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Value: The Representation of Labour in Capital

Diane Elson, editor

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Value in the Expanded Field

Joshua Clover

The most suggestive passage in the republication of *Value: The Representation of Labour in Capital* appears in the front matter, directly on the copyright page: "This edition published by Verso 2015. First published by CSE Books 1979." The dates speak volumes. Psalm 43 says that "As the hart pants after the water brooks, so pants my soul after thee, O God." Marx revises this in *Capital* to "As the hart pants after fresh water, so pants his soul after money, the only wealth." In a crisis, as a friend said to me in 2009, people pant after what is to be found in Marx. And particularly after the fate of value.

This brief overview of the republication is meant as well to introduce a series of reviews and essays from what we might call "the perspective of value" (on this occasion, reviews by Sarah Brouillette of Dave Beech's *Art and Value: Art's Economic Exceptionalism in Classical, Neoclassical and Marxist Economics* and by Juliana Spahr of Jason Moore's *Capitalism In the Web of Life*).¹ Edited and with an anchoring chapter by Diane Elson, *Value* is a sophisticated FAQ addressing the "value debates." These are the charged and contentious arguments, both within and contra Marxism, surrounding the theory of value set forth at complex and sometimes contradictory length over the course of Marx's writings on political economy. Value grounds both Marx's critique of all existing political economy, and his own propositions about capital's laws of motion. It is without a doubt the most elusive of his categories, dismissed by conventional economists as metaphysics, and worried ceaselessly even by the theory's adherents. Moreover, there are any number of subtle Marxist thinkers who have found it possible to generate useful results without much reference to value. One might think of Robert Brenner's price-based explanations of the genesis of contemporary "global turbulence," or Giovanni Arrighi's world-system based history of capitalist

hegemonies, founded on any number of Marxian categories while holding to a theory of declining profit derived largely from Adam Smith. And yet value remains the *differentia specifica* for Marxist critiques of political economy, and it is this fact which haunts much of the collection as a series of stated and unstated questions. Why do we need a theory of value? What is it for, theoretically and politically? And can it weather the powerful critiques levied against it?

The book divides, after a fashion, into two parts: five shorter essays by Jairus Banaji, Geoffrey Kay, Chris Arthur, Athar Hussain, and Makato Itoh (with Nobuharu Yokokawa), and a sustained essay by Elson herself, “The Value Theory of Labor.” Some of the contended terrain herein seems less with us in the present — for example the question of Marx’s Hegelianness. That this matter is rarely debated today is not to suggest it is no longer relevant. Indeed, it is useful at a minimum for underscoring the extent to which thinking value demands a dimension of thought which is not just abstract but conceptually distinct from what Elson will later call “arithmomorphic” thinking, the mode typical of modern economics — a point to which we will return.

The main concern of the opening essays is to rebut more and less directly the well-known criticism of Marx’s value theory by Eugen von Böhm-Bawerk, still hauled forth to this day by those wishing to do away with what they will always call the “labor theory of value” — a term accepted by many Marxists, who should really quit it. Böhm-Bawerk’s attack is subtle and serious, exploiting the so-called “transformation problem.” In its simplest form, this involves the argument that the value derived in Volume I of *Capital* — that is, determined according to given amounts of socially necessary abstract labor time — could not be made to match up with prices of production developed in Volume III. Their total magnitudes are different, and commodities cannot be found to exchange according to their values. The treble effect of this claim seems devastating. Immediately, it renders value inadequate for explaining price, calling into question its usefulness as an economic category. Following from that, it undermines the claim that profit’s source is in exploitation of labor, as it then becomes possible to make the argument that profit is the play of prices rather than some secret and unverifiable extraction, thus dispensing with labor theories of value. Further, the abstract argument holding that it is embodied labor which is the common element found in all commodities that renders them exchangeable also fails. All of this contra-Marxology effects to bolster the account found in marginal utility theory, with its need only of price to explain price, and the need or desire of different people for differing uses to explain profit.

The terrain of this debate has itself been transformed in the intervening period via further theorizations. Best-known among them the temporal single-system interpretation (TSSI) most associated with Andrew Kliman and Alan Freeman, endeavoring in main to demonstrate that Marx’s system is internally consistent. The addresses to the technical problem of values and prices hinge on the fact that the values borne by production goods, being themselves subject to shifting determinations which

relate various labors, will have changed by the time they enter into consumption goods and then are sold for market prices.

The responses from the seventies are less defenses of Marx's theoretical rectitude than dismantlings of Böhm-Bawerk et al. Their breadth and depth would be impossible to summarize herein. One theme that emerges variously, sharing with TSSI the importance of value's fluidity according to developments in production, regards the ways the transformation problem presumes a model of what economy is in the first place — here again the arithmomorphic is a useful concept — which simply brackets its social and historical aspects. Arthur notes several errors in Böhm-Bawerk, from a mistaken presumption of symmetries in exchange on which his discovery of incommensuration depends, to a more broadly mistaken idea of value as “an abstract essence inhering in a product in a pseudo-natural fashion” (80). This indicates a failure to grasp the movement of value as a social relation, one which not only rests on mutual presuppositions but whose determinations change as these relations develop — the dialectical view which distinguishes Marx's account from substantialist models belonging to Smith and Ricardo. Geoffrey Kay offers the most thoroughgoing riposte, showing how Böhm-Bawerk “defined the question too narrowly” in various ways (58). Most particularly, he ignores Marx's own account of how the value embodied in a commodity was modified in its magnitude by the relative composition of capital (the ratio of value expended in means of production against labor power) in the given sector, a set of disequilibria that allow for the reallocation of investment which eventually equalizes profit rates across sectors. Itoh offers a related response with his familiar clarity, to the effect that at advanced levels of production, prices function to organize social allocation, and that individual prices might vary widely from the value they purportedly express. Social factors within the market set the possible range of prices, not the “technical average condition of production” (105). Itoh deduces what he calls “market value” and “market price of production”; the former is set by competition in each sector, and the commensuration of value and price comes only after these have all been summed.

These responses largely take Böhm-Bawerk on his own terms, albeit limning their inadequacy. Elson's bravura contribution blows up the debate. Noting the tendency of value arguments to devolve toward the two linked poles of price formation and proof of exploitation, she steps back to ask, “What is Marx's theory of value a theory of” (115)? The scope of the essay is too capacious and far-ranging to be reduced to a single point. One argument does take precedence, however:

the *object* of Marx's theory of value was labour. It is not a matter of seeking an explanation of why prices are what they are and finding it in labour. But rather seeking an understanding of why labour takes the forms it does, and what the political consequences are. (123)

Some fifty pages later, she concludes, “[t]he major concern of Volume I is to establish how it is that labour comes to count ‘simply as a value creating substance’, how this entails the subsumption of labour as a form of capital” (171).

I might put the matter slightly differently, only toward summarizing the implications of Elson’s title both theoretical and strategic. The “Value Theory of Labour” (drawn uncited from, as best I know, Raya Dunayevskaya) suggests we ought leave the LTV to the Scottish Enlightenment, leave behind the model of labor as the force that forms value, whether passing concretely and immediately into the commodity or as an abstracted average. Rather, *value forms labor*, as distinguished from work. Both condition each other and arise in tandem, no doubt. But the focus of Marx’s historical analysis is not value as such. Marx’s theory proposes to explain the social form — let us call it the value relation — within which it is possible for labor to become not simply the useful transformation of nature but the source of accumulation as well as profit, conditioned by a law which expresses itself mercilessly throughout the social whole, allocating labor and means of production, compelling the development of productivity and the expulsion of living labor from the production process, increasing immiseration, and eventually hollowing out its own basis.

“These forms,” Marx writes of the value relation early in the exposition of Volume I,

therefore imply the possibility of crises, though no more than the possibility. For the development of this possibility into a reality a whole series of conditions is required, which do not yet exist from the standpoint of the simple circulation of commodities. (cited in Elson 170)

It is precisely the series of conditions which are then set forth, culminating in Chapter 25’s exposition of capital’s limits against which adequate value production becomes impossible. And it is this dimension, of capital’s expansivity across both space and time, that we see a dramatic but underthought contradiction, which Elson clarifies. The theory of value features equilibrium prices (fluctuating around value, modified by sectoral compositions of capital). But these in their development form the very basis for systemic disequilibrium, in that the space between value and price — their very non-identity — allows for catastrophic imbalances to develop between production and circulation.

And so we have returned to crisis, where we began. The psalmic syllogism might now be provisionally completed: in crisis, people thirst after Marx’s theory of value *because it is a theory of crisis*. This is one way to distinguish its nature from marginal utility theory. The latter is actually quite good at explaining prices at any given moment; if we wanted little but static pictures of the market in series, it would suffice. What it cannot do is show us the movie: offer a logical and historical basis for discerning a moving trajectory for capitalist accumulation, for the real movement of historical process located in the political-economic whole.

In the period since the crisis around 1973 and its aftermath, of which this volume is an expression and inquiry, there have been arguably three pressing developments in the thinking of value and the value-form in the west. All of them in their ways concern crisis. They are these: the broader dissemination of the *Neue Marx-Lektüre* (which features Michael Heinrich's flawed rejection of the tendency of the rate of profit to fall, a crucial aspect which cannot be taken up herein); questions of "immaterial labor" and more broadly an expanding debate concerning how to understand value-productive labor in an age where more and more of the extant profit seems to come from labor traditionally thought of as non-productive; and the race to synthesize theories of economic and ecological crisis.

Of these, Elson might be thought most closely alongside the first. The *NML* roots itself in a monetarist model (some would say circulationist) which holds, to misserve it through brevity, that value has no social existence until it is realized in exchange. This comports with another vital aspect of Elson's account, an eloquent theorizing of the volatile unity of circulation and production. Stressing that wage struggles are themselves conducted at the level of price, she notes that there is thus a politically disabling fissure at the level of appearance which separates those struggles from the scene of exploitation. Circulation and production appear autonomous, while "the theory of value enables us to analyse capitalist exploitation in a way that overcomes the fragmentation of experience of that exploitation" (171).

Dave Beech's *Art and Value: Art's Economic Exceptionalism in Classical, Neoclassical and Marxist Economics* is a significant intervention into the second of these debates. That post-Fordist reorganizations have seemed to subordinate more and more of what were once extra-economic activities to capital's dictates is inarguable. Has this then created new sources of surplus value in activities once presumed accumulation-neutral? So goes the argument with its origins in the idea of the "social factory" associated with Mario Tronti and Raniero Panzieri, opening onto suggestions that immaterial labor — affective, financial, feminized, informatic, biopolitical — might now be value-productive and might in turn provide a new condition of possibility for anticapitalist interventions. One evident counterargument is the empirical fact of crisis itself; had these types of work assumed the duties of accumulation, we would be hard-pressed to explain why there has been no real recovery from the global downturn generally dated to around 1973, but instead a series of bubbles and busts, each of which discloses that there has been no restoration of accumulation but rather a temporary swelling of nominal wealth and fictitious capital thrown off by sectors that turn out to be anything but productive.

Within this debate, spurred most directly by *Empire*, the status of cultural production has become both significant in itself as the cultural sector has expanded, and paradigmatic for the question of productive labor as a whole. Beech provides a patient working-through of this question. He draws forth the ways that the artist (his focus is the fine arts) is disciplined by capital. At the same time, Beech resists

the narrative of relentlessly expanding commodification, deriving the ways in which the unique artwork should not be understood as a commodity, and thus its production cannot be grasped as capitalist production nor as value-productive. In Sarah Brouillette's measured reading, this gets at some crucial truths, in particular a resolute rejection of the contemporary habit wherein art is said to have undergone "real subsumption." In Marx this is a rigorous concept indicating the technical restructuring of the production process toward greater efficiency and a higher ratio of production means against wage labor; contemporary usages have preferred a more casual sense of being encircled by the market, a usage which obscures more than it reveals. For Brouillette, however, Beech's argument, for all its rigor, does not take the opportunity to address cultural making more generally, in its insistence on a relatively pristine separation of the economic from its other. "Beech describes artworks as in important ways 'non-economic,'" she writes, "but what if we were to argue rather that artworks are not 'non-economic' so much as defined fundamentally by their unusual relation to the economic sphere?"² From this, she shows how further arguments might be staged.

The third debate is also about a larger unity, not exactly beyond circulation and production but expanding the circuit of capital's self-reproduction to include that object we have been happy to call "ecology." This centers the philosophical aspect of Jason Moore's *Capitalism In the Web of Life*. Arguing against what he deems a Cartesian split of the nature/culture sort which takes the environmental dimension (including resources) as something other than capitalism, an outside from which capitalism draws, he suggests that they form a single system, the web which gives the book its title. It is not altogether clear whether this is a philosophical problem and needs to be dealt with as a question of bad thought. That said, Moore's insistence on recognizing ecological transformation as immanent to capital and vice versa is salutary. It bears particularly on crisis in ways that resonate with both the value-theorizations of Marxist feminism and the comic model of crisis favored by Austrian economics. The great value-theoretical intervention of Leopoldina Fortunati and others was to show not that reproductive labor in the home produced a *new* magnitude of value, but rather that the value of conventionally productive labor (and thus some share of surplus value) must be understood to arise in part from unpaid reproductive labor. Housework is effectively a transfer of embodied value from, for example, housewife to male proletarian; she valorizes him no less than the assembly line worker valorizes a Ford. Bearing that value, he in turn transfers it through his labor into the commodity to be sold at market. Moore suggests much the same for "ecological" factors with his model of the Four Cheaps, which include cheap energy, food, and resources in addition to the cheap labor power on which *Capital* focuses. In his view, these — not because they exist but because they are unwaged donations to capital's reproduction, entirely internalized to the expanded circuit of capital which is the "web of life" — might be understood as providing a portion of the value that seems to come from traditional

valorization. And without them, as without free and abjected reproductive labor, accumulation is impossible.

This is not to say, however, that ecological failure leads necessarily to crisis. He suggests persuasively that it can instead be a kind of creative destruction providing for a new round of accumulation. Juliana Spahr captures the scalar leaps of Moore's argument, at once comprehensive and vertiginous in the best tradition of world-systems analysis, which show how "it was a sort of environmental crisis, the sinking peat bogs, that freed up three-quarters of Holland's labor force to work outside of agriculture and led to the rise of the Dutch Republic."³ A possible contradiction obtains, then: will the vanishing of some fraction of the Four Cheaps (should it come to pass, per Moore's assertion) threaten capital's expanded reproduction with total crisis, or will it offer further creative destruction launching another cycle of accumulation? Spahr concludes with doubts about the account's adequacy in proposing either a clear trajectory or a political orientation.

Perhaps that is only right. As spirited as the value debates have been, few now would argue against the idea that we find ourselves in a period without clear direction. Capital has not recovered from the crisis of 2008. Neither has it abolished itself. Perhaps we never recovered from 1973, and the Long Crisis continues, characterized by the miserable persistence of the value relation as much as value's double refusal either to get back to work, or give it up and head out into the long night. Hurry up please it's time.

Notes

1. Sarah Brouillette, "On Art and 'Real Subsumption,'" *Mediations* 29.2 (Spring 2016) 169-176, and Juliana Spahr, "Beyond Red and Green," *Mediations* 29.2 (Spring 2016) 177-180.
2. Brouillette, "On Art" 170.
3. Spahr, "Beyond Red and Green" 177.