MARX'S CATEGORY OF SERVICE LABOUR

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This paper attempts to clarify some of the main points surrounding Marx's definition of service labour, as presented in the three volumes of Capital, Theories of Surplus Value, and many other works.*

This attempt seems to be necessary for several reasons. Firstly the problem of service workers in relation to Marx's categories of productive/unproductive labour has been a topic of discussion among Japanese Marxist economists since the end of the Second World War. Most of the participants in this prolonged debate over the socio-economical implications of these categories agree that the definitional distinction between these two types of labour is of great importance in Marx's overall theoretical framework. However, there has been much disagreement over what it means, particularly over the question of whether labour which does not result in material commodity can ever be productive. The majority have claimed that service labour should be perceived as productive because it creates surplus value as well as value. Attacking the view that productive labour must result in a material commodity, they have tried to prove that any type of labour can be value-creating if it is exchanged against capital. They have argued so by quoting Marx extensively to buttress their claim. Almost every one of them believes that his view is consonant with that of Marx. Curiously none of them admit that a good deal of rethinking is needed on the way in which the notion of service itself is represented in its original context. They don't even seem to care about what Marx himself meant by it. Consequently they fail to pose the proper question: "How can we recapitulate Marx's definition of service?" With so many shortcomings their arguments are frequently inconsistent with Marx's own writing and sometimes unsustainable in their own right.

Second and more important is the fact that there has been a continuing growth of service employment. In the years immediately following the Second World War, the major advanced capitalist economies have undergone unprecedented changes in industrial structuring. A central trend in these changes is described as the shift of labour and capital from goods-producing industries to services. However, this sort of description seems to be dubious, because, as R. A. Walker stressed in his article ("Is There A Service Economy? The Changing Capitalist Division of Labor," *Science & Society*, Vol. XLIX, No. 1, Spring 1985), in this type of argument, many disparate phenomena are haphazardly loaded onto a single overburdened concept, "services." To avoid such misconceived homogeneity, we have

^{*} To avoid unnecessary footnotes, references to these volumes are placed immediately after any quotaton. I refer to Capital as C, followed by the volume, and the page numbers in the Penguin editions, and Theories of Surplus Value as S, in the Moscow editions. In the same way, Results of the Immediate Process of Production as R, in the appendix of Captal I of the Penguin edition, Grundrisse as G, in the Pelican Marx Library, and A Contribution to the Critique of Political Economy as CC, in the Moscow edition.

to make a conscious effort to explore the conceptual meaning of "services" thoroughly and criticize the conventional use of it.

Lastly, the growth of so-called service economies makes it fashionable to claim that many advanced industrial societies have entered into a historically unique "post-industrial" stage. Although there has been total disagreement over the assessment of what they call "the demise of class conflict" at this historical stage, the post-industrialists share the same conventional wisdom that there are only two categories of employment, goods-producing and service-rendering. The underlying notion of the post-industrialists' thesis is such a dichotomy. By accepting it without being aware of its methodological trap, Marxists have consequently failed to see that the post-industrial thesis is only a superficial reading of fundamental changes in contemporary capitalism. With these points in mind, this paper is divided into two parts.

The first part is an attempt to find out precisely what Marx means by the term "service." The socio-economical implication of service, which is deeply embedded in Marx's theory of capital, is presented in his *Capital* and other economic writings. By summarizing and reproducing, where necessary, his writing on the subject, I shall show how the concept "service" is situated in Marx's original text.

In the second part, I will attempt to make clear how the theoretical consistency could be sustained in relation to the theory of productive/unproductive labour. The question is whether service labour can be regarded as productive, that is, whether it can produce value and surplus value. The bulk of contemporary economic literature on this issue assumes that any human activity for which money is paid in the market, can be productive of utility, whether for goods or services. For them, the question has little meaning. Though it is the case within the theoretical framework of neo-classical utility, Marxists should concentrate much more on social relations in production than on the mere creation of utility. So the distinction between productive and unproductive labour and its relation to the definition of service labour is crucial in its theoretical sense.

I. Service in General

What is Service?

The category "service" is conventionally defined in contrast to goods. This conventional view sees services everywhere in developed economies and is accepted by what may be called bourgeois or vulgar economics. There has been, in it, an acceptance of Marshall's notion that prices paid in the market are the only measure we have of people's relative marginal utilities. From this perspective, it is argued that any human activity for which money is paid in the market must have produced either goods or services. Naturally this argument is coupled with the common knowledge that services are not tangible, neither discrete nor mobile, and disappear at the moment of consumption. Obviously this view of service originated with Adam Smith. And it is Marx who criticizes such a Smithian understanding in volume I of Capital:

A service is nothing other than the useful work [Wirkung] of a use-value, be it that of a commodity, or that of the labour. (C I, 299-300)

In this definition, Marx implies that there exist two kinds of service, i.e. the service of a commodity and the service of the labour. He also spells out that the service is the useful work of a use-value of either commodity or labour. In Marx's understanding, the concept of service has little to do with the specific form of capitalism, because it is mainly a question of utility or use-value, not of surplus-value. In contrast to the many historically specific concepts which are ingredients of Marx's theory of political economy, service can be, among others, viewed from the point of the labour process in general and represented as an ahistorical concept. And, to distinguish this one from those services conceived from the historical point of view, we can call it for the moment "service in general".* To understand the full meaning of this conceptual implication, we have to look more closely at the conceptual relationship between service and useful work in each case of commodity and labour. In other words, we have to raise the question, "What constitutes a use-value?"

2. Commodity and Service

As to the service of a commodity, Marx makes the following remark in his Contribution:

A commodity as a use-value has an eminently material function. Wheat for example is used as food. A machine replaces a certain amount of labour. This function, by virtue of which a commodity is a use-value, an article of consumption, may be called its service, the service it renders as a use-value. (CC, 37)

It seems clear that the service of a commodity is defined as the useful work which is given to us either in the process of productive consumption of a machine or in the process of unproductive consumption of wheat. In other words, a machine, so long as it is a useful component of a production line, renders any service in its operation. Wheat, so long as it is a useful ingredient of consumption, renders any service in its digestive process. It is important to note that the concept of service is mentioned only in reference to the consumption (be it productive or not). This type of service, and its conceptual implication as well, has been overlooked by many Marxist economists. Accepting the conventional dichotomy of goods and services, they have dismissed Marx's remark that even goods could render their own service.

3. Labour and Service

On the other hand, referring to another kind of service, namely service of labour, Marx states in Result:

^{*} For this reason, it is necessary to note that the term "service" can be conceived from two different angles. One is the general viewpoint conceived from the labour process [i.e. the general and basic meaning from the point of view of the mere labour process of production]. The other is the historical viewpoint under capitalist production [i.e. the historical meaning from the point of view of a specific social form of capitalist production].

In general, we may say that service is merely an expression for the particular use-value of labour where the latter is useful not as an article, but as an activity. (R, 1047)

More specifically in Surplus Value:

Where the direct exchange of money for labour takes place without the latter producing capital, where it is therefore not productive labour, it is bought as service, which in general is nothing but a term for the particular use-value which the labour provides, like any other commodity; it is however a specific term for the particular use-value of labour in so far as it does not render service in the form of a thing, but in the form of an activity, which however in no way distinguishes it for example from a machine, for instance a clock. (SI, 403-4)

Marx seems to insist that the labour renders its service "not as an article, but as an activity," nor "in the form of a thing, but in the form of an activity." If we stick to these passage as the only clue to the question, we may be fully but wrongly convinced that Marx and Smith are on the same line as to the definition of service. However, we have to be more cautious in interpreting these passages, since Marx represents here only a part of his argument. Another side of his idea can be seen in his *Grundrisse*, where Marx distinguishes the case of "service in kind [Naturaldienst], or service objectified in a thing" (G, 467), from "the case of personal services, [where] this use-value is consumed as such without making the transition from the form of movement [Bewegung] into the form of the object [Sache]" (G, 466). We can find the former case historically, according to Marx, "for example, when the peasant takes a wandering tailor, of the kind that existed in times past, into his house, and gives him the material to make clothes with" (G, 465). And we can exemplify the latter case when "I give money to a doctor to patch up my health" (ibid.). This characterization is briefly recapitulated in *Theories of Surplus Value*:

Certain services, or the use-values, resulting from certain forms of activity or labour are embodied in commodities; others on the contrary leave no tangible result existing apart from the persons themselves who perform them; in other words, their result is not a vendable commodity. (SI, 405)

Thus, it is clear that any labour (as far as it holds a use-value) could render two different types of service: service in kind and personal service. The former is service which is embodied in a commodity, while the latter is consumed as a form of movement or, as Smith expresses, "perishes in the very instant of its performance." Here, what is important is the fact that any labour can render its own service. Also important is the fact that Marx points out two different types of service of labour, one of which Smith and his followers have neglected, and also the fact that service of living labour can be brought out in the process of its consumption as the productive activity, not in the result of the activity.

To sum up, then, by following Marx, we can define service as any form of useful work [Wirkung] of a use-value, and that it represents itself in its consumption, not in the result but in the process.

II. Service in Particular

1. Labour as Service

Having looked at Marx's concept of service itself, or the definition of service in general, we can now examine the same issue from another angle, that is, the definition of service in its social form. The question, then, is what kind of social relations should be needed for labour and commodity to be consumed only as service or use-value? This question is partly answered in the following passage:

If A exchanges a value or money [i.e. objectified labour] in order to obtain a service from B [i.e. living labour] then this can belong within the relation of simple circulation. (G, 465)

In such a simple circulation, as Marx states,

The money which A here exchanges for living labour—service in kind, or service objectified in a thing—is not capital but revenue, money as a medium of circulation in order to obtain use-value, money in which the form of value is posited as merely vanishing, not money which preserves and realizes itself as such through the acquisition of labour. Exchange of money as revenue, as a mere medium of circulation, for labour, can never posit money as capital, nor, therefore, labour as wage labour in the economic sense. (G, 467)

What Marx stresses here is the marked contrast between simple circulation, in which service-labour has its own place, and the capitalist situation, in which wage-labour is employed. The simple purchase of labour-services with money is not the main concern of those whose aim is to exploit the surplus from labour-power by putting it under control.

Clearly, from this stage, the context of the argument has changed. It is no longer a question of the simple expenditure of labour in the labour process, nor, for that matter, does Marx mean to imply that service-labour is only that which results in a socially useful effect. Rather, since the production of surplus-value is the basis of capitalist production, only that labour which produces or brings surplus-value can be regarded as wage-labour from the point of view of that mode of production. That labour which remains outside the grasp of the capitalist mode of production has to be called otherwise, service-labour. Then service-labour can be defined as that labour which is exchanged for revenue rather than for capital. In contrast, wage-labour is that which is employed only in the expectation of surplus-value rather than use-value, and can not be exchanged for revenue but only for capital. So, the same labour could be either service-labour or wage-labour, depending upon the manner and way in which it is employed. This is the second point which the conventional view of service has dismissed. In sum, service-labour or, more correctly, "labour as service" in Marx's terminology, is the unproductive social form in which labour is exchanged for revenue.

So, it is quite important to draw a clear distinction between service-labour and wage-labour, even though the latter can produce commodities, and a use-value as well, and so far as it is useful, it might render its service in its realisation of potential abilities. Marx criticizes such a confusion:

Instead of speaking of wage-labour, the term "service" is used. This word again omits the specific characteristic of wage-labour and of its use—namely, that it increases the value of the commodities against which it is exchanged, that it creates surplus-value—and in doing so, it disregards the specific relationship through which money and commodities are transformed into capital. "Service" is labour seen only as use-value (which is a side issue in capitalist production) just as the term "productions" fails to express the essence of commodity and its inherent contradiction. (SII, 501)

Here, Marx is clearly criticizing J. B. Say's vulgarized view, which says nothing about capitalist relations but much about simple circulation, nothing about the secret of production of surplus-value but much about the consumption of use-value. Marx stresses the relevance of this distinction in the following passage:

The distinction made between labourers who live on capital and those who live on revenue is concerned with the form of labour. It expresses the whole difference between a capitalist and a non-capitalist mode of production. (SIII, 432)

This distinction between service-labour and wage-labour is identical to that which is made between unproductive labour and productive labour from the point of view of capitalist production.

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

And,

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

To sum up, while labour being exchanged for capital, i.e. wage-labour, brings forth surplusvalue and is productive of capital, labour being exchanged for revenue, i.e. service-labour, is consumed merely as use-value rendering a service and is therefore unproductive of capital.

2. Wage-Labour Productive of Value

It follows that any wage-labour is the only possible productive form of labour, since it brings surplus-value to capitalists. However, not all the wage-labourers that can be mobilized by the capitalist accumulation strategy, are productive of value. Some kinds of

wage-labourer, although they are necessary for the capitalist economy as a whole, cannot create value or surplus-value, since they perform such unproductive functions as commerce, finance, insurance, marketing, advertising and speculation. Their functions contribute only to the realization, transformation and appropriation of that value which has already been created by the productive labourer.

Of course, they are, as Marx refers to commercial wage-labour, "directly productive" for the capitalist who employs them, because "their unpaid labour, even thoguh it does not create surplus-value, does facilitate his ability to appropriate surplus-value, which as far as this capital[ist] is concerned, gives exactly the same result; i.e. it is its source of profit" (CIII, 407). All these forms of commercial and financial labour, all those who add nothing to the value of the commodities which they handle, are to be classified as wage-labour unproductive of value. As Marx states, "What he brings in is the function, not of any direct creation of surplus-value, but of his assistance in reducing the cost of realizing surplus-value, in so far as he performs labour (part of it unpaid)." (CIII, 414) Therefore, as to the concept of productive labour, it is necessary to distinguish labour productive of value [i.e. the value-creating character of labour] from labour productive of capital [i.e. the general form of wage-labour]. And then, a further question raises here: "Which kind of labour is value-creating?" In other words, what conditions are necessary for wage-lanour to be productive of value?

In order to mark the boundary of value-creating labour, it is necessary to tackle it from two different points of view—the division of labour inside and outside the factory.

With the development of capitalist economy, the division of labour within the factory becomes so complex that each worker can now be considered productive only in the sense that different jobs and various functions collectively produce a use-value as the final product. The totality or cooperative nature of these workers, to which Marx refers as the collective labourer, makes the concept of value-creating labour even larger and more extensive than before. Now they, as individuals, don't need to put their hands to the object (CI, 643-4, SI, 411-2).

Thus, nowadays, large numbers of overseers, engineers, directors etc., who have nothing to do with the working up of raw materials, are included in the category of labour productive of value, so long as they engage in producing the common product collectively. In so far as each of them represents an organ or a constituent part of the collective labourer, it is no longer necessary that the result of his or her activity must be materialized directly in the tangible goods.

While the development of the division of labour within the factory could make the concept of value-creating labour become much wider, the notion of the social division of labour tends to make the boundary between two different types of labour rather rigidly fixed by applying the concept of value-creative labour to the sphere of material production.

As Marx refers:

In addition to extractive industry, agriculture and manufacture, there exists yet a fourth sphere of material production, which also passes through the various stages of handicraft industry, manufacture and mechanical industry; this is the transport industry, transporting either people or commodities. (SI, 412)

In material production, all that useful labour can do is merely to change the form of the mate-

rials. It can neither create them nor make them vanish. So, it is necessary to note that the materiality of the production process is not in the physical nature of the product. In other words, we should not understand the materiality of the production as being "some particular subject or vendable commodity, which lasts for some time at least after labour is past." Clearly this understanding is in Smith (Wealth of Nations, London, 1970, p. 430). Marx criticizes it in the following passage.

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

So, the materiality does not lie in the result but in the particular way of changing—that is the chemical, physical and biological modification in which the natural scientific law dominates. For example, what the transport industry sells is the actual change of place, and this spatial change is the result of the production process accomplished by the useful labour of transport workers. In the same sense that the biological change of crops constitutes the main part of agriculture, and the manufacturing industry can make use of the physical and chemical changing process to meet its technological and engineering demands, so we can say that it is that spatial changing process which characterizes the materiality of the transport industry. Marx's reference to transport labour, therefore, makes clear that the definition of value-creative labour has nothing to do with the natural form of labour or whether it has left a visible trace in its result or not, but much to do with the nature of the productive process itself.

Following Marx, we can demolish the flimsy analytics of conventional service theory which focuses its attention merely on the tangible outcome of the labour-process. Also we can define wage-labour which is productive of value as that which is not only exchanged for capital but also useful as an organ or a member of the collective labourer in such an industrial sphere of material production as extractive industry, agriculture, manufacture and transport.

3. Commodity as Service

What is true for the use-value of labour also holds true for that of commodity. As we can now define service as the useful work of a use-value, it's quite fair to say, in contrast to the conventional wisdom, that goods as useful objects can render any service as well. The service which is performed in the process of realizing the use-value of the commodity, can be called goods-service. There are two types of goods-service: (1) the means of production, such as a machine operating in production, (2) the means of subsistence, such as a coat being consumed in daily use.

Regarding the goods-service of the means of subsistence, as for wheat, coats etc., Marx makes the following remarks:

In the first case, [where the duration of labour necessary for the production of a coat is doubled], one coat is worth as much as two coats were before; in the second case, [where the duration of the labour necessary for the production of a coat is halved], two coats are only worth as much as one was before, although in both cases one coat performs the same service, and the useful labour contained in it remains of the same quality. (CI, 136)

The goods-service, which is performed by coats as clothes and wheat as food, is intended to meet the needs of our daily life. This category then is an ahistorical one and can only be relevant to the analysis of the use-value of commodities:

The use-value of commodities provides the material for a special branch of knowledge, namely the commercial knowledge of commodities. (CI, 126)

As to the goods-service of the means of production, Marx apparently handles it from the viewpoint of the labour process, not from that of the particular social form [i.e. the social relations of production]. As the notion of the labour process should be taken independently of any specific social formation, every element of that process can be seen as a use-value. In other words, as Marx refers, "in the labour process it serves only as a use-value, a thing with useful properties" (CI, 314). Machinery can be seen as a combination of tools operating as the factor forming the use-value of the product, and the same machine operates as the main tool for creating the exchange-value. The distinction between these two aspects, however, is not negligible by any means. Marx refers to it as following:

Given the rate at which machinery transfers its value to the product, the amount of value so transferred depends on the total value of the machinery. The less labour it contains, the less value it contributes to the product. The less value it gives up, the more productive it is, and the more its services approach those rendered by natural forces. But the production of machinery lessens its value in relation to its extension and efficacy. (CI, 512)

Or.

In the same proportion as these instruments of labour serve as agencies in the formation of products without adding value to those products, i.e. in the same proportion as they are wholly employed but only partly consumed, to that degree do they perform, as we saw earlier, the same free service as the forces of nature, such as water, steam, air and electricity. The free service of past labour, when it is seized on and filled with vitality by living labour, accumulates progressively as accumulation takes place on a larger and larger scale. (CI, 757)

In this passage the statement is clear. While machinery renders service costly, and transfers the cost to the product, natural forces such as water, steam, air and electricity, could be mobilized and appropriated to the productive process and eventually render service free, since they cost nothing. In any case, service rendered by these productive factors—machinery and natural forces—whether it is free or not, is to be seen from the viewpoint of labour process or producing use-value.

However, if we look at the same factors from another viewpoint, i.e. that of valorization or producing surplus-value, there emerges a different picture. All productive units operating in the labour process can no longer count as such. Now they represent merely the embodiment of a certain amount of materialized labour, and by being active in the capitalist labour process, they turn suddenly into the physical object which is only destined to absorb more living labour from the labour-power.

To the capitalist, goods-service or the useful quality of productive units, due to which they serve as a means of production, is just one of the requirements for creating surplus-value. From this point Marx steps forward by telling us "the specific service," as shown in the following,

What was really decisive for him [the capitalist] was the specific use-value which this commodity possesses of being a source not only of value, but of more value than it has itself. This is the specific service the capitalist expects from labour power, and in this transaction he acts in accordance with the eternal law of commodity-exchange. (CI, 300-1)

Here indeed Marx calls this specific use-value by the term of "the specific service." However, "the specific service," which is expected under a specifically capitalist relationship has little to do with the original meaning of service because the term is used here only in the sense of the metaphor. These expressions differ widely in their historical dimension. It can be said that commodity, as well as labour-power, has two different use-values. One is for individual consumers, the other is for the particular consumer, namely the capitalist. For the capitalist, what matters is not the original use-value as a particular form of tangible object. Rather the only thing that matters is the use-value in this second sense, whose general but peculiar connotation can be attributed to the specific role which it plays in the capitalist production process.

If we consider the process of production from the point of view of the simple labour process, the worker is related to the means of production, not in their quality as capital, but as being the mere means and material of his own purposeful productive activity. (CI, 425)

The instrument of labour confronts the worker during the labour process in the shape of capital, dead labour, which dominates and soaks up living labour. (CI, 548)

It is precisely this nature of the power to dominate and soak up living labour which the term "specific use-value" signifies. We have now reached a clear understanding of the concept of the specific service which explains how unity of the process of valorization and the real labour process could be achieved.

Unable to understand the theoretical implication of specific use-value, political economists prove themselves incapable of distinguishing theoretically the capitalist production process from the labour process. Nor can they identify the clear difference between service in general, which labour and machine render as a use-value in the labour process, and the specific service which the same labour and machine do as the "value valorizing itself" (R, 1060) for the capitalist in the valorization process. They just mess up the whole distinction between the two processes and quite wrongly reduce one to the other, as Marx criticizes:

As far as the productivity of capital in relation to use-value is concerned, this is construed by Smith, Ricardo and others, and by political economists in general, as meaning nothing else than that products of previous useful work serve anew as means of production, as objects of labour, instruments of labour and means of subsistence for the works. (SIII, 264)

With reference to this misinterpretation, Marx criticizes the vulgar economist who studiously "flees from capital as value to the material substance of capital; to its use-value as one of labour's conditions of production, i.e. machinery, raw material, etc." (CIII, 956) Referring to "the view adopted by J. B. Say, who claims to derive surplus-value (interest, profit, rent) from the 'services productifs' rendered by the means of production (land, instruments of labour, raw material) in the labour process via their use-value" (CI, 314, FN3), Marx states with heavy irony:

It is easy to understand what "service" the category "service" must render to economists like J. B. Say and F. Bastiat. (CI, 300, FN17)

Although Marx's criticism here seems to remind us of the double standards of the category, the main target of his argument is to uncover the absurdity and stupidity which the vulgar theory shows us in trying to explain the very particular problems pertaining to the capitalist economy by using an ahistorical category. It is important to note that both the popular thesis of "post industrial society" and the conventional notion of "service" share the same absurdity.

III. Conclusion

The preceding references to Marx's text have shown us that his concept of service is totally different from the conventional one. There are several socio-economical implications in this plain fact. The most important one is that it can lead us to a fundamental criticism of the conventional post-industrial argument, which tries to persuade us that we have entered a new era, an era which can be termed the "service" society. According to their argument, the "service" society is characterized only by the simple fact that most of its employment is in the "service" sectors. However, these sectors include so many different activities. Furthermore, the constituent parts of these sectors are much less homogeneous in terms of socio-economical functions. Noticeably absent from any discussion along the line of the conventional post-industrial thesis is a clear notion or functional definition of service. A disaggregation of this sector into sub-divisions will be necessary. A functional identification of each activity will be needed. From Marx's critical viewpoint, the conventional notion and theory of "services" should be dismissed for reasons of their own misconceived nature. This does not mean mere replacement of the conventional concept with Marx's, as is often the case with some Japanese Marxist economists who take the post-industrial hypothesis for granted. As stated above, the purported new "service" society is not to be found in Marx's concept of service, the implications of which are quite ahistorical. In other words, the dramatic change within and without the advanced capitalist societies, which indicates seemingly the advent of "service" society, can not be grasped by conventional "service" theory, nor by Marx's. Rather, as R. A. Walker (op. cit.) stresses, the problem which post-industrialism has posed should be tackled within the general framework of the industrial capitalist system. Unless we put the concept of service in such a context, we will fail to find out the structural consistency that causes such change.

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