

## A Faint Rattling: A Research Note on Marx's Theory of Value

Mark P. Worrell  
*SUNY Cortland, New York, USA*

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### Introduction

David Harvey has recently made available a cornucopia of video lectures at his official web site dedicated to a 'close reading' of Marx's *Capital* (Harvey, 2008). However, in his first lecture he demonstrates the relativity of 'close' when he says:

Three fundamental concepts: use-value, exchange-value, and value. Value is what is passed on in the process of commodity exchange. It's the hidden element in a commodity that makes all commodities, in principle, exchangeable with each other ... Values are represented, now, by exchange-value ... Exchange-value is a representation of value... (2008: 1:07:47–1:10:08)

Harvey makes two notable errors: on the one hand, he misrepresents the structure of Marx's value concept and, secondly, he misconstrues the specific, synthetic-transformative function of the exchange relation itself (note the phrase 'passed on' as if value may have already 'been there' and may even persist somehow in a post-exchange 'afterlife') such that value is hypostatized. Additionally, as we will see later, Harvey also misplaces the price concept as a social representation of value. The above problems are worth considering, if only briefly, because when we examine the standard interpretations of Marx we find that Harvey is far from alone in spinning this familiar yarn and the consequence of doing so is the difference between 'social science' and critical sociology.

### Marx's Sociological Theory of Value

According to Harvey, 'exchange-value' is distinct from 'value' such that we have a three-form schematic:

- 1) use-value,
- 2) exchange-value (which, according to Harvey, is identical with price), and
- 3) value.

What Marx actually gives us is something different:

- a) use-value (or utility);
- b) exchange-value (value); and
- c) price.

Setting aside use-value for the moment, if we take Harvey's assertion seriously, that value represents a substance distinct from exchange-value, then it automatically implies that *one form of value is related to exchange and that there is another form that is somehow unrelated to exchange: exchange-value plus a non-exchange-value.*

Clearly, for Marx, value persisting beyond the exchange moment is merely fetishism since it is the exchange relation itself wherein value makes its appearance. Overshooting into metaphysics or falling short by way of simple materialism means that Marx's social-realism and the dynamic currents in his theory of the commodity ossify into a form of everyday thinking – a venerable tradition in Marxology, e.g. Hilferding, who imagines gold as possessing 'intrinsic value' and being capable of 'storing wealth' (1981 [1910]: 58). If value is already a fetish form of consciousness then the standard reading or one of its variants heaps fetishization on top of fetishization. We cannot sustain both positions: value cannot be both inside and outside the exchange relation – though thinkers routinely juggle both thoughts simultaneously.

In a recent book, case in point, Žižek claims to have solved the problem:

Value is created in the production process; however, it is, as it were, created there only potentially, since it is only *actualized* as value when the produced commodity is sold and the circle 'M-C-M' is thus completed. Crucial is this temporal *gap* between the production of value and its actualization: even if value is produced in production, without the successful completion of the process of circulation, there is *stricto sensu* no value – the temporality is here that of the *futur antérieur*, in other words, value 'is' not immediately, it only 'will have been', it is retroactively actualized, performatively enacted. In production, value is generated 'in itself', while only through the completed circulation process does it become 'for itself'. This is how Kojin Karatani resolves the *Kantian* [emphasis added] antinomy of value which *is and is not* generated in the process of production: it is generated there only 'in itself'. (2008: 372–3).

Does Žižek, with Karatani, resolve the antinomies of value or does this formulation collapse into inconsistency as well? The notion that a labor product represents a 'potential' value could run in two directions: 'potential' could mean that the labor product enjoys an open-ended trajectory beyond the labor process but, for Žižek, by conceiving of the labor product as already a commodity at the point of production, we are presented

with an Aristotelian *entelechy* that presupposes that the labor product can only ‘actualize’ itself in the form of a commodity – and notice how Žižek attempts a reconciliation by hinging the argument on pure ‘temporality’ rather than the space-time of the exchange moment proper; it is as if Žižek misses his target twice: the first shot is over-real and the second is skeptical. Again, the misreading lies in the notion of value as ghostly substance persisting *beyond* exchange. On one level, Žižek ‘knows’ there is no value ‘there’ (where it should not be) but cannot formulate the problem correctly, which would be: under the spell of value consciousness finds it where it is not. One last example that showcases a fetish interpretation will suffice for now.

After providing what appears to be a highly competent summary of Marx’s theory of the commodity Webber and Rigby (1996: 99) make the following claim: ‘Commodities then are those things that store objective value: value is a property of some kinds of commodities. A commodity is a thing that stores objective value.’ This is not simply an ambiguous reading but mystification. Here, the authors want us to think that commodities *have* value – one is reminded of crude forms of linguistics where words ‘have’ meaning. And more problematically, why, according to Webber and Rigby, would only ‘some kinds of commodities’ supposedly store value? In short, they tip their hand that value is, from this perspective, a reified substance rather than what it is in truth, a purely moral substance that is relationally constituted within the exchange system. The commodity does not represent a preservation or storage function whereby the property or material of value is held within the body of a utility; rather, the exchange *relation* confers upon a utility the social status of being a value. When we talk of the ‘objectivity’ of value we only tell half the story: the objectivity of value is an ‘abstract objectivity – *a thing of thought*’ (Smith, 2001: 58). Marx was clear enough on the problem of the dual nature of the commodity and its relational/transactional status as a value:

When at the beginning of this chapter, we said in the customary manner that a commodity is both and use-value and an exchange-value, this was, strictly speaking, wrong. A commodity is a use-value or object of utility, and a ‘value’. It appears as the twofold thing it really is as soon as its value possesses its own particular form of manifestation, which is distinct from its natural form. This form of manifestation is exchange-value, and the commodity never has this form when looked at in isolation, but only when it is in a value relation or an exchange relation with a second commodity of a different kind. Once we know this, our manner of speaking does no harm; it serves, rather, as an abbreviation. (1976: 152)

What we have, then, according to Marx, is the twofold, contradictory existence of the commodity as utility (use-value), value (exchange-value), and the surface expression of value, its price, *not*, as Harvey would have it: use-value, exchange-value (price), and value (two ‘sins’ in one) – the distinction is overwhelmingly decisive. If we follow Harvey et al. then value tends to slip free of the exchange moment and becomes a specter haunting Marx’s theory of the commodity and, not only that, but surface appearances substitute for comprehension. What you see is what you get? As Marx himself noted: ‘The name

of a thing is entirely external to its nature ... Price is the money-name of the labour objectified in a commodity ... [A] thing can, formally speaking, have a price without having a value' (1976: 195, 197). Value (exchange-value) is not price, yet Harvey conflates price and exchange-value (a time-honored Marxological chant deific) and then covers his tracks by claiming that exchange-value is different than value even as Marx himself states unequivocally that the price-name is wholly 'external to its nature'. The true 'deep reading' of *Capital* reveals that a commodity is a useful thing that assumes its moral status as a value in an exchange relation with another commodity (its equivalent) and that we confront value through the empty signifier, price, that may or may not reflect at all the actual value of the relative's social equivalent. The common problem with the above formulations is that they each emanate from within the horizon of the commodity domain and critique is distorted by ideology and rendered inconsistent.

Value is *subjective* and 'rests, in part, on subjective foundations. This is not, of course, the abstract 'subjectivity' of marginalism, but rather the lived intentionality of commodity producers, for whom exchange means something' (Smith, 2001: 57). The key here is: *the use value of a commodity is the form that value takes within exchange between subjects*. The use-value of a commodity's equivalent other is the form that the relative commodity's value assumes for the latter. However, behind this apparent movement of objects are always the subjects. Follow Marx: Peter knows his existence as a member of humanity in the substantial form of Paul, and vice versa.

In a certain sense, a man is in the same situation as a commodity. As he neither enters into the world in possession of a mirror, nor as a Fichtean philosopher who can say 'I am I', a man first sees and recognizes himself in another man. Peter only relates to himself as a man through his relation to another man, Paul, in whom he recognizes his likeness. With this, however, Paul also becomes from head to toe, in his physical form as Paul, for the form of appearance of the species man for Peter. (1976: 144)

This is the legacy that Hegel bestowed upon Marx: subject-objects lose their value when they fall out of their relational circulations with one another. In the case of Peter and Paul, the qualitative existence of the one is the social form for the other. Hegel evocatively described this relationship between the sensuous world of material and consciousness:

It is the essential character of Nature to sacrifice itself, to consume itself, so that the Psyche comes forth out of this burnt-offering and the Idea rises into its proper element, into its own ethereality. This sacrifice of Nature is its process ... The moments, through which the Idea runs its course in the web or garment of Nature, are a series of independent forms. Nature is the Idea potentially, and only potentially, and the peculiar mode of its existence is to be outside of itself, in perfect externality. The nature of its progress is, more chiefly speaking, this, that the Notion which is enclosed in it breaks through its covering, absorbs the outer crust of its externality, idealizes it, and while rendering the coating of the crystal transparent, is itself revealed to view. The indwelling Notion becomes external, or conversely, Nature immerses itself in itself, and what is

external constitutes itself a mode of the Notion ... This is the truth of Nature, namely, *Consciousness*. (1974 [1840]: 109–10)

The value of commodities, constituted by the exchange relation between two owners, is a projected or conferred moral substance. In truth, says Hegel, ‘objective difference does not come forth in ... sensuous relations, but in the spiritual’ (1995 [1840]: 275) – i.e. for our current purposes, I do not relate to the other on the basis of its material determinations acting as an index of my moral status, rather, the opposite: the material determinations of the other become (are constructed) into indices of my moral status.

### The Abstract Labor Theory of Value

The Hegelianism of Marx (or, really, what is left of Hegel by the time Marx puts his speculative idealism on a new ground) resides in this very dialectic of ‘determinate reflection’ (1976: 149). Value is *not* created in the labor process (the phrase is itself a fetish expression that assumes labor is automatically *abstract* and that labor products are ‘already’ commodities). Labor, and we can only find concrete labor and concrete labor processes at points of production, creates no value. The expression ‘labor theory of value’ is true but misleads many and we see this constantly in the haphazard and automatic droning of theory reduced to phrases and slogans. For Marx, it is the reduction of concrete labor to an abstraction that is key: concrete labor (useful and specific) considered without regard for its sensuous particularity or labor reduced to time (in socially necessary quantities). Value is identical with abstract labor (its substance) and measured (its magnitude) in its socially necessary quantities. We can look high and low in every production process and not find abstract workers making commodities. We find, rather, flesh and blood people making sensuous and useful things. Of course, when production is organized around the concept of production for exchange rather than use, we can *imagine* things and people as values (what Žižek was alluding to) but their existence as values is something super-added – projectively conferred – by the imagination in anticipation of future, moral transformations (but this still does not make it a value ‘in itself’ a la Žižek). Remember, the ‘belief’ in value beyond the moment of exchange is akin to the belief in ghosts – real, but mythically so. Marx’s theory of value should be thought of not as a ‘labor theory of value’ per se but an *abstract labor theory of value*, or, *value through abstraction*, which we all ‘already know’ but not too deeply it seems.

### Marx’s Value Theory and its Sociological Analogs

There are three basic approaches to the analysis of value. The Realist perspective insists that things are exchanged because they possess (‘have’) value; the nominalist perspective (e.g. Locke) insists that value is the product of tacit agreements and that there is nothing really there, in other words, value is just a wink and a nod. Both the Realist and the nominalist

positions are dead ends for sociology. What is left, the third way, is the tradition of social or sociological realism that we find Hegel, Marx, Durkheim, etc., working in.

In everyday reality it appears that we exchange commodities because they 'have' value (the commodities themselves do not know their own limits) but with Marx, and with Durkheim as well, the truth is that things have value only by virtue of the constituting social relations and dynamic processes, i.e. *things are not exchanged because they have value but have value because they are exchanged*. Analogously, rulers and norms, commodities and totems, etc. hold sway over the imagination only to the extent that we place them at the center of performative cults. To argue otherwise (or to be merely inconsistent) marks a regression for critical sociology and the project of establishing self-conscious transparency of social relations. Imagine for a moment if we transfer the fetish regression to another social register, say, nature or demonological ethnocentrism: to believe that things have value outside the exchange relation where we find values 'stored up' and being 'passed along' and so forth runs parallel to the belief that e.g. sharks are evil (popular nature programming) or that Jews are the center of a negative cult of hatred *because* they are evil and greedy whereas the true critical perspective reveals that Jews are imagined as evil and greedy by antisemites because they are placed at the center of a negative cult of collective hatred (Worrell, 2008). In the end, we will be unable to escort consciousness to transparency if we ourselves fall into the habit of telling ghost stories punctuated by the repetitious, if faint, rattling of chains.

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For correspondence: Department of Sociology and Anthropology, SUNY Cortland, Moffett Center, 2122, Box 2000, Cortland, NY13045, USA. Email: worrellm@cortland.edu