

Value, Free Labour and History

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ABSTRACT: This paper reasserts the importance of free labour. Against those like Jairus Banaji and Marcel van den Linden who insist on the contemporary and historical importance of unfree labour and dismiss wage labour as another kind of unfree labour it insists on the ongoing importance and distinctiveness of free labour in the history of capitalism and hopes for socialism. Free labour is integral to a technologically progressive capitalism but also to the progress of consumption and political and cultural development.

KEYWORDS: Free labour; Wage labour; Capitalism; Class relations; Social development

Introduction

Capitalism is about the potential expansion of capital *ad infinitum* and as we are discovering the pursuit of growth to the point of human self-extinction. It has depended on a set of inter-locking economic categories that first came together at the end of the Middle Ages and these in turn were the reflection of new and unprecedented social relations of production. The class struggle that characterized these production relations was a primary source of technological and economic innovation.

The Expansion of Value

The accumulation of capital itself is based on the expansion of value the former being the tangible form of the latter. The creation of value is in turn founded on the capital relation or, in other words, workers who sell their labour power and capitalists who buy it. But in order for value to accumulate it is necessary that all labour be conceived of as essentially equal something that began to happen already in the sixteenth century as reflected in the spiritual equality established by the Protestant Reformation. Labour power under conditions of generalized commodity production then increasingly became a market commodity which was bought and sold for money. For this to occur producers must be doubly free, free of means of production and free to sell their labour in the market. These are the conditions under which capitalism developed in Western Europe from the sixteenth century onward and continues its expansion today.

Free Labour and Socialism

Competition between capitalists requires that production become more competitive. Innovation which begins as the pursuit of market opportunity ultimately becomes an economic necessity. Relative exploitation-work reorganization, new techniques, use of machines – more augments rather than replaces absolute exploitation. Historically the development of the working class has seen a struggle between it and capital in which the latter recurrently uses new means of relative exploitation to harness the creative potentialities of workers to strengthen its own rule. Contrariwise relative exploitation-itself initially a product of the initiative of workers- in the long run leads to the expansion of worker freedom in the market. But this gives rise to increased

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economic and social demands from workers attendant on the growth of working-class consciousness and rising demands for socialism, i.e. political democracy and social equality.

Marx stressed the importance of these free workers in part because not only were they the source of surplus value but because they proved particularly amenable to relative exploitation in a way that unfree labour was not and so became linked to the accumulation of capital in its more sophisticated forms. The development of relative exploitation from agricultural machinery and steam engines to AI is inconceivable under conditions of serfdom or slavery. As it turned out free workers had incentives to improve their productive skills, organize themselves and develop an all-round virtuosity conducive to more advanced types of capitalism which unfree labour could not offer.

The expansion and upgrading of proletarian labour is therefore linked to the historical development of capitalism into its more innovative forms. The skills of workers working individually or collectively were key to the development of capitalism until the beginning of the twentieth century. The labor of workers working with machinery was if anything enhanced in importance as they were backed up by the strength of unions and working-class political parties. Ongoing class struggle drove technological change and innovation. In the twentieth century, however, the automation of production, deskilling, and imperialist globalization came to dominate the productive process, largely to the advantage of capital. At the same time the bargaining position of workers has been enhanced by the further incremental growth of unions, the increasing IT skills and flexibility of workers in the market, growing inter-dependence in the production and distribution of goods and the emergence of new global commercial chokepoints in which workers enjoy strategic advantages over management. Furthermore, there are signs that labour is once again developing a sense of itself politically or as a class and to the realization that its future lies in overthrowing the political rule of the capitalists and establishing socialism. Free labour is indispensable to this project. It was its historical and political potential that led Marx especially to focus on free labour, and it is for this reason that we too focus on it in this paper.

Unfree Labour

Outcries against a focus on free labour have in recent years arisen emanating especially from Jairus Banaji at SOAS (2003) and Marcel van der Linden (2004) of the Global History Project in Amsterdam. They claim to speak for the peoples of the Global South who are the ongoing victims of imperialism. The development of fully free labour there has been historically inhibited by Western imperialism. Nonetheless the flow of value from the Global South has admittedly been enormous over time and is ongoing. While all parties to this discussion accept the tie between free labour and capitalism these voices have developed into a strong current in contemporary scholarship which stresses the historical role of non-wage labour in the development of capitalism if not the triumph of socialism. It is at root a protest the imperialism of the West historically the focal point of free labour and the headquarters of imperialism.

But this school also points to unpaid household labour and to the importance of prison and even concentration camp labour in the West which has been ignored by those who have focused too exclusively on free labour. Indeed, some among those who take this position insist that unfree labour including slavery can create value. They point to the value-positing role not only of slavery but of other less than free forms of labour like indenture, corvée labour, share-cropping and debt bondage (Brass and Van der Linden 1997, Hofmeester, Karin and Van der Linden 2017). With respect to capitalism the issue comes down to a debate between those who see capitalism as linked

with forms of absolute exploitation and unfree labour and those who view it as entailing the leading role of free labour and relative exploitation.

Free labour is closely related to the historical progress of political freedom. The tie between the rise of the proletariat and politics began during the Enlightenment. The self-identity of workers in England and France was still not to their class but rather to their craft. Many were organized in confraternities which were proto-unions operating in defiance of the merchant-manufacturers and the law. The capacities and organizations of these free workers become such that they were in many respects beyond the control of their capitalist masters to the immense frustration of the latter.

As Marx explains: ‘Since handicraft skill is the foundation of manufacture, and since the mechanism of manufacture as a whole possesses no framework, apart from the labourers themselves, capital is constantly compelled to wrestle with the insubordination of the workmen...By the infirmity of human nature,’ says friend [Andrew]Ure, “it happens that the more skilful the workman, the more self-willed and intractable he is apt to become, and of course the less fit a component of a mechanical system in which ... he may do great damage to the whole’(Heller 1976, 490-1). The ability of increasingly well-organized skilled workers to control the labour process, buy commodities in the market, and to sell their labour power to whomever they chose put them largely beyond the control of employers:

Hence throughout the whole manufacturing period there runs the complaint of want of discipline among the workmen. And had we not the testimony of contemporary writers, the simple facts, that during the period between the 16th century and the epoch of modern industry, capital failed to become the master of the whole disposable working time of the manufacturing labourers, that manufactures are short-lived, and change their locality from one country to another with the emigrating or immigrating workmen, these facts would speak volumes’(Marx 1976, 490).

During the manufacturing period as Marx notes there was no framework or mechanism of social control in manufacturing except the workers themselves. The production process remained in their hands. Free workers and particularly in the skilled trades which had emerged from the guild system exercised their increasing sense of independence by moving from one employer while achieving a high degree of skill which was directly related to their productive capacity and that of the developing capitalist system. As a result, they tended to become defiant toward their employers, and it was difficult for employers to control them. Slaves and serfs do rebel but because of their personal dependence on their masters their horizons are more circumscribed. Independence of spirit is more difficult for them to sustain.

Insubordination

The problem of the insubordination of the workers in manufacturing was ongoing. Marx repeatedly cites J. Cunningham,] *An Essay on Trade and Commerce* (1770) and remarks that:

This fellow vents his spleen against the workers in manufacturing, who should be restored, he says, to the same “*HAPPY STATE*” as that enjoyed already by then by the *AGRICULTURAL LABOURERS*. His work is very important. One sees in part from it that there was still a lack of discipline in manufacture *shortly before the introduction of large-scale industry*; that the supply of hands still by no means met the demand; that the worker was still far from regarding the whole of his time as belonging to capital.In order to remedy these defects, the author recommends *high taxes* on the *NECESSARIES OF LIFE*, which will compel the workers to work, in the same way as

bad harvests do; GENERAL NATURALISATION, in order to increase competition among them; also debasement of the currency (RAISING OF MONEY), etc. Apart from machinery, everything that this fine man demanded came about shortly afterwards: HIGH PRICE OF PROVISIONS, IMMENSE TAXATION, DEPRECIATION OF CURRENCY, all circumstances which contributed towards reducing the level of wages, and in the year 1815 happily placed the ragged factory worker alongside the “PAUPER” who represented the “BOLD PEASANTRY OF ENGLAND”. Above all, the following passages are important, partly as showing the *labour time* really worked by manufacturing workers in those days, partly as showing the efforts of *capital* to force them to work TO THE FULL EXTENT OF THEIR POWERS (as well as to inculcate in them *INDUSTRIOUS HABITS, CONSTANCY OF LABOUR*): (Marx, 1861-4, 34, 290-1)

And further that:

The lower sort of people in England, *from a romantic notion of liberty*, generally reject and oppose everything that is *forced* upon them: and though, *from a fear of punishment*, you may oblige persons to work certain hours for certain wages, you cannot oblige them to do their work properly” ([p.] 92). ‘Although *necessity* must be the basis of any *scheme to enforce* general industry, yet, it *appears* from the notions and dispositions of the British populace, that *it should not come so fully and directly to the point*, as it *does in such acts of parliament*; for the execution of such laws has almost always produced *illegal combinations*, riot, and confusion. If possible, the effects of such laws should be produced, *almost insensibly, and without the appearance of force*): (Marx, 1861-4, 34, 300)

The employer class was particularly irked by the fact that workers resisted working more than the hours necessary to their own subsistence. Moreover, they did so in the name of liberty:

The author of the *Essay on Trade and Commerce* further notes:

But our populace have adopted a notion, that as Englishmen they enjoy a birthright privilege of being freer and more independent than in any country in Europe. Now this idea, as far as it may affect the bravery of our troops, may be of some use; but the less the manufacturing poor have of it, certainly the better for themselves and for the State. The labouring people should never think themselves independent of their superiors.... It is extremely dangerous to encourage mobs in a commercial state like ours, where, perhaps, seven parts out of eight of the whole, are people with little or no property. The cure will not be perfect, till *our manufacturing poor* are contented to *labour 6 days for the same sum which they now earn in four days*” This is necessary to bring us upon a par with France” : (Marx, 1861-4, 34, 293).

Marx notes finally that Cunningham goes so far that he recommends that ‘If WORKHOUSES are to be effective, they must become HOUSES OF TERROR:

If a *workhouse scheme* is to answer any good purpose, in regard ... to extirpating idleness, debauchery and excess, promoting a spirit of industry, *lowering the price of labour in our manufactories* ... such house must be made *an house of terror*, and not an *asylum for the poor*’(Ibid).

Workers may have been insubordinate according to Cunningham and like-minded observers but nonetheless at the time there was an unprecedented gain in the level of output and the productivity of the English economy in the eighteenth century (Heller 2011, 87-8).

How do we account for the seeming discrepancy in Marx’s view between the apparent servitude of the wage worker within the division of labour in manufacture and this panorama of worker independence and defiance? The answer it would seem is that both perspectives are true. As a system manufacture tended to force workers to perform mind-numbing repetitive tasks based on the division of labour. However, over time the development of the skills of the workers based on a growing *esprit de corps* among them empowered workers. Individual workers often

expressed their independence from their masters based on their high level of skill and growing ability to find alternative employment. On the other hand, the growth of networks of confraternities and the sense of solidarity felt by individual craftsmen should be seen as essential to this growth of an independent and confident spirit among them.

It is E.P. Thompson who particularly developed the notion of the rights of free born Englishmen or the positive freedom of the wage worker noted by Marx as an intrinsic feature of the development of the class consciousness of the English working class in the eighteenth century. It is remarkable the degree to which the proponents of the equivalence of free and unfree labour have ignored the theoretical implications of Thompson's work. His account of the expansion of worker freedom is a key to appreciation of Marx's understanding of the historical destiny of free labour. Echoing Marx on the problem of gaining control of the workers and enforcing longer and stricter hours on craftsmen Thompson quotes John Houghton writing in 1681:

When the framework knitters or makers of silk stockings had a great price for their work, they have been observed to work seldom on Mondays or Tuesdays but to spend most of the time at the alehouse or nine pins. The weavers 'tis common with them to be drunk on Monday, have their headache on Tuesday, and their tools out of order on Wednesday. As for the shoemakers, they'll rather be hanged than not remember St. Crispin on Monday...and it commonly holds if they have a penny of money or pennyworth of credit. (Thompson 1991, 373)

Wherever men controlled their labour they seemed to prefer feverish bouts of work with periods of idleness rather than the long and disciplined hours demanded by employers. Discipline was more possible on capitalist farms but even here workers found ways of resisting the dictates of their employers (Thompson 1991, 378-9). According to Thompson paternalist domination over workers overall declined notably in the eighteenth century with the growth of market relations. Political control of wage levels decayed, the mobility of workers increased and the liveliness of hiring fairs struck observers while the law increasingly recognized the right of rural workers to change their jobs or employers (Thompson 1991, 37).

The ideology of servant submission and master dominance disintegrated in the course of the century to the chagrin of the latter. Masters continued to embrace the idea of the worker as unfree, as a servant in the field, workshop and the household. At the same time they held to the concept of the free man as a vagabond to be brought under control and forced to work. But the master servant relation could not provide the mobile and available labour necessary to work the fields, manufacture textiles, and build the houses and parks of burgeoning eighteenth-century English society. Half-free forms of labor, live-in service, services in kind gave way to free mobile labour. Subordination as a result increasingly became negotiation (Thompson 1991, 36-8). Moreover, this decline in paternalism was fostered by the withering of non-monetary favors by employers and their transformation into money payments. (Thompson 1991, 41).

All this needs to be borne in mind when we consider the history of unfree labour in the Global South. The decay of dependent labour in England was partly the result of the deepening of market relations but also the consequence of the class struggle of workers. Taking account of unfree labour under which much of humanity still suffers is essential to understanding the history of colonialism and imperialism. But it should always be viewed not as an unfortunate constant of the human condition but as something that needs to be overcome. A posture of historical neutrality in this regard is one of passivity or even conservatism and in our critical times is unacceptable.

The right to freely sell one's labour was increasingly commonly recognized along with the other rights of free born Englishmen such as freedom from arbitrary arrest, the right to trial by jury, equality before the law and the freedom to trade and travel (Thompson 1967, 86). Inevitably such demands became politicized including eventually demands on the state. As the eighteenth century proceeded demands for political rights for workers developed. In 1776 John Wilkes went so far as to plead in the House of Commons for the political rights of "the meanest mechanic, the poorest peasant and day labourer," who—has important rights respecting his personal liberty, that of his wife and children, his property however inconsiderable, his wages . . . which are in many trades and manufacturers regulated by the power of Parliament . . . Some share therefore in the power of making those laws which deeply interest them . . . should be reserved even to this inferior but most useful set of men." (Thompson 1967, 89-94)

The argument is still that of a call for political rights for freeborn Englishmen or for those who hold property, but these rights are interpreted in a far more expansive sense. In Thomas Paine's immensely influential *Rights of Man* published in the immediate wake of the French Revolution (1791) we have not only calls for representative democracy but for social rights like family allowances, universal public education, old age funds, public funds to enable general education of all children, old-age pensions, a maternity benefit, a benefit for newly wedded couples, a benefit for funerals for the needy, public housing and vocational training work for those without means. and unemployed. With these demands Paine set the liberal and social democratic agenda for social reform by the state through the twentieth century. More immediately his widely read work linked the social and economic aspirations of the working class with the reform of Parliament.

Beginning with the French Revolution of 1789 the whole forward movement of history including political and technological progress was in good part based on the growing demands of the working class punctuated by the revolutions of 1789, 1830 and 1848 in which workers *qua* workers took an increasing part. The second half of the nineteenth century saw the working class organise itself internationally in the form of the first and second Internationals, the attempt on the part of workers in Paris to create a socialist commune and the appearance of unions and socialist parties across Europe attendant on the spread of industrialization. The most important and interesting of these parties was the German SPD.

The origins of the working class in the late medieval period lay in the most abject conditions of misery and impoverishment. Nowhere more so than in Germany which experienced a dramatic capitalist breakthrough from the 1460s onward the culmination of which was a popular revolution (1525) in which peasants, craftsmen and workers went down to defeat. Friedrich Engels demonstrated the ongoing political or structural consequences of that defeat in his *Peasant War in Germany*. Yet by the end of the nineteenth century-500 years later-many of the spiritual heirs of those rebels were members of the German Social Democratic Party and believed in a bright future of material progress, science and socialism where they and the rest of humanity excluding the wealthy would rule over society. Indeed, they were participant in a sub-culture which consciously distanced itself from that of the dominant bourgeoisie and nobility and adhered to its own version of modernity (Evans 2020, 20). As the Social Democratic Party became a mass movement, its organisations came to include almost the whole of social life.

A member of the party could read Social Democratic newspapers and borrow from a Social Democratic library book which covered every aspect of life from a Social Democratic point of view. He could spend his leisure in Social Democratic pubs or gymnastic clubs, choirs or cycling societies. He could enrich his life through Social Democratic cultural and artistic associations. His

wife could enlist in the Social Democratic Women's Movement and his son in the Social Democratic Youth Movement. If he was injured, or ill, he could call upon the Working Men's Samaritan Federation to help him; if he died, there were Social democratic burial clubs to see he received a decent funeral. There was a proliferation of socialist newspapers, periodicals and publishing houses. Through its unions and the Party the social democrats created a counterculture that was the equal or superior to that of the German nobility and bourgeoisie. Gramsci's concept of cultural hegemony may have inspired by the German example. As part of free labour German workers had become part of the largest and most class conscious and well-organized workers party in history the goal of which was revolutionary socialism. This stupendous historical accomplishment-the product of 500 years of struggle- arguably never quite equaled then or since- was made possible by free labour which is definitionally beyond the ability of unfree labour, and which is a product of organized working class struggle.

The culmination of this development of the working class came in the period 1914-23 centered on the Russian Revolution but including aspirations globally toward making world revolution. Failure of the latter led to a spatial fix not of capital but of revolution toward the Global East and South.

Free Workers in the Global South

Stress on unfree labour in the Global South tends to eclipse the role of free labour in the advance of capitalism. More importantly dwelling on the persistence of unfree labour within capitalism loses sight of the political importance of free labour in making revolution and creating socialism. Such an apolitical approach-which is scholarly enough- is contrary to Marx's always politically orientated perspective which above all emphasized the emancipation of the working class. Marxism insists on the importance of free labour to capitalist growth and especially to the breakthrough toward socialism. Moreover, despite the continuing fetters of imperialism the recent major influx of capital and high-tech investment into the Global South is fostering relative exploitation there and with it the growth of fully free labour and the concomitant rise of class consciousness. Most factory workers live in the Global South-80% (Smith 2016, 102).

Indeed, the deliberately low wages paid by international capital in the Global South and the poor working conditions in the factories located there compared to the North is radicalizing workers in the South. Doubly free workers remain in the minority, and the informal sectors of the working class continue to be quite important. But the free proletariat-organized and not organized is increasing its numbers in the Global South-already dwarfing the number of wage workers in the advanced capitalist countries. The numbers of these working in factories equipped with the latest technology is increasing. But while this last point might have political and economic import, we will argue that the revolutionary role of the proletariat in a country like France was not necessarily dependent on the dominant role of a factory-based proletariat. What made them revolutionary was rather the resistance of workers to being enclosed in factories in the first place. Of course, the historical and locational differences between early modern Europe and its triumphant capitalism and the Global South weighed down under imperialism are very different and the latter will have its own historical destiny. But all things being equal the condition of the proletariat in the Global South-for the most part impoverished, illiterate, unorganized- resembles that of the early proletariat in England and France more than most people realize.

Revolution and Uneven Development

In any case we argue that the test of the importance of the fully free proletariat is not so much the degree of maturity of its insertion in the social relations of production of an advancing capitalism but rather its political role. The overthrow of capitalism has occurred and will occur at different points in the historical trajectory of capitalism and in some cases where many if not most workers are still not fully or doubly free. What matters we would argue is not so much the status of workers through the phases of an ongoing capitalism but their political potential at any moment. Moreover, the foundation of a post-capitalist society has to be fully free workers who because of their positive freedom have developed the capacity to organize and maintain a new system which is an alternative to and superior to capitalism including even in the development of the forces of production. Furthermore, we would suggest that while the study of and appreciation of the importance of unfree and informal labour under capitalism is all to the good it does also reflect a certain unwarranted political pessimism among many scholars in both the West and Global South about the prospects for socialism.

The defeat of socialism in the Soviet Union has deeply affected many who have consciously or unconsciously concluded that no alternative to capitalism exists. The unspoken premise of emphasizing unfree labour under capitalism is to dismiss Marxism as a political project and to fix one's sights on capitalism as an unsurpassable limit. It is unwarranted because China is politically building a gigantic socialist society which can support diverse forms of socialism developing elsewhere, meanwhile capitalism is falling into deepening and multi-faceted crisis from which the only exit for workers is socialism, and many people everywhere even in the United States are turning their hopes toward socialism.

Pessimism about the capacity of organized labour to bring about socialism has been reinforced in the light of the events of the last half century. Since the 1980s neoliberalism and globalization reinforced lately by financialization, imperialism and war have helped to disarm the power of labour. Culturally, identity politics, post-modernism and post-colonialism have-however inadvertently weakened it still further. On the other hand, the ecological crisis, health crisis, economic crisis, extreme social polarization, and the delegitimization of the political elites has created a sense of political estrangement among workers felt worldwide.

Monopoly Capitalism

Toward the end of the nineteenth century capital sought to strengthen itself yet again by reorganizing by intensifying the pace of production and in partnership with the state through monopoly capitalism and imperialism. The contradictions of this set-up exploded in world war which gravely weakened the capitalist states and gave birth to the Bolshevik Revolution and the Comintern amid widespread working class unrest. Capitalism survived undergirded by the economic and financial strength of the United States but the idea of world socialist revolution by the working class became generalized. Indeed, crisis deepened as capitalism collapsed in depression in 1929-39 and the system turned to war and fascism to continue. Capitalism at this point became totally reliant on the state to prop itself up.

Meanwhile fascism was defeated during the Second World War with the only socialist state the Soviet Union playing the decisive role. At the same time the United States basing itself on a class compromise between organized labor and capital worked out during the New Deal 1932-41 defeated Japanese fascism in Asia. The communist movement consolidated its control over most of Eurasia including revolutionary China, Vietnam and Korea. In the United States and Europe class compromise continued postwar through collaboration between organized labour,

management and government. Consensus was achieved by means of collective bargaining and social welfare, consumerism and anti-communism. Important to the stability of capitalism was the ongoing collaboration of social democratic parties with the anti-communist state. Fordism which evolved into a class compromise and the development of mass capitalism consumerism

The history of this collaboration between capital, the working class and the state which also included alongside the union bureaucracies goes a long way to explain the integration and pacification of the working class in the West within the orbit of capital. In spite of the split in the parties of the working class between socialists and communists which began in the wake of the October Revolution the fact is that the working class following the Second World War was despite many military and bureaucratic deformations the basis of political power in most of Eurasia and through the anti-communist union movement played an essential role in maintaining capitalism in Western Europe and the United States.

Working class power was contained within rival world systems during the twentieth century but overall workers progress as a class was impressive compared to 1789, 1848 or 1917. On this basis a tremendous expansion of the forces of production took place between 1945-80. However, in the years that followed the distorted socialism in the Soviet Union collapsed and capitalism fell into crisis and abandoned class compromise in favour of neoliberalism and globalization which gravely weakened the organized working class worldwide. Capitalism temporarily strengthened politically and economically but its underlying weaknesses forced it towards its current posture of financialization, war and imperialism. In this last phase the organized working class and the political left have suffered reverses including the collapse of the Soviet Union and eastern European socialism but the export of capital to the Global South has vastly expanded the size of the global working class. Moreover, the legitimacy of capitalism is universally questioned even in its home countries. Furthermore, it is becoming increasingly difficult to see how the crisis-ridden capitalist order can re-stabilize itself. Global class conflict is the order of the day.

Given its long history of struggle and repeatedly overcoming the defenses that capitalism has put up it is likely if not by any means certain that the working class will eventually conquer political power worldwide and institute socialism. Moreover, it is the doubly free working class which will plan and manage this new mode of production and civilization. Capitalism begins when labour power in increasing amounts is translated into value. More producers divorced from the means of production sell their labour power as a commodity in return for money to buy their subsistence and other commodities. Under such circumstances money which itself starts out as a commodity becomes capital, unconstrained and self-expanding value, value in motion.

Marx expresses this transformation by contrasting the direct form of the circulation of commodities C-M-C with M-C-M. In the first form money functions as the commodity money which enables the exchange of commodities. Here we are still in the stage of petty commodity production. Commodities are transformed into money to be exchanged for other commodities, selling to buy. But in contrast there is the form M-C-M buying to sell, the conversion of money into commodities and the reconversion of commodities into money. Money is transformed and now functions as capital. This is the way that money has functioned historically as merchants or usurers' capital in the tributary mode. The capitalist mode begins when the commodity bought is labour power purchased in increasing amounts and used by capitalists to produce commodities which are sold for money. In the process labour power becomes value, the surplus of which above the price of labour power being realized in part as profit. The latter can be reinvested as productive capital capable of creating expanding amounts of value.

The change in the function of money is critical to the appearance of capital. Money is what makes possible the liberation of labour power and its transformation into increasing amounts of value. Historically this liberation of labor power occurred in two steps. First of all, the direct power of landed property over the lives of producers based on relations of domination and servitude was eliminated and secondly the tie between the producers and the means of production was cut.

Hope and Pessimism

Today frankly there seems little prospect of an advance towards socialism in the immediate future. As a result of the ravages of neoliberalism, it is evident that the working class is disempowered. It is oligarchs and would-be dictators who are making the rules. But in a previous period of defeats for the fledgling working-class movement following the defeat of the revolutions of 1848 Marx had this to say about the future of the proletariat, those who owned and had nothing more to sell than their labour power. On our part, we do not mistake the shape of the shrewd spirit that continues to mark all these contradictions. We know that to work well the newfangled forces of society, they only want to be mastered by new-fangled men — and such are the working men. They are as much the invention of modern time as machinery itself. In the signs that bewilder the middle class, the aristocracy and the poor prophets of regression, we do recognise our brave friend, Robin Goodfellow, the old mole that can work in the earth so fast, that worthy pioneer — the Revolution (Marx 1856). That a ruling class made up of modern working men and women including engineers, technicians, scientists and other skilled workers at the top who make things work can run society in place of those who control capital remains a fundamental premise of socialism.

Wage Slavery and Capitalism

Among those who have recently challenged the unique importance of doubly free labour most notable has been Jairus Banaji. For him wage labour is just another form of unfree labour. The voluntary sale of labour power is not servitude but in fact its precondition according to him (Banaji 2010, 132). Banaji sees the wage worker as someone who is compelled to sell himself of his own free will (Banaji 2010, 133). The wage worker is independent of any employer but in the end, necessity compels him to sell his labour power to one or another employer. In other words, the freedom of choice of the worker is only an illusion. The worker is a slave to the wage he must earn for his livelihood. He is a slave not to any master but to the capitalist wage system.

But this is a view which was long ago acknowledged by Marx and Engels. Marx and Engels already noted in *The Holy Family* that the modern state is based on what they called a system of ‘emancipated slavery’ (1845, 4, 122). The theme of wage slavery was elaborated by Engels, and it became a major theme of *The Condition of the Working Class in England* (1845). It is a subject which had already been extensively developed by the so-called Tory philanthropists (Persky 1998). We might refer to these Tories not so much as philanthropists but rather as conservative paternalists who looked back fondly to the past when masters knew how to take care of their dependents and servants in contrast to the callous capitalist employers of the present. These Tory would-be benefactors of the proletariat stressed that far from wage workers in the present being better off and freer than those in dependent servitude the condition of the former was more precarious and miserable than that of serfs and slaves.

As a result of his own deep investigations Engels reached much the same conclusion. Moreover, like the Tory friends of the workers he was critical of the facile optimism of liberal apologists for capitalism with their talk of individual freedom including that of workers. The trope of wage slavery enabled him to expose the limits of the idea of the freedom of the wage earner and to bring home just how degraded the condition of the worker under capitalism is. In developing the theme of wage slavery Engels purpose was essentially political, that is, to underscore that in contrast to the liberal view that under capitalism in contrast to feudalism or slavery that workers had rights of personal freedom that in fact capitalism was a new form of slavery for workers.

Engels first reference to industrial capitalism as a system of slavery comes in his discussion of Manchester one of the new great centres of English industry. Engels observes that manufacture there and in the other industrial towns is made possible by the mass of workers who have migrated from the countryside and from Ireland and who now live in a state of poverty in wretched industrial slums. The lives of workers in overcrowded, broken-down and insalubrious housing testifies to the fact that only in the industrial epoch has it become possible that the worker scarcely freed from feudal servitude can be used as a mere material, a chattel, or in other words, an object completely at the disposition of or under the control of the capitalist (Engels 1845, 355). In other words, the experience of the emergent working class far from being an experience of liberal freedom is one in which they have passed from one form of servitude to another.

The legal basis of the worker's slavery is the labour contract Engels explains further in his narrative. It is true that the bourgeoisie offer the proletarian a choice of whether to accept work or not in contrast to a dependent slave or serf who directly constrained by master or lord has no choice except to work. The proletarian can choose to work or not. Moreover, his choice to accept work is reflected in his agreement to a legal contract. The terms of the contract specify that he can gain a living in return for his work. According to the contract his wage is the legal equivalent for his work. The contract he is presented with signifies that as a responsible agent he accepts this exchange of equivalents as a free and unconstrained choice. But since the employers have a complete monopoly over the proletarians means of existence both in fact and law the worker has no real freedom of choice. He must accept the contract because not to accept is to choose to starve. The threat of starvation is as coercive as the threat of the master's whip. He is as fully dependent on his employer as a slave is on his master (Engels 1845, 376).

The worker however is not the slave of the individual owner but of the ruling class. His situation is like a piece of goods whose price rises and falls according to market conditions. If it falls too low, he is left idle and can starve. The only difference between his condition and the older form of slavery is that the worker seems to be free in that he is no longer sold outright but only piece by piece by the hour, day, week or year. Instead of being sold by his owner he is forced to sell himself. He is not the slave of one person but of the whole property-owning class. At bottom there is no real change in the worker's circumstances. It is true that he has somewhat more freedom but on the other hand no one will guarantee his subsistence. He is at risk that the capitalist employer can withdraw his support in a moment and have nothing more to do with him leaving him without means of livelihood. This arrangement is actually an improvement for the employer who can get rid of the worker at his discretion and has no further responsibility for him (Engels 1845, 379).

Engels stresses the security of the peasant, indeed, the serf and the slave compared to the proletarian. Insecurity is a key characteristic of the latter. Small peasants, he notes, are usually poor but at least they have a certain security based on a small plot of land. On the other hand, the worker only has his own two hands, feeds himself today on what he earned the day before, is vulnerable to the least change in circumstances and crisis, is subject for his bare existence to the

whim of the employer and lives in the most abject and inhuman circumstances. The slave can secure his bare existence out of the self-interest of his owner, the serf can rely on the small plot allotted to him by the lord, but the worker can only rely on his own labour if he is fortunate to be employed which more often than not he is not. The ability to save or acquire any property is more or less foreclosed. The precariousness and hardship of his existence shape his character and way of life. He can and does rebel against the bourgeoisie who hold him in thrall but he also bows to circumstances and lives for the pleasures of the moment when he has work and wages are high to the scandal of the bourgeoisie (Engels 1845, 413).

Nowhere is the slavery of the proletarian more evident than in the factory. There all trace of freedom disappears in law and fact. If the operative arrives late, he is fined, punished and his wages withheld. He eats, drinks and rests on command of the employer. The employer in the factory is an absolute ruler; he regulates the conditions of production by decree no matter how ridiculous. If the worker raises objections and appeals to the law for protection the court points to the contract which he has entered of his free will and insists on obedience. The justice of the peace who enforces the contract is of course himself a bourgeois (Engels 1845, 467).

Support of bourgeois interests in the form of signatures on petitions, cheers at public meetings and votes in elections workers are available to the employer from the workers as are even the wives of the workers for the asking (Engels 1845, 476). Moreover, the worker is forced to buy his necessities and rent his dwelling in places owned by the employer (Engels 1845, 470-2). In conclusion Engels compares the modern proletarian with the medieval serf and finds that both conditions are forms of slavery. The serf was bound to the soil, so is the free workingman through the cottage and truck system which controls him by control of his consumption, housing and through debt. The serf owed his master the right of the first night — the free workingman must surrender to his master not only that, but the right of every night. The serf had no secure right to property, whatever he had could be appropriated by the lord. Likewise, the free working man has no property and because of the competition for work on the part of other workers is insufficient to accumulate any wealth. Relations between serf and lord were governed by custom and law. The laws governing relations between the worker and his employer are not obeyed because they go against the interest of the employer and do not coincide with existing custom.

The capitalist forces the worker to sell himself. The serf was the slave of the land on which he was born, the workingman is the slave of the money with which he must buy his necessities- both are *slaves of a thing*. The serf had a guarantee of the means of subsistence in the feudal order in which every member had his own place. The free workingman has no security at all because he has a place only when the bourgeoisie can make use of him.; The lord regarded his serf as a head of cattle; the employer regards his worker as a machine. The position of serf and worker are equal with the serf being somewhat better off. They are both slaves In short, the position of the two is not far from equal, and if either is at a disadvantage, it is the free workingman. Slaves they both are but the slavery of the one is open while that of the other is dissembled.

Engels concludes that the hypocritical disguised slavery in outward form; bows before a freedom-loving public opinion, and herein lies the historic progress as compared with the old servitude, that the *principle* of freedom is affirmed, and the oppressed will one day see to it that this principle is carried out recognises the right to freedom, at least out”(Engels 1845, 475-6).

That Marx fully shared Engels view is apparent from a letter dated 1853 in which he notes concerning the owners of a certain newspaper that ‘Can one expect them to understand that modern *bourgeois* civilisation is based on the slavery of wage -labour..... failed to see.... that *ancient* civilisation was founded on absolute slavery? Most certainly not.’(Marx, 1853, 12, 624). In *Capital*, Volume One, Marx, echoing Engels, sees the condition of the worker in the factory as part of a system of slavery (Marx 1976, 427). The transformation of the slave or the serf into the proletarian is a mere change of form (Marx 1976, 927). The reserve army of labour like the slave trade provides a surplus of labour which promotes over-exploitation (Marx 1976, 345).

Furthermore, Marx’s characterizes the situation of the craftsman in the early stage of capitalism as likewise a form of slavery. In his description of the division of labour that develops under the control of the capitalist the worker is consigned to a single specialized operation which narrows and dulls his capacities. In manufacture, as well as in simple co-operation, the collective working organism is a form of the existence of capital. The mechanism that is made up of numerous individual detail labourers belongs to the capitalist. Hence, the productive power resulting from a combination of labours appears to be the productive power of capital. Manufacture proper not only subjects the previously independent workman to the discipline and command of capital, but, in addition, creates a hierarchic gradation of the workmen themselves. While simple co-operation leaves the mode of working by the individual for the most part unchanged, manufacture thoroughly revolutionises it, and seizes labour power by its very roots.

It converts the labourer into a crippled monstrosity, by forcing his detail dexterity at the expense of a world of productive capabilities and instincts; just as in the States of La Plata in Argentina they butcher a whole beast for the sake of his hide or his tallow. Not only is the detail work distributed to the different individuals, but the individual himself is made the automatic motor of a fractional operation, and the absurd fable of Menenius Agrippa, which makes man a mere fragment of his own body, becomes realised (Marx 1976, 481). If, at first, the workman sells his labour power to capital, because the material means of producing a commodity fail him, now his very labour power refuses its services unless it has been sold to capital. Its functions can be exercised only in an environment that exists in the workshop of the capitalist after the sale. By nature unfitted to make anything independently, the manufacturing labourer develops productive activity as a mere appendage of the capitalist’s workshop. As the chosen people bore in their features the sign manual of Jehovah, so division of labour brands the manufacturing workman as the property of capital.

Wages and Freedom

Banaji’s view seems to have been confirmed by Engels and Marx acknowledging that wage labour is another form of slavery. However, we would be gravely mistaken to take Banaji as the last word on this matter. Marx’s view of the condition of the wage worker under capitalism is in fact two-sided from start to finish. In his view if not Engel’s there is a profound difference between the dependent slave and the free wage worker in favour of the latter. The freedom of the worker to sell his own labour power to which Banaji mistakenly assigns no positive value provides the foundation of the worker’s own self-liberation.

Marx’s anti-slavery views and particular his belief in the superiority of wage labour stem from the thinkers of the Enlightenment and from Adam Smith. The latter was convinced that wage labour was more inventive, cheaper and more productive than the work of a slave. According to Smith, wage labourers because they were paid a wage had a direct interest in the productive process that slaves lacked (Smith 1776). Marx’s discussion of the sale of labour power elaborates and

deepens this perspective. Here Marx duly affirms that slaves like workers produce not merely labor surplus but indeed surpluses of labour power:

The individual difference in the wages of different labourers who do the same kind of work. We find this individual difference, but are not deceived by it, in the system of slavery, where, frankly and openly, without any circumlocution, labour power itself is sold. Only, in the slave system, the advantage of a labour power above the average, and the disadvantage of a labour power below the average, affects the slave-owner; in the wage-labour system it affects the labourer himself, because his labour power is, in the one case, sold by himself, in the other, by a third person' (Marx 1976, 682, Brass 2014, 78:3, 288–311). That unfree labor-power is compatible with accumulation is in fact a view held by numerous Marxists extending from Marx himself, through Lenin and Trotsky, Eugen Varga, Jürgen Kuczynski, Maurice Dobb and Ernest Mandel (Brass and van der Linden, 1997, Brass 2007, 2011).

Marx's affirmation that the labor of slaves translates into labour power and that slave labour can be made to be more or less productive appears to settle in the affirmative the very controversial question as to whether slaves produce value. Moreover, it would seem to follow that if slave labour can produce value that other forms of unfree labour like debt slavery can likewise do so. This would appear to validate the idea that in tributary societies but also in capitalism a certain amount of value is produced by various forms of unfree labour as well as by petty producers. But the critical difference between free workers and slaves according to Marx is that the worker has a direct interest in developing his labour power which the slave and other unfree workers do not. According to Marx the worker has an incentive to make his work more productive because over time he has the possibility of making more money in order to buy more things in the market. The consumption of the free worker drives the latter to be more productive at work. 'Moreover, the ancients could purchase labour directly, a slave; but the slave could not buy money with his labour. An increase in money could make slaves dearer but could not make their labour more productive.' (Marx 1857, 157)

The worker because he can buy money with his labour has an incentive to work harder but the slave does not. The latter has to be forced to be more productive. The worker because he can buy money with his labour with which he can buy commodities has an incentive to work harder but the slave does not. The latter must be forced to be more productive. Marx makes an additional point: furthermore, Negro slavery - a purely industrial form of slavery- which in any case is incompatible with and disappears as a result of the development of bourgeois society — implies wage labour; if other, free, states with wage labour did not exist alongside slavery, but if it were isolated, all social conditions in the Negro states would immediately revert to pre-civilised forms (Ibid.).

Capitalism's existence depends on free labour. Slavery and other forms of unfree labour do exist as part of capitalist social formations. Moreover, they do produce value although this is limited due to the fact that they do not render themselves readily to the development of relative exploitation which is largely a product of wage labour at least initially. Moreover, without the existence of wage labour and relative exploitation capitalism ceases to develop and society reverts to one or another form of tributary mode of production. Unfree labour is not only less productive than free labour the absence of the latter makes capitalism impossible. Therefore, however important unfree labour has been to the existence of capitalism it can only be subsidiary to free labour.

The Freedom of Wage Labour

The liberatory potential of wage labour is especially highlighted in Marx's *Results of the Immediate Process of Production* which was first published in German and Russian in 1933 and was meant as an addition to Volume One of *Capital*. It was published in English for the first time in 1976 in the Penguin edition of the first volume of *Capital* with a brief introduction by Ernest Mandel (Marx 1976,943-1084) The continued employment of the free worker depends on the quality of his work in comparison to the performance of other workers while the slave is kept at work by compulsion (Marx 1976, 1031). The free worker individually earns more or less according to the quality of his work while the slave's remuneration is fixed by his condition (Marx 1976, 1031-2).

The free worker can change his master while the slave cannot. The level of wages is in general determined by the value of simple labour power. But still for the individual worker the quality of his work at times determines the actual level of his wages. To sell his labor at the best price the free worker works more intensely, more continuously, more flexibly and skillfully than the slave. Moreover, and because of his freedom, the worker has a very different historic destiny than the slave (Marx 1976, 1032-3). Once again Marx stresses the difference between the limited horizon of the slave who receives his subsistence directly or in natural form as food or use values and the worker who receives it in money form or in exchange value. Despite the meanness of his wage the worker has choices, whether to buy this commodity or that, whether to waste his money on drink, buy a newspaper or carefully save whatever he can. Within his limits he is a free agent, he must pay his own way, he is responsible for himself in the way he spends his money.

He learns to control himself in contrast to the slave who requires a master (Marx 1976, 1033). Here there seems to be a reference to the nature of the master-slave relation as conceived by Hegel. At first the slave is completely dependent on the master. But due to his work the slave develops himself and his capacities and the master ironically comes to depend on the slave. Hegel it seems viewed the development of the worker under capitalism in this light and Marx appears to have developed this trope into an overall view of the development of the worker under capitalism. It turns out that the freedom of the worker allows him a certain autonomy which permits him to develop himself in a way impossible for the dependent slave. The capitalist cannot coin the labour of the worker in the way that the labour of the slave is captured. It is out of this limited freedom that the working class made itself.

The labour power of the worker can be quite one-sided by virtue of the division of labour in the manufacturing and factory system according to Marx. However, in principle the free worker is ready to accept every variation of his labour power and activity for the sake of higher rewards. In the manufacturing system the worker functions as a kind of drone within the division of labour whereas in the factory system the worker both on the job and in the overall economy makes himself available for employment in whatever way available to him. Adaptability proves the key to survival in industrial society. We see this, says Marx, in the way the rural populations flood into the towns seeking wage work of whatever sought they can get. Should the worker prove unable to achieve this versatility he still sees it as open to the next generation. The new generation of workers subsequently can be distributed to and prove adaptable to new or expanding branches of industry (Marx 1976, 1034). In the United States this versatility or indifference to a particular line of work and readiness to move from one branch of industry to another is most evident.

It completely contrasts with the monotonous and traditional nature of slave labour which to operate requires sticking to the established labour process. The continual development of new kinds of work, ceaseless change which entails the multiplication of new use values, enhancement of exchange value and deepening of the division of labour, characterizes the capitalist mode of production (Marx 1976, 1034). But we might add that the latter characteristic steadily increases the inter-dependent or social nature of wage labour both at the point of production and in exchange relations and therefore its potential social and economic leverage. Furthermore, this remains the case regardless of the skill level of the workers. Moreover, such circumstances in principle favour the all-round social development of the worker and the development of his political awareness.

Marx evidently believed that despite the discipline imposed by factory work that the worker as part of industrial society becomes more well-rounded as compared to his over-specialized role in the manufacturing system. Such adaptability clearly is beyond the capacity of a slave or a serf. According to Marx the skill of the worker makes him into a kind of drone within the manufacturing workshop or in the factory. It's his adaptability or versatility which gives him leverage against the employer rather than necessarily his skill. This is an over-statement to be sure, but it should be borne in mind when we come to discuss the condition of the working class in the twenty-first century.

Consumption and Freedom

Marx himself considered the development of consumption therefore as a good thing. The worker is increasingly constrained at the point of production. But the possibilities of consumption and the cumulative development of new needs open the sphere of self-development. Earning money through the exercise of labour power and expending it on commodities we have seen was one of the key attributes of workers as distinct from serfs or slaves almost from the beginning of capitalism. Trying to obtain more money to increase such expenditure was fundamental to increasing workers incentives to produce more and to their self-development. But workers under capitalism were deprived of the most basic necessities a condition which only partially alleviated in the second part of the nineteenth century. Post-1945 mass consumerism limited to the advanced capitalist world was depoliticizing and desensitizing and became one of the key instruments for fighting the Cold War against communism. During that period workers in the advanced capitalist countries drowned themselves in an orgy of consumption as if making up for past deprivation and as compensation for the sense of alienation induced by capitalism.

The satisfaction of the needs of workers and the achievement of a certain affluence was always an objective of Marx and socialist parties and government. The level of consumption of the worker became a key indicator of the quality of life of workers. Marx and Marxists believe in a sustainable affluence rather than ascetism. At the same time because actually existing socialisms were created in under-developed states and in the face of imperialist opposition consumption levels tended to be insufficient. Meantime Marxists in the West tended to criticize the over-consumption practiced in the West. The Frankfurt School, Adorno, Fromm and Marcuse in the lead, along with many others were relentlessly hostile to it. But we see that the capitalist consumerism of the post-war was itself a mirage which began disappearing with the end of the Cold War. Consumer affluence was a pipedream for most people in the Global South during that period and is increasingly the case for workers and others in the West. Putting food on the table and paying the rent or mortgage has become increasingly problematic a startling new reality in the capitalist countries of the twenty-first century.

The advent of Taylorism, which reached its apex of U.S. influence during the 1910s, and Fordism, which dominated U.S. manufacturing from the 1920s through the 1960s, resulted in dramatic increases in productivity and profitability for employers. The earliest labor process studies, which were based on Harry Braverman's 1974 classic, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*, argued that Taylorism's implementation led simultaneously to work intensification and degradation for manual workers and to greater managerial production process control. Beginning in the 1970s, as U.S. Fordist production regimes transitioned to post-Fordism, which was characterized by approaches to lean production, many labor studies scholars who were critical of the U.S. trade union movement's business unionism viewed this new production regime as nothing more than an augmented Taylorism that would fuel further work intensification and degradation for most late twentieth century U.S. manufacturing employees.

The onset of AI has only intensified the view that workers are increasingly helpless or redundant in the face of these management initiatives. In reaction to these developments an enormous literature has developed for and against this view. Based on this research one can conclude that free workers creating value are and will be indispensable to the capitalist and to the prospect of socialism.