

A.BUZUEV, V.BUZUEV

Political ECONOMY

**A Beginner's
Course**



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А. Бузуев, В. Бузуев
ПОЛИТИЧЕСКАЯ ЭКОНОМИЯ
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Chapter One.

**THE SUBJECT-MATTER AND
METHOD
OF POLITICAL ECONOMY**

Karl Marx (1818-1883), Frederick Engels (1820-1895) and Vladimir Lenin (1870-1924), thinkers of genius and great leaders of the working people, left mankind an invaluable ideological legacy—Marxism-Leninism, which is a vital creative teaching.

The creation of Marxism-Leninism was a genuine revolution in the history of human thought. In contrast to previous social theories, it not only gave a scientific explanation of the world, but also determined the conditions, ways and means for transforming it; it answered the questions raised before mankind by the development of society. Marxism-Leninism is a neat and integral scientific system, including three component parts: philosophy, scientific communism and political economy.

Marxist-Leninist political economy is among the social sciences that study the various aspects of the emergence and development of society. It investigates the economic system, the internal structure of society, connected with the production of means of subsistence of people. Marx noted that, while anatomy reveals the secrets of the living organism, the anatomy of society must be sought in political economy. It studies the "profound secrets" of the production of material wealth.

**Production of Material Wealth—the Basis of the Life of
Society. Chief Aspects of the Labour Process**

There is a simple truth of profound meaning: in order to live, people must have food, clothing, footwear, housing and other vital benefits and services. Man is closely tied to nature. Scholars believe that a person can live only five weeks without food, five days without water and five minutes without air. Everything necessary for life is found in nature. In order to assimilate everything provided by

Mother Nature, to adapt natural substances for satisfying human requirements and for human ends, it is necessary, however, to labour and create material wealth. Society would die if work stopped for just a few weeks. The production of material goods constitutes the basis of the life and development of human society.

The process of the production of material goods includes labour, objects of labour and means of labour.

What is labour? Defined briefly, labour is a person's conscious, purpose-oriented activity, connected (directly or indirectly) with the production of material goods, his expenditure of physical, nervous and mental energy for productive purposes. In the labour process, people exert an impact on nature in order to adapt its objects to their requirements.

Labour differs fundamentally from the instinctive activities of animals (ants, spiders, bees). The "work" of animals is instinctive, while human labour is a thought-out, conscious activity. The worst architect differs from the very best bee right from the start in that, before building the simplest construction, he creates a plan of it in his head. Labour is an exclusively human quality, an eternally natural requirement, the primary condition for all human life. Labour played the decisive role in the emergence of man himself and of human society. Engels wrote that, thanks to labour alone, did the division of functions occur in man between the hands and feet, did his sense organs improve and his speech organs and brain develop.

The objects of labour are all the things to which a person's labour is applied. Thus, the wood-cutter's object of labour is the wood that he cuts; the smith's is the piece of metal that he works. Some objects of labour are provided for man by nature in ready form, but the majority are created by labour. Those objects of labour that were made by expenditure of labour in the past are raw materials and semi-finished goods (such as yarn for weaving, metal for an engineering works, and the like).

Nowadays, new materials are being created and used that do not exist in nature and have pre-set qualities, such as polymers, heat-resistant, durable and other synthetic materials, and so on. Whole ages in human history are defined according to the objects of labour used: there was the Stone Age, the Bronze Age, the Iron Age, and today is called the age of polymers.

The measure of man's domination of nature is, however, the level of development of the means of labour. Economic ages differ primarily not in what is produced, but how it is produced, and by which means of labour.

Means of labour include all things used by man to exert an impact on and to modify objects of labour. The decisive role among the means of labour is played by the implements of labour, which affect materials directly (machines, machine-tools, mechanisms, instruments, equipment, and so on). Marx figuratively called implements of labour "the bone and muscles of production". The means of labour used for storage and transportation purposes (barrels, cisterns, pipelines, gas-pipes, and so on) may be called the "blood vessels of production". Buildings and constructions, bridges, railways, steam, electricity, nuclear energy, and fuel are also means of labour. The land is a specific means of labour, all production being carried out on it. At the same time, the land is also the universal object of labour in farming. One and the same things may be means of labour or objects of labour, depending on the place they occupy in production. Cattle for fattening, for example, are objects of labour, while draught cattle are means of labour. Ore is both a product of labour for miners and an object of labour (raw material) for an engineering works.

All the means and objects of labour used in the production of material goods constitute the means of production. Thus, in a textile mill, the means of production include production premises, weaving looms, spinning machines, cotton, yarn, and so on.

The labour process is impossible without means of production, but without human labour the means of production are no more than a collection of useless objects. Without contact with live labour there can be no means or objects of labour. In the process of production it is essential for people and their labour power to combine with the means of production. Labour power is man's ability to work, his physical and mental abilities, his professional skills, used for creating products of labour and material goods.

The decisive factor in any production is, therefore, man himself, and his labour power. Only in an organic unity of labour objects and means of labour, in other words, labour power and means of production, can the production of material goods be accomplished.

Productive Forces and Relations of Production

At all stages in the development of society, production consists of two inseparably linked parts: the *productive forces* and *relations of production*.

What are the productive forces? The *productive forces* are means of production and people with production experience, labour skills and knowledge who put the means of production into action.

The productive forces act as the most mobile and revolutionary factor in the development of human society.

The chief productive force of society is the toiling masses. It is they who, by participating in the production of material goods, act increasingly energetically on the natural environment and subordinate it to their requirements. In this way, the development of the productive forces and the production of material goods in growing quantities are ensured.

The productive forces mediate the relations between people and nature, and man's impact on nature for the purpose of adapting it to human requirements. They are studied by many sciences: the natural, technical and a number of specific economic sciences. Political economy, in contrast to the natural and technical sciences, studies the productive forces only in as far as they affect the formation of relations of production.

What are these? When operating on nature, during the production process people act, inevitably and independently of their wishes, in a particular relationship with one another. A person lives and works in society. Production by a separate individual is an extremely rare thing. Production by Robinson Crusoes is just as pointless as the development of language without people to speak it.

Material goods are produced not individually but jointly, by groups and societies. In the production process, Marx wrote, people "enter into definite connections and relations with one another and only within these social connections and relations does their relation with nature, does production, take place".¹ These links are called economic or production relations.

¹ Karl Marx, "Wage Labour and Capital", in Karl Marx and Frederick Engels, *Collected Works*, Vol. 9, Progress Publishers, Moscow, 1977, p. 211.

It is important to note that relations of production arise directly in the production process; they exist objectively, independently of people's consciousness and will.

Yet people not only create products of labour; they also distribute, exchange and consume them. All these aspects of the life of society constitute different spheres of activity of people which are closely interlinked and interdependent. Production, distribution, exchange and consumption form part of a single whole. The decisive role in this unity belongs to production itself, since without it there would be nothing to distribute, exchange or consume.

Production predominates over consumption. This superiority or primacy consists, above all, in production creating an actual thing to be consumed, otherwise consumption would be impossible. Moreover, production engenders a demand for what is produced, providing the impetus to consumption. At the same time, only consumption makes production necessary, since production would be pointless without consumption.

• Consumption is divided into personal and productive consumption. Productive consumption is the production process itself: means of production—implements of labour and raw materials, and human labour power are consumed, and people's physical and intellectual energy is expended. Personal consumption, on the other hand, takes place outside production; it is people's consumption of foodstuffs, clothing, footwear and other means of survival. Production and consumption of products constitute the beginning and the end of social production, and the links joining them together are distribution and exchange.

Distribution is the "reverse" of production; it is conditioned by the nature of production. For example, if production is capitalist, the material goods produced are distributed in such a way that the main part of them goes to the capitalist class. If production is socialist, the main task facing distribution is to improve the welfare of the working people and ensure their comprehensive development.

Exchange is a component part of production; it may be an exchange of activities (or their results), carried out primarily in the process of production. Under certain conditions, the exchange of the results of labour takes the form of an exchange of commodities. Commodity exchange arose when the social division of labour began to emerge, and it

developed further on the basis of private property, to reach its highest level under capitalism.

Thus, relations of production, as the totality of the links and relations in the production, distribution, exchange and consumption of material goods, form an integral economic system, giving production a specific social form. The chief link in this system is *ownership of the means of production*. This is what determines the way labour power is united with the means of production, the social form of the appropriation of material goods. The character of production, distribution, exchange and consumption depends on to whom the means of production belong and in whose hands they are. Economic relations are always property relations; they are inseparably linked with ownership of the means of production and products of labour.

Ownership is the relations between people in the appropriation of the means of production and the material goods produced with their help. If the means of production belong to all society or individual work collectives, this is social ownership. All members of society have a vested interest in multiplying this property, since it provides the basis for a steady rise in the working people's standard of living. If the means of production are the property of a capitalist, relations of exploitation inevitably take shape: the capitalist uses the means of production to exploit people deprived of these means.

Ownership of means of production lies at the basis of the economic relations between people at all stages in the development of society; the nature of this ownership determines the position of the classes and groups in production and exchange, as well as relations in the distribution and consumption of the material goods produced.

Relations of production, together with the productive forces, constitute the *mode of production of material goods*. Production relations exert a substantial impact on the productive forces; they may speed up their development or, on the contrary, slow it down. When relations of production become a brake, an insurmountable obstacle to the development of the productive forces, they break down and are replaced by new ones. This is why political economy studies relations of production in their close interconnection with the development of the productive forces.

Let us depict these interlinks in the following diagram (Fig. 1).