

Phil 114, April 18, 2012
Marx, *Capital*, Vol. 1, Ch. 1–3 (up through Sect. 2.A)

Use-value, Exchange-value, and Commodities:

The capitalist mode of production is one that produces *commodities*. But what is a “commodity”?

First, a commodity must be something with a “use-value.” That is, it must have properties that allow it to serve some human need or want.

- Use-value does *not* depend on the amount of labor involved in producing the commodity. (Why is this relevant? We’ll see in a moment.)
- Use-value is *realized only in consumption*.
- Marx describes use-value as the “substance of all wealth, whatever may be the social form of wealth.” This *seems to suggest* that use-value is, in some sense, what really matters, what it makes sense to care about

Second, a commodity must be something with an “exchange-value.” The exchange-value of a commodity with a certain use-value (e.g., corn) is a matter of the proportion at which it is exchanged for a commodity with another use-value (e.g. iron).

- This means that something that one makes solely for one’s own use is not a commodity. It becomes a commodity only when it is created for free-floating, open-end exchange.
- And this means that commodities have only “social reality.” The very same (useful) object in a different social context might not be a commodity.

Why do commodities have the exchange-value they have?

- Marx thinks, plausibly, there is some systematic answer to this question.
- He also thinks, more questionably, that there is something that all commodities have in common in virtue of which certain proportions of them can be equated. Just as a pound of iron and a pound of corn have something in common—namely, weight—in virtue of which they can be balanced on scales, likewise the relevant amounts of iron and corn must have something in common in virtue of which they are exchanged.
- Clearly, this something is not use-value.
- So what is it? Roughly, the amount of labor that went into its production.
- More precisely, the *unskilled labor time socially necessary* for its production.
- This means that, if we decrease the labor needed to produce a commodity (e.g., by adopting more efficient techniques), then...
 - ...on the one hand, as a society, we can produce more use-value, an increase in “substantial” wealth.
 - ...on the other hand, the exchange-value of the commodity *falls*.
- *Money* isn’t what makes commodities commensurable. Money is just one more commodity, already commensurable with the others by virtue of the human labor it contains, that is useful as a medium of exchange and measure of value.

The ordinary exchange of commodities takes the form:

C(ommodity)1—M(oney)—C(ommodity)2.

E.g., Weaver makes linen to sell. Sells linen for money. Uses money to buy Bible. Realizes the

use-value of the Bible (“such as it is!” Marx thinks).

The capitalist, by contrast, pursues a different circuit:

M(oney)—C(ommodity)—M(o’ money).

But that raises a question? How does money become mo’? Mo’ on this next time.

Commodity “fetishism”:

In ordinary usage, to “fetishize” an object (e.g., a sacred relic) is to treat it as having powers (e.g., magical powers to curse or heal) that it does not in fact have. Under the heading of the “fetishism” of commodities, Marx appears to advance two theses:

1. People perceive the exchange-value of a commodity as something that that commodity has independently, in its own right, whereas in fact it depends entirely on the labor spent on its production.
2. The social relations among producers are both (i) obscured by and (ii) controlled by relations of exchange among these objects.
 - I “atomically” brew coffee on my own. You “atomically” fry donuts on your own. We relate, as producers, only through the act of exchanging coffee for donuts.
 - First, we don’t pay attention to the fact that this act of exchange, which seems like mere objects changing hands, in effect organizes and structures our laboring activity.
 - Second, our laboring activity is in effect controlled by the exchange of these objects. It is opportunities for exchanging these objects that determine how we labor.

These phenomena—1 and 2—are features of bourgeois, capitalist economic structures, which are organized around the exchange of commodities, but not of other possible economic structures.

- Robinson Crusoe would not be subject to the illusion in 1. He keeps track of the labor time that he has spent producing his various products (not commodities!).
- In a feudal epoch there is nothing like 2(i). Serfs know full well what their social relations of production are. They work on their lord’s land a certain number of days. And there is nothing like 2(ii). The lord—a person, not an object—controls those relations of production.
- An imagined “community of free individuals, carrying on their work with the means of production in common, in which the labor power of all the different individuals is consciously applied as the combined labor power of the community.... We will assume, but merely for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labor time. Labor time would, in that case, play a double part. Its apportionment in accordance with a definite social plan maintains the proper proportion between the different kinds of work to be done and the various wants of the community. On the other hand, it also serves as a measure of the portion of the common labor borne by each individual, and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, with regard both to their labor and to its products, are in this case perfectly simple and intelligible, and that with regard not only to production but also to distribution.”
- But such a community can only be realized once the “pre-history” of human society

comes to a close, and capitalism gives way to what comes after. “The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by freely associated men, and is consciously regulated by them in accordance with a settled plan. This, however, demands for society a certain material groundwork or set of conditions of existence which in their turn are the spontaneous product of a long and painful process of development.”

Why is fetish 1 problematic?

- A. People are alienated from their own laboring activity and the fruits of that activity. They do not see that the product has the value that it has because of what they have done. (Compare a great artist or composer who suffers from amnesia, and so does not realize that the masterpiece is his own.)
- B. Because people do not see that objects have exchange value because of their labor, they may not fail to see clearly that existing social relations are objectionable. They may not realize that they are being *exploited*. They may not realize that they are *entitled to a larger share* of the social product—at least if (and it is not clear whether this is Marx’s view) one’s entitlement to a share of the social product depends on the labor that he or she has contributed.

Why is fetish 2 problematic?

- A. Because people’s social relations as producers are masked by relations of exchange among objects, again they may fail to see clearly that existing social relations are objectionable.
- B. Because people, collectively, are not in control of social relations as producers, again, objectionable relations can arise and persist.
- C. The mere fact that we are not, collectively, in control of social relations as producers may itself be objectionable. It may mean a kind of lack of autonomy. “[T]he process of production has mastery over man”

Is the labor theory of value defensible?

- *Strongest* labor theory of value: Any two commodities are *always* exchanged so as to equalize the labor spent in producing them. ...implies...
- *Strong* labor theory of value: Any two commodities are *in equilibrium* exchanged so as to equalize the labor spent in producing them. ...implies...
- *Weaker* labor theory of value: The proportions in which two commodities are exchanged *in equilibrium are in some way determined exclusively* by the labor spent in producing them.

In the reading for today, Marx seems to hold the strong theory, although not the strongest theory. Elsewhere, however, he seems only to hold something more like the weaker theory; at least he seems to hold views that contradict the strong theory, at least as a theory of *prices*. Other economists at the time (e.g., Ricardo) also held similar views. However, it is *not at all* the orthodox view in modern economics.

On even the weaker labor theory, exchange-value does not depend on...

- ...*psychological factors*, such as how much people want a particular commodity or how much people want to avoid a particular kind of labor (although Marx does hold that the commodity must serve *some* want to *some* extent, because it must have *some* use-value).
- ...other *factors of production*, such as tools, raw materials, differences in skill (although Marx will say that these factors of production *themselves* contain labor, and so that the value that they seem to contribute is really just the labor that they contain).

Review Questions:

1. What does Marx mean when he writes the following?
A commodity is therefore a mysterious thing, simply because in it the social character of men's labor appears to them as an objective character stamped upon the product of that labor; because the relation of the producers to the sum total of their own labor is presented to them as a social relation, existing not between themselves, but between the products of their labor.
2. Under what conditions is a psquizzle a commodity, for Marx?
3. Tweedledum, with some psquizzles, meets Tweedledee, with some psquazzles, in the market. According to Marx, do we need to know anything about T. and T. in order to predict how many psquizzles will be traded for how many psquazzles? What do we need to know in order to predict it?