist and the landlord on the other. The middle classes maintain themselves to an ever-increasing extent directly out of revenue, they are a burden weighing heavily on the working base and increase the social security and power of the upper ten thousand.’ (IV/2, 573).

Here the political affiliations of the new middle class, is related in a striking way to its objective economic situation in the capitalist mode of production. This is developed by Sweezy: besides enjoying ‘a standard of living which, from a subjective standpoint, ties them more or less closely to the ruling class of capitalists and landlords’, there also exists ‘an objective bond’ linking the fortunes of the new middle class with those of the ruling class:

‘For both of these reasons the new middle class tends to provide social and political support for the capitalists rather than for the workers; its members constitute, so to speak, a
mass army which readily accepts the leadership of capitalist generals.\footnote{P. Sweezy, \textit{op. cit.}, p. 284.} Sweezy has in mind here both ‘necessary’ and ‘unnecessary’ unproductive workers—both teachers, professionals, etc, and salesmen, advertising agents, publicists and many others in distribution. It is not clear whether he includes the mass of poorer-paid commercial wage workers, who certainly do not enjoy the standard of living thus described. If these are excluded, following Marx’s approach above, then already any simple correlation between economic functions, class position and political consciousness has disappeared.

It seems clear that the political analysis, to be productive, must move beyond the confines of the opposing theories postulated above. Two questions arise at this stage. First, are productive workers the only potentially \textit{revolutionary} group in capitalist society because of their objective situation in the process of production, even though other groups share their characteristics as wage-labourers? Second, are there not potential differences in political attitudes \textit{within} the unproductive workers; between for instance, on the one hand, those whose functions are specific to capitalist society and, on the other, those groups the need for which might be expected to expand under a socialist mode of production? In answer to the first, it would seem evident that white-collar and commercial workers are increasingly displaying trade-union and political militancy on a par with associations of productive workers (e.g. ASTMS). This spread of political consciousness follows from the increasing proletarianization of the workforce, forecast by Marx long ago. To this extent, his distinction between productive and unproductive workers is not relevant for deriving their political attitudes.

Mandel has emphasized that the proletariat, as a \textit{revolutionary subject}, requires more than a common situation as wage-labourers \textit{vis-à-vis} capitalists. Marx and Engels in their later analyses ‘assigned the proletariat the key role in the coming of socialism not so much because of the misery it suffers as because of the place it occupies in the production process’\footnote{E. Mandel, \textit{The Formation of the Economic Thought of Karl Marx}, \textit{op. cit.}, p. 23, My emphasis.} This general observation of Mandel’s is fruitfully developed elsewhere, and it is no coincidence that, in so doing, he draws upon the theory of productive and unproductive labour:

> ‘The massive reintroduction of intellectual labour into the process of production . . . has created the pre-requisite for a much broader layer of the scientific intelligentsia to regain the awareness of alienation which it had lost through its removal from the process of direct production of surplus value and its transformation into a direct or indirect consumer of surplus value . . . This is the material basis . . . for the possibility of involving increasing numbers of scientists and technicians into the revolutionary movement.’\footnote{E. Mandel, \textit{The Leninist Theory of Organisation}, \textit{op. cit.}, p. 15.}

Here employment in the process of production, hence involvement in the creation of surplus value, makes this group of workers potentially
revolutionary. This follows, first, from the common experience of alienation, which Mandel attributes to workers only, and second, from the critical role of scientists and technologists in the process of production. They:

‘can only enhance the impact of the working class and revolutionary organization because theory equips them with the knowledge that is indispensable for... the successful taking over of the means of production by the associated producers.’

Their role is contrasted with that of unproductive workers—in the sphere of circulation, producers of ideology, trade union functionaries, etc—whose influence on the developing class consciousness of the proletariat is ‘permanently and unremittingly’ negative. But the distinction is not rigorously maintained. At times Mandel seems to be following Baran’s formulation of unproductive labour as when he includes teachers with scientists and technicians in the first group, and includes journalists and other wage-labourers producing ideology in the second, non-revolutionary category. The criterion then is between that labour, the demand for which is due to the specific conditions of capitalist production, and that which would expand in a socialist system. The former workers would have an ‘objective interest’ in ensuring the continuation of capitalism, the latter would not and would thus constitute a potential addition to the revolutionary movement.

Such a mode of reasoning appears fruitful but it has its dangers, above all the danger of economic reductionism and a failure to relate the economic situation of groups of workers with the other contradictions of capitalist society. All that can be said with certainty is that, because of both their experience of alienation and their objective situation in the productive process, the involvement of the mass of productive workers is essential to a successful socialist revolution.