Wage Struggle or Abolition of Wage Labor?

On the Political Significance of Labor-Time Accounting

Wage struggles are among the most common and familiar forms of class struggle under capitalism. Workers fight for higher wages, shorter working hours, better working conditions, and social protections. These struggles are real, necessary, and often involve hard-fought confrontations. Yet they remain confined within the social form of capitalism itself. They alter the conditions of exploitation, but not its foundation.

Opposed to this stands another demand—one that has historically been far less widespread and today plays almost no role in the political consciousness of the labor movement: the establishment of social labor-time accounting. Whereas the demand for higher wages remains within the framework of the existing system, labor-time accounting challenges the foundations of that system itself. Its aim is not to improve the position of workers within wage labor, but to abolish the wage-labor relation altogether.

The difference between these two demands is therefore not merely one of degree but of principle. The demand for higher wages presupposes that labor power continues to exist as a commodity. The demand for social labor-time accounting abolishes this presupposition. With it disappears not only the wage as the price of labor power, but also the separation of the producers from the means of production.

This raises a decisive political question: Why is the wage struggle deeply rooted in working-class consciousness, while labor-time accounting remains largely unknown despite its simplicity and radical implications?

I. The Wage Demand as a System-Immanent Demand

The demand for higher wages or for shorter working hours with full wage compensation arises directly from the living conditions of workers under capitalism. Whoever must sell their labor power in order to survive is compelled to struggle over the conditions under which that sale takes place. Class struggle therefore initially appears as a struggle over the terms of the sale of labor power.

Yet the fundamental contradiction already lies in the very form of the wage relation itself. The worker sells labor power as a commodity. This does not occur because workers freely choose among a range of equivalent alternatives, but because they lack direct access to the means of production. In order to secure their livelihood, they are compelled to sell their capacity to work to those who control the means of production. The capitalist purchases this commodity because its use-value consists in producing more value than it costs. It is in this relation that capitalist exploitation resides: workers produce more social wealth than they receive back in the form of wages.

The wage struggle does not challenge this structure. It presupposes it. What it seeks is a larger share of social wealth within the same social form in which labor power remains a commodity and production continues to be subordinated to capital accumulation.

This does not mean that wage struggles are meaningless. Higher wages, shorter working hours, and better working conditions can bring about real improvements in workers' lives. They can foster confidence, solidarity, and collective experience in struggle. Historically, many social rights were won only through such struggles—the eight-hour day, paid vacations, sick pay, protection against dismissal, and collectively negotiated reductions in working time, to name only a few.

Yet the very necessity of these struggles also reveals their limits. In such struggles, workers do not appear as conscious organizers of social production but as sellers of labor power within a mode of production that confronts them as an alien force. The compulsion imposed by competition places strict limits on this form of struggle. As long as survival depends upon the sale of labor power, even a poor wage often appears preferable to unemployment. In this way, dependence on the capital relation is continuously reproduced. Workers are compelled to fight against the consequences of a system whose foundations they must simultaneously reproduce through their own continued existence as wage laborers.

Capitalism therefore constantly reproduces the necessity of wage struggles. Workers receive their means of subsistence in the form of wages. Their immediate problems consequently appear as problems of wage levels, working hours, or job security. As long as workers remain dependent upon the sale of labor power, the struggle over the price of that commodity appears as the natural and immediate expression of their interests.

The dominance of wage struggles within working-class consciousness has further social causes.

First, capitalism does not present itself to workers as a social relation but as a natural and self-evident reality. The individual worker does not experience himself as part of a consciously organized system of total social labor but as an individual who must earn a living. The sale of labor power therefore appears not as a historically specific social form but as a normal condition of life itself.

Second, this perspective is reinforced institutionally. Trade unions, collective bargaining, labor law, and parliamentary parties all operate within existing production relations. They organize the representation of workers' interests as sellers of labor power, not as potential agents of a different mode of production.

This gives rise to a paradoxical situation. Millions of people work in a highly interdependent division of labor within the same process of social production. Under capitalism, production is already organized socially. Yet the appropriation and control of this socially produced wealth remain private—or, more precisely, separated from the producers themselves. The majority of society's members therefore do not determine the purpose of production, but are merely treated as a cost factor in the profit calculations of a minority of owners of the means of production.

Here lies the fundamental contradiction of capitalism: social production and private appropriation. The producers collectively create social wealth, yet they do not collectively control it. Their own social activity therefore appears not as a common process of production but as a collection of separate labor relations. They encounter their own social labor in the form of commodities, money, capital, and alien powers of control.

This separation constitutes the core of the capital relation and the false consciousness associated with it. Producers do not understand themselves as conscious participants in a common process of social production but as competing sellers of individual labor power. The social interconnectedness of their labor therefore appears not as conscious cooperation but as an external economic compulsion confronting them from outside.

II. Labor-Time Accounting as a System-Transcending Demand

The demand for social labor-time accounting begins precisely at this point.

Its starting point is the simple fact that the producers already create social wealth collectively. The question, therefore, is not how the sale of labor power can be made more equitable, but how the producers can overcome the contradiction between social production and private appropriation that is bound up with the wage relation.

With the establishment of labor-time accounting, the separation between labor and its product is abolished, giving rise to a fundamentally different relationship between the producers and the social product. Producers no longer receive their share of the social product as the price of labor power they have sold. Instead, they participate in the social product as members of the collective process of social production itself. The character of labor is thereby fundamentally transformed.

Under capitalism, labor appears primarily as a means of earning money. Social mediation takes place indirectly through the market, money, and competition. Producers confront one another as buyers and sellers. With social labor-time accounting, individual labor is from the outset constituted as a consciously organized component of total social labor. Social mediation no longer occurs behind the backs of the producers through market relations but is consciously regulated by the producers themselves. The individual contribution to social labor determines—after deductions for necessary social funds—the producer's share of the social product.

This is precisely where the decisive difference between value and labor-time accounting lies. Value is not simply labor time. Value is labor time in a specific social form: abstract labor that acquires social validity only retrospectively through exchange. Social labor-time accounting abolishes this indirect form of mediation. It renders the social interconnectedness of production conscious and transparent.

This is also the source of its distinctive political significance. The demand for higher wages is directed toward capitalists, employers' associations, unions, or the state. It seeks to alter the conditions under which workers must sell their labor power. The demand for labor-time accounting, by contrast, is directed toward the abolition of that relation itself. It asks not under what conditions workers should sell their labor power, but how producers can organize their own social labor. Whereas the wage struggle necessarily presupposes workers as sellers of labor power, labor-time accounting presupposes them as the agents of social production.

For this reason, labor-time accounting transforms not only the economic organization of society but also the very perspective of class struggle. As long as workers struggle primarily over the conditions under which they sell their labor power, the existing mode of production appears as the unquestioned framework of their activity. The demand for labor-time accounting shifts attention instead to the producers as the collective agents of social production. It makes visible the fact that workers are not merely sellers of labor power but are already the people who produce the entirety of social wealth.

Labor-time accounting therefore changes more than the distribution of the social product. It changes the position of the producers within social production itself. Precisely for this reason, it necessarily points toward the question of the means of production and their socialization.

III. The Socialization of the Means of Production

The distribution of consumer goods is merely a consequence of the distribution of the conditions of production and, therefore, of the character of the mode of production itself. As long as the means of production remain the property of individual capitalists or of the state, the producers remain separated not only from the products of their labor but also from the conditions under which they labor. Wage labor is thus the expression of a social order in which the producers create social wealth but do not themselves determine the conditions of its production or its use.

From this follows the simplest determination of its abolition. The abolition of wage labor necessarily presupposes that the producers regain control over the conditions of their own labor. "This abolition can only consist in the abolition of the separation of work and work product, that the *right of disposal* over the work product and therefore also over the means of production is again given to the workers. *That is the essence of communist production*."[1]

The establishment of labor-time accounting is therefore necessarily bound up with the socialization of the means of production. Producers no longer confront social production as sellers of labor power but as the collective bearers of the means of production and of total social labor. It is precisely at this point that the socialization of the means of production acquires its concrete economic content. Socialization does not simply mean that the means of production are no longer privately owned in a legal sense. What matters is that the producers themselves are able to exercise control over their social interconnectedness.

To do so, they require a universally valid basis on which different forms of labor, production methods, and social priorities can be consciously related to one another. Labor-time accounting provides precisely this basis. It makes visible the social expenditure associated with particular decisions and thereby enables the producers to regulate their own relations of production.

Labor-time accounting is therefore not primarily an alternative method of distribution. It is the economic form of socialization itself. Only through it does the collective disposal over the means of production become the conscious self-organization of social production.

Socialization thus means more than nationalization. The state may administer the means of production without the producers themselves exercising control over production and social wealth. Historically, this became evident in numerous state-socialist systems in which producers no longer formally confronted private capitalists, yet their labor conditions and the overall process of social production remained subject to external control.

Labor-time accounting points instead toward a different form of socialization. Producers do not merely possess the means of production in name. They possess the common foundation upon which they can consciously regulate their own relations of production. The transparent social accounting of labor expenditure is what makes this possible.

[1] Group of International Communist, Fundamental Principles of Communist Production and Distribution, Red & Black Books 2020, p. 23

IV. Labor-Time Accounting and Social Self-Management

Public social labor-time accounting is therefore not merely a technical method of bookkeeping. It constitutes the economic foundation of social self-management.

On this basis, producers know not only what is being produced, but also the social expenditure required for its production, which production methods are most appropriate, how social priorities are to be determined, and how social wealth is to be distributed. Only through this does the socialization of the means of production become practically effective. For the first time, producers possess the information necessary to regulate their social relations consciously and collectively.

Under capitalism, such decisions are made indirectly through market movements, profitability, and competition. The producers are powerless in the face of these processes. In state-socialist models, these decisions were made bureaucratically by planning agencies.

Labor-time accounting points instead toward a form of conscious social self-regulation. Producers can determine their social affairs themselves only if social mediation becomes transparent and generally comprehensible. This is the significance of labor-time accounting. It does not replace needs with accounting categories. Rather, it makes visible the social expenditure required to satisfy those needs.[2]

Only on this basis does social self-determination become possible. The implementation of labor-time accounting therefore leads directly to the question of the democratic organization of society itself.

V. Parliamentary Democracy and the Dictatorship of the Relations of Production

Bourgeois democracy formally appears as the rule of the people. In reality, however, social reproduction remains largely beyond the control of the producers themselves. Workers may elect political representatives, but they exercise no conscious control over social production. The real power of capitalist society resides not primarily in parliament but in the relations of production themselves. Whoever lacks access to the means of production is compelled to sell labor power. It is in this compulsion that the real dictatorship of relations of production resides. Parliamentary democracy does not alter this fundamental condition. It organizes political equality within a framework of economic dependence.

Council democracy, by contrast, is the political expression of social self-management. It proceeds from a fundamentally different principle. Here, producers organize not only political decisions but social production itself. Labor-time accounting provides the material foundation of this self-management. For only when producers can transparently assess and consciously regulate the social expenditure of labor does democratic self-determination become more than a political slogan.

Council democracy therefore does not mean the establishment of another form of state. It means the conscious self-organization of social reproduction by the producers themselves. The state is not replaced by a new political authority. Rather, with the abolition of the separation between producers and the means of production, and with the conscious regulation of social production, it progressively loses its social function as the ideal collective capitalist.

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[2] See also: https://arbeitszeitrechnung.org/en/the-forgotten-logic-of-communism/

Under capitalist conditions, this function consists in securing the general conditions necessary for the reproduction of the capitalist mode of production. The bourgeois state guarantees the legal framework of private property, commodity exchange, and capital accumulation. It protects the existing property order and intervenes whenever the stability of capitalist society is threatened. With the abolition of wage labor and the socialization of the means of production, the social foundations of these functions gradually disappear. Producers no longer regulate production and distribution through the market, competition, and state mediation. Instead, they regulate them on the basis of the conscious social mediation of their labor through labor-time accounting. For this very reason, labor-time accounting points not toward a new form of state planning but toward the material precondition for the withering away of state rule itself

VI. Why Labor-Time Accounting Was Forgotten

The fact that the idea of social labor-time accounting is scarcely known today has not only historical but also political causes.

The labor movement developed within capitalist society. Its organizations therefore concentrated primarily on improving living conditions within the existing system. At the same time, a conception became widespread within the socialist movement according to which socialization meant, above all, the conquest of political power and the expansion of state planning. As a result, the question of the producers' concrete economic self-management gradually receded into the background.

There is, however, another reason. The idea that producers could consciously regulate their own social relations runs counter not only to capitalist interests but also to various political and intellectual surrogate elites.

Bourgeois critics of capitalism often criticize capitalism primarily as chaotic, irrational, or excessively driven by finance. Yet they do not challenge the separation of the producers from the means of production, nor wage labor itself. Their alternative therefore does not consist in the self-management of the producers but in a more efficient regulation of capitalism through experts, state direction, or technocratic coordination. Centralized administration is meant to correct the dysfunctions of capitalism, not to overcome the capital relation itself.

Leninist party communists, by contrast, seek to abolish the capitalist property order for the "benefit of the workers" and to socialize the means of production. Yet they likewise conceive social organization as the task of a central directing and planning apparatus. In place of the market stands the party or the planning bureaucracy. The producers do not appear as the autonomous subjects of their own social reproduction but as objects of political leadership. Centralized direction is intended not to improve capitalism but to organize the transition to "socialism," without providing the producers themselves with the basis on which they could consciously regulate their own relations of production.

Alongside these currents there exist *moral-utopian tendencies within the Left* that regard the very existence of rules of social mediation as problematic. In place of conscious economic organization, they often invoke notions of community spirit, transformed consciousness, or spontaneous solidarity. They wish to live within society and yet be free of it. They appeal to the principle "to each according to his needs", without explaining how the social expenditure required to satisfy those needs is to be organized in the first place.[3]

Social labor-time accounting points toward a different form of self-management. In it, producers are no longer dependent on market mechanisms, state bureaucracies, or political leadership apparatuses in order to organize their social conditions of production and life. For precisely this reason, labor-time accounting often appears to its critics either as a technocratic utopia or as a dangerously simplistic idea. Yet its political significance lies precisely in this simplicity.

VII. The Economic Foundation of Social Self-Determination

The opposition between the wage struggle and labor-time accounting is not the opposition between reform and abstract utopia. It is the opposition between two fundamentally different perspectives on class struggle.

The wage demand remains within the framework of the capital relation. It improves the conditions under which labor power is sold, but it does not abolish that sale itself. Labor-time accounting, by contrast, is directed against the very foundations of wage labor. With its establishment, not only does the wage disappear as the price of labor power, but so too does the separation of the producers from the means of production—and with it the foundation of capitalist class rule.

Through the enforcement of labor-time accounting, the producers acquire, for the first time, the ability consciously to determine their own social conditions of existence. Under these conditions, the association of free and equal individuals does not mean a moral community, state administration, or abstract equality.

Here, *equality* is not an ethical category but an economic one. Equality does not mean the moral equality of abstract citizens. It means the equal capacity of the producers to dispose over the conditions of their own social reproduction. Equality expresses the fact that production throughout society is organized according to the same principles of labor-time accounting, thereby making a common disposition over the productive apparatus possible. It signifies the conscious self-organization of social production by the free and equal producers themselves.

For this reason, the enforcement of labor-time accounting is not a secondary technical question. It constitutes the decisive economic core of an emancipatory social transformation—not because it provides a better system of distribution, but because it gives the producers, for the first time, the ability to organize their social relations consciously and collectively for themselves.

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3 For a more detailed critique of commonism, see: https://arbeitszeitrechnung.org/en/critique-of-commonism/