

Some reflections on Marx's theory of value

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Two controversies concerning Marx's theory of value were of particular importance during the 1960s and 1970s. The first is well known and has attracted most of the attention of Marxian scholars during these decades: I allude to the celebrated 'transformation problem'¹ and to the spirited debates that followed the publication of Sraffa's *Production of Commodities by Means of Commodities*. The second one, however, is much less well known among economists but is also of fundamental importance: it was more methodological in character and centred mainly on Marx's 'logic' and the relationship between Marx and Hegel.

At first sight these two considerations are disconnected and involve very different problems in Marx's writings. The first controversy seems in

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¹ For a comprehensive history of the controversies until the 1980s, see Dostaler 1978 and Faccarello 1983a.

fact to be mainly technical and mathematical in character, and the second chiefly philosophical. However it has become more and more evident that the fundamental problems they raise are linked and this is precisely what I have tried to do (Faccarello 1983a, 1983b). My line of argument is simple. As a result of the Sraffian controversies it is obvious that the 'transformation problem' is destined never to find a solution, since the theory of production prices is self-sufficient. But it is also evident that what is traditionally 'transformed', that is, the system of 'labour values', can no longer be considered as an unproblematic starting point for the entire theoretical construction; old questions have again been raised in this new context and such central concepts as 'abstract labour' or 'socially necessary labour' have proved to be unclear and in need of unambiguous definition. The problem thus faced is that of reinterpreting Marx's statements on value and of trying again to grasp, possibly in a new way, the definition(s) and significance(s) of the related concepts.

Striking facts appear to support this perspective. First, there is Marx's own dissatisfaction with his texts on value (but also on money and capital) and the continuous process of modification from the *Grundrisse* onwards to the last edition of *Capital*. Second, there are the difficulties and embarrassments that commentators generally encounter when trying to state clearly the extent to which Marx's theory of value is fundamentally different from the version that can be found in the works of the Classical economists in general, and in Ricardo in particular.

Following this hypothesis and examining again the different versions of these texts, I think it is possible to state that, especially in the opening chapters of *Capital*, Marx's discourse is by no means univocal or unitary. Far from displaying a single, well-defined and 'new' logic, these texts prove much more complex than is usually assumed. On such important topics as value, money and capital, three types of discourse — three different lines of argument — are in my opinion, tightly interwoven; moreover these kinds of discourse and the different logic and conceptual definitions they entail are conflicting and cannot coexist peacefully, for each of them excludes the other two.

Because of lack of space I can neither develop these points in full nor explain thoroughly why Marx thought it necessary and possible to resort simultaneously to these approaches (see Faccarello 1983a). What I would like to do instead is, first, simply to illustrate my propositions, emphasising the concept of 'abstract labour'; and, second, on this basis, to show briefly how a careful study of the Marx-Hegel relationship is important in understanding Marx's arguments and in evaluating their character.²

I

Let us first note how Marx defined 'abstract labour', or 'labour in general', which forms the 'substance of value'. At least four definitions can be found (I simply report them here without specifying and discussing the problems they raise).

The first conveys a *physiological or energetic conception* of abstract labour. 'If we leave aside the determinate quality of productive activity, and therefore the useful character of the labour', Marx wrote, 'what remains is its quality of being an expenditure of human labour-power. Tailoring and weaving, although they are qualitatively different productive activities, are both a productive expenditure of human brains, muscles, nerves, hands etc., and in this sense both human labour' (Marx 1890: 134). 'On the one hand, all labour is an expenditure of human labour-power, in the physiological sense, and it is in this quality of being equal, or abstract, human labour that it forms the value of commodities' (ibid.: 137).

The second definition of abstract labour stresses the growing indifference of labourers vis-à-vis their task and their labour, an indifference

² After a pause during the 1980s, some attempts have again been made to deal with the 'transformation problem': but nothing new and interesting has been added to what is now well known. In contrast — and probably as a consequence — new research has been done on Marx's method and the relationship of this to that of Hegel (see for example the recent contributions by Arthur, Likitikijsomboon, Reuten and Shamsavari). Owing the lack of space these essays cannot be taken into account here: this is done in another contribution.

that results — as a practical consequence — from the development of the labour market together with the multiplication of the concrete forms of labour (Marx, 1857), and/or from a process of de-qualification imposed by technology (Marx 1863-66). ‘Indifference towards specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference. Not only the category, labour, but labour in reality has here become the means of creating wealth in general’ (Marx 1857: 104). The result of the process is most perceptible in modern bourgeois societies such as the United States. ‘Here, then, for the first time, the point of departure of modern economics, namely the abstraction of the category “labour”, “labour as such”, labour pure and simple, becomes true in practice’ (ibid.: 104-5).

The third definition is purely ‘sociological’ and is tightly connected to the definition of the ‘specific difference’ of the capitalist mode of production and to the phenomena of reification and fetishism. It takes into account all the passages where Marx stressed the ‘fantomatic objectivity’ of the products of labour in a market society and speaks of ‘labour in general’ as the ‘common social substance’ of these products, and of the commodity as a ‘social hieroglyph’.

The objectivity of commodities as values differs from Dasein. Quickly in the sense that “a man knows not where to have it”. Not an atom of matter enters into the objectivity of commodities as values; in this it is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects. We may twist and turn a single commodity as we wish; it remains impossible to grasp it as a thing possessing value. However, let us remember that commodities possess an objective character as values only in so far as they are expressions of an identical social substance, human labour, that their objective character as values is therefore purely social. From this it follows self-evidently that it can only appear in the social relation between commodity and commodity. (Marx 1890: 138-9)

The final definition is purely conceptual. Abstract labour is seen as an ‘indeterminate abstraction’, as the concept of labour, the category that, in thought, embraces all imaginable kinds of concrete labour: ‘the mental product of a concrete totality of labours’ (Marx 1857: 104). This definition seldom appears in isolation and is usually associated with the other ones. It is also rather surprising under Marx’s pen, and would be uninteresting unless the concept is hypostatized in an idealist way, which Marx, of course, was not prepared to do, at least openly. It will be shown, however, that this definition is also to be found in *Capital*.

II

Now, how is it possible to characterize the three lines of reasoning mentioned in the introduction of this chapter? In this perspective, is it possible to explain the multiplicity of definitions of abstract labour? The basic points can be summarized as follows.

A first line of argument to be found in the texts on value is obviously closely connected to the traditional analysis of *Capital* and to its stress on the determination of values in terms of incorporated quantities of labour. This approach links the analyses of *Capital* directly to those of Classical political economy and, in systematically developing a quantitative and positive economic analysis, confers a ‘technological’ or ‘naturalistic’ flavour on the theory of value. It also entails well-known difficulties such as the vexed questions of defining value as a ‘substance’, the identification of this substance with ‘abstract labour’ (with the attempt to ‘prove’, from the second edition of volume I of *Capital* onwards and through a process of elimination of inadequate factors, that the only possible ‘substance’ is labour), the analysis of money (the specificity of which vanishes), and, of course, the ‘transformation problem’.

From this point of view the so-called ‘socially necessary labour’ that must be spent to produce a commodity, and which forms its value, is defined with respect to technological factors, that is, to what can be considered as the ‘normal’ or ‘average’ technological conditions in each

branch and for a given period of production. The 'substance' of value, 'abstract labour', is also obviously to be understood in the same perspective. This is why, among the different definitions that can be found in Marx, only the 'physical' ones can be coherently accepted: that is, either the one that stresses the 'energetical' nature of abstract labour, or the one that, in pointing out the process of development in the labour market, eventually simply identifies, in a way, 'concrete' and 'abstract' labour (the first and second definitions noted above).

Independently of the difficulties in these definitions, this kind of 'technological' or 'naturalistic' approach obliterates — and, as will be shown, is at variance with — a sociological specification of value and a dialectical deduction of concepts.

III

The second line of argument to be found in the same texts is far less well known. Marx's problem here was to define the 'specific difference' presented by the capitalist mode of production as compared with all other forms of society, and to state logically all the consequences that can be drawn from this definition: in his view, this is an important scientific requirement, which he deduced from his youthful criticism of Hegel's philosophy along Feuerbachian lines. According to this perspective, 'value' is supposed to express this *differentia specifica* and to be, so to speak, the 'incarnation' of the socioeconomic specificity of a market-based society. What matters here is thus the 'qualitative' side of the analysis. As will be shown, however, the development of this essential and most interesting aspect of Marx's theory is not innocuous and does not go without devastating consequences for the first approach; in other words, the 'sociological' or 'qualitative' characterization of value inevitably involves a new *quantitative* determination that is at variance with the traditional 'labour incorporated' analysis.

To single out the specificity of a market-based economy, Marx referred to four other forms of society: 'Robinson on his island', the 'dark Euro-

pean Middle-Ages', the rural and patriarchal family, and a 'society of free and equal men'. In these non-capitalist societies, Marx wrote, (1) only 'concrete labour' matters, (2) the products of labour are not commodities and (3) social relations of production are transparent. In a capitalist society, on the other hand, (1) concrete labour does not matter as such, (2) products are commodities and (3) the social relations of production are hidden behind the apparent equality in exchange relations.

The task, then, is to discover why such differences arise, and to explain how these different characterizations are bound together. Marx's answer is twofold.³

First, in a non-capitalist society there is an immediate reciprocal adaptation, that is, coordination, between (1) the different kinds of concrete labour, (2) the produced use values and (3) the needs of the members of society; in other words there is no place here for a break between a 'private' and a 'social' side of activities: 'It is the particularity — and not the generality — of labour that constitutes the social bond here' (Marx, 1859: 13).

Second, the cause of this state of things lies, in Marx's opinion, in the existence of a community that acts prior to production and coordinates it. All the societies he mentioned are, in some way, 'planned' ones. The community, whatever it may be, always points out to the individual the part he must play in the productive process: 'the individual labour forces only act as organs of the common force' (Marx 1872-75: 90).

The 'specific difference' presented by the capitalist mode of production is thus defined as the lack of any community prior to production. Producers are independent and isolated; they work privately and their activities are, a priori, by no means coordinated. This is why the 'natural' forms of labour are not immediately social. How can a society maintain itself on such grounds?

³ Cf. for example *Capital*, vol. I: 'The Fetishism of the Commodity and Its Secret'.

The social link forces itself *post factum* through the market. It is by transforming their products into commodities that independent producers constitute a coherent set of relationships, that is, a society, and that their private labour is — or is not — validated as a social one as well. Producers' activities have to prove their social character by means of exchanges on a market. The market is thus the locus and means of social integration.

At this point Marx's analysis is expressed in terms of (1) a 'system of social needs', (2) a 'social division of labour' and (3) the set of the amounts of different kinds of concrete labour really spent. The 'system of social needs' generates the set of use values required by the members of the society at a given time, and depends of course on very different factors, such as moral values or income distribution. The 'social division of labour' is the concrete coordination of labour that allows, given the prevailing technology, the desired amounts of commodities to be produced. If the community regulates production, then the actual concrete labour spent in production corresponds to the social division of labour. If there is no prior community, however, a difference can — and generally will — arise between the two.

Products of labour would not become *commodities* if they were not produced by acts of *private, autonomous labour* carried out independently of each other. The *social interconnection* between these instances of private labour exists *materially* to the extent that they *are parts of a natural and spontaneous social division of labour*, and therefore satisfy, through their products, different kinds of needs, needs that, when taken as a *whole*, constitute a system that is also natural and spontaneous: the *system of social needs*. This *material, social interconnection* of instances of *private labour* that are carried out independently of each other is not, however, *mediated*, and therefore is achieved only by *exchanging* the products of this labour. (Marx 1867b: 133)

Now, it is possible to see how this approach makes the concept of abstract labour — the 'substance of value' — very specific (in line with

the third definition reported above), and how the 'specific difference' of capitalist production is expressed by the concept of money.

In this 'sociological' line of argument, Marx called 'abstract' or 'general' labour the concrete labour that is socially validated through the exchange of its products on the market. Abstract labour is nothing but concrete labour that proves itself part of the 'social division of labour'. It is thus a result of exchange, viewed as a means of social integration of independent producers. It is just a social feature, and is consequently defined only simultaneously with the exchange rate. Abstract labour is thus by no means a 'substance' prior to exchange nor does it determine it. 'By what means does the individual prove that his private labour is general labour and that the product of this labour is a general social product?', Marx asked in the Urtext of *Contribution*.

By the particular content of his labour, by its particular use value, which is the object of another individual's need, and which leads the latter to give his own product as an equivalent in exchange for it Therefore his proof is that his work represents a particularity in the totality of social labour, a branch that completes it in a specific way. As soon as labour possesses a content that is determined by the social complex — this is both the material determination and the preliminary condition — it is considered to be general labour. (Marx 1858: 217)

General social labour is not therefore a condition that exists beforehand in this form, but a result that is reached. (Marx 1859: 24)

If abstract labour, however, is not an entity and is not a substance prior to exchange, value cannot be defined other than as the quantity of money for which a commodity is exchanged: this quantity acts both as the determining factor and the measure of value, although the reverse is not true. We can now understand the meaning of such sentences as 'general labour time is itself an abstraction, which, as such, does not exist for commodities' (ibid.: 23).

The function of money is thus clear: it acts as the social link for labours expended independently of each other, without social coordination. Money regulates production, post factum. Money is, in Marx's own words, the community (an indirect, *abstract* community) that seems to be lacking in a society based on trade and the private ownership of means of production. Producers meet as owners and

exist for each other only as objects of their monetary relations; for all of them, this condition makes their community into something that is external, and consequently, accidental Since they are not subordinated to a community . . . , the latter must face them as something that is material, equally independent, external and fortuitous. This is precisely the condition that will enable them, as private, independent persons, to be implicated, at the same time, in a social whole. (Marx 1858: 217-18)

It is now obvious that — contrary to what Marx thought — this 'sociological' approach is at variance with the traditional interpretation of *Capital*. Its most striking feature is the inversion of the deduction of value and money. If, in the traditional approach, money is apparently deduced from the concepts of abstract labour and value (but in fact is redundant and vanishes into value) in the approach just mentioned, abstract labour and value are deduced from the concept of money (and indeed value is redundant with it and vanishes in money). This is a sufficient reason why, in my opinion, the two lines of thought so far depicted cannot be maintained together.

IV

A third line of argument emerges eventually out of Marx's texts on value. It can be called the 'dialectical approach' in *Capital* and stems from Marx's plan to build his construction on a theoretical and rigorous chain of deductions of concepts, from the commodity concept to that of money, from money to capital and then to wage-labour and the different kinds of capital.

In Marx's eyes the theoretical introduction of money from what he called the 'specific difference' of the capitalist mode of production is no doubt insufficient because all the concepts are given simultaneously and are not deduced from one another. This creates a break in his chain of reasoning: once money and value are given, there seems to be no place left in this scheme for a rigorous deduction of capital and wage labour, and the picture that emerges eventually, and quite unexpectedly, is that of a rather harmonious society of independent producers, whereas in Marx's opinion a monetary economy is necessarily a capitalist one.

This is why, of the preceding considerations, Marx — apparently disregarding the monetary character of the process — retained only the necessary transformation of products into commodities. He then stressed the fact that a commodity has a twofold character (value or exchangeable value, and use value) and that these two aspects are 'contradictory'. Then, from this basic 'opposition', Marx dialectically deduced⁴ money, capital, wage labour and the different kinds of capital.

The following questions must be asked at this point. What precisely, to use Marx's Hegelian language, is this opposition stemming from the analysis of the two sides of commodity — exchangeable value and use value — and why is there a contradiction between them? How and with the help of what logical tools is the concept of money generated — or deduced — as a result of the development of this alleged basic 'contradiction'?

The answer to these questions will show that Marx's third, dialectical line of argument is not only at variance with the 'sociological' approach (the third approach, for example, again stresses the anteriority of value to money), but also with the traditional interpretation of *Capital* on which it still seems to rest: as a matter of fact a necessary (but probably

⁴ The dialectical deduction of capital and wage labour is thoroughly expounded in the Urtext (1858) of the *Contribution*. It is not taken up in *Capital*. Marx invokes political reasons of prudence. This, however, is not a convincing explanation: one may argue instead that this deduction was discarded because of its openly Hegelian and idealist flavour.

not sufficient) condition for speaking of a *contradiction* between the two sides of commodities is to redefine the concepts of 'exchangeable value' and 'use value'.

In the 'technological' or 'naturalistic' approach, the concepts of value (or exchangeable value) and use value have well-defined meanings: value is supposed to be a quantity of labour, and use value, as it emerges from the Marxian deduction of the substance of value, expresses the physical, qualitative and concrete aspect of the product of labour. In this perspective it is impossible to see to what extent these two concepts are 'opposed' to each other.

Nevertheless Marx asserted that, on the one hand, a commodity is not immediately a value, but 'has to become so'. On the other hand, it is also not said to be immediately a use value but again it has to become so. Of course the reader may think that the exchange process could realize a commodity as a value, just as it can simultaneously realize it as a use value. In Marx's opinion, however, this means a 'contradiction': the 'realization' of use value presupposes in his eyes the realization of the commodity as value, and conversely the 'realization' of value presupposes that of use value. As the solution of each problem implies that of the other, we therefore face an endless and vicious theoretical regression from one determination of the concept of commodity to the other.

It is thus clear that, in order to generate the opposition and the endless regression, the earlier meanings of value and use value have been modified. *Use value* is now defined as a direct utility relationship between a thing and its owner (otherwise how is it possible to assert that use value is only realized through exchange?). As for *value*, two possibilities may logically be considered:

- Value can be defined as an expected value (or, in more appropriate terms, expected money), thus expressing the process of the necessary socialization of private independent labour: but then we are back to the 'sociological' approach, and we cannot resort to it here without a vicious

circle, for we have to deduce a concept of money that this approach already presupposes.

- Value can also be defined, not as the quantity of money the commodity can be exchanged for, but as the quantity of *such and such commodities* for which it can be exchanged.

In my opinion, only the second definition can be accepted in the 'dialectical' approach. This definition, however, can itself be understood in two different ways: it can express an idealist concept of 'substance of value', or a mere reduction to barter or potential barter. How can this issue be decided?

The 'inner' contradiction of the commodity, Marx continued, brings about the equivalent form, in which a given commodity assumes the 'relative' value form, and the received commodity acts as a 'particular' equivalent. The commodity is then equated with different quantities of all other commodities, which act as many particular equivalents: it is the 'developed' equivalent form. Marx stressed, however, that every attempt to transcend a particular equivalent in order to give value its 'general form' is bound to fail: a commodity can be successively equated with every other commodity, but each of them nevertheless remains a particular equivalent. Here we meet again for the second time a theoretically endless regression from one determination (this time quantitative and not qualitative) to another: from one amount of a given particular equivalent to a different amount of another particular equivalent.

Now, in this perspective how can the *general* equivalent form be obtained? Marx simply reversed the series of the particular equivalents, which, by means of this operation, express their value in a determined amount of one and the same commodity.

What is, however, the significance of this reversal? Again, as before, two solutions can be put forward. First, an idealist interpretation would stress that this process means the progressive realization of a universal element (value) that aims at a manifestation appropriate to its concept.

Second, another solution would interpret the reversal as mere subjective reasoning on the part of the dealer who considers his commodity as a general equivalent for all other commodities.

If this process is to be taken in an idealist sense, the reversal of the series of particular equivalents must be understood as realization of the concept of money. But if this process is only a subjective operation of the dealer's fancy, the theoretical genesis of money is not solved: if each dealer wants his commodity to be accepted by the other dealers as a general equivalent in exchange, it is impossible for any particular commodity to become a general equivalent, since *all* commodities might simultaneously be this equivalent; if all dealers think in a similar way and reverse their series or particular equivalents, then this process only leads to a final situation that is the same as the initial one (Marx 1890: 180). In both cases the dialectical deduction of the concept of money seems to be — to say the least — questionable, and the concept of abstract labour vanishes, or at best is to be understood as an 'indeterminate abstraction' (the fourth definition noted above).

V

It can be shown that, to some extent, the ideas discussed above certainly owe a great deal to Hegel's philosophy: not only to Hegel's *Science of Logic* (to which the above discussion on the third line of argument implicitly alludes) but also, and perhaps to a greater extent, to his *Philosophy of Right*. To make this point, let us go back over the three approaches.

As already noted, the traditional, 'technological' approach and all the difficulties it involves are not independent of a particular kind of reasoning that Marx adopted at the very beginning of *Capital* from the second edition onwards. As a matter of fact, the stress put on the concept of absolute value and the way of deducing the labour value by comparing the 'equality' of two commodities in the process of their exchange, seem to come neither from 'political economy' (even if some reminiscence, es-

pecially of Ricardo's writings, is obviously not to be ruled out) nor from previous works of Marx, such as the *Contribution* or the first edition of *Capital* (where such a stress and such deduction are absent). Rather these emphases are derived, in my opinion, from Hegel. I think that this fact is worth noting because it is a striking illustration of the *constant* mediation, in Marx's thought, of economic categories through Hegelian philosophy. This point will become more and more striking as we further analyse the other two lines of argument — the 'sociological' and the 'dialectical'.

In the 'technological' context, the way in which Marx dealt with the problem of the 'substance of value' probably came from the first part ('Abstract Right') of Hegel's *Philosophy of Right*. In the section on contract (§§ 72 to 81), Hegel contrasted the 'formal contract' and the 'real contract', then took exchange into account, and finally stated that, in spite of the empirical non-identity of the things that are exchanged, something does remain constant and the same in this operation: *value* itself:

Since each party, in a real contract, retains *the same* property with which he enters the contract and which he simultaneously relinquishes, that property which remains *identical* as having being *in itself* within the contract is distinct from the external things which change owners in the course of the transaction. The former is the *value*, in respect of which the objects of the contract are *equal* to each other, whatever qualitative external differences there may be between the things exchanged; it is their *universal* aspect. (Hegel 1821, § 77)

In my interpretation, Marx took up this line of thought at the beginning of *Capital*. This is of course rather surprising, since this kind of reasoning belongs to a purely conceptual dialectics that operates by means of 'indeterminate abstractions'. It is worth noting, however, that Hegel, far from seeing the origin of value in labour, linked the creation of value to needs by means of a deduction in which some references were made to the *Science of Logic*.

A thing in use is an individual thing, determined in quantity and quality and related to a specific need. But its specific utility, as *quantitatively* determined, is at the same time *comparable* with other things of the same utility, just as the specific need which it serves is at the same time *need in general* and thus likewise comparable in its particularity with other needs. Consequently, the thing is also comparable with things which serve other needs. This *universality*, whose simple determinacy arises out of the thing's particularity in such a way that it is at the same time abstracted from this specific quality, is the thing's *value*. (ibid., § 63)

To conclude on this point, we thus can see how Marx, inheriting some Ricardian ideas concerning value, also came to the conclusion of a 'labour value substance' by applying an Hegelian mode of deduction. But in his opinion the meaning of the resulting concept was neither Ricardian nor even Hegelian. As a matter of fact, for Hegel, value was an element of universality, what he called 'substance', but this meaning of the concept of value is quite different from Marx's (except perhaps for the fourth definition of abstract labour noted above). Value, or substance, was defined by Hegel (ibid., § 67) as the total number of 'accidents' and 'particulars', in conformity with his theory of 'essence' and 'phenomenon' expounded in the *Science of Logic*. Conversely, Marx identified substance with a measurable entity, and stressed a causal link between this entity and value. What is coherent in *Philosophy of Right*, however, does not necessarily remain coherent in *Capital*.

Ironically, owing to this probable Hegelian connection, Wicksteed and Böhm-Bawerk were, in this respect, perfectly right to emphasize that Marx's argument could be turned upside-down to 'prove' a concept of value based on use value and utility: in a way they rediscovered an aspect of Hegel's analysis.

VI

The second line of thought to be found in Marx's texts on value — the 'sociological' approach — is apparently the least Hegelian (or perhaps

simply the most non-Hegelian) of the three. Interestingly, however, it also owes a great deal to Hegel, and again to his *Philosophy of Right*. I refer to the second section of the third part of the book, devoted to the analysis of 'civil society'. There, in a few pages entitled 'The System of Needs', Hegel takes up some Smithian ideas on the division of labour.

As noted, the subject-matter here is 'civil society', whose first 'moment' involves 'the mediation of *need* and the satisfaction of the *individual* through his work and through the work and satisfaction of the needs of *all the others* — the system of *needs*' (ibid., § 188). The analysis starts with the subjective needs of men. Their objectivity is formed by the fulfilment of these needs, in two different ways: by means of 'external things, which are likewise the *property* and product of the needs and *wills* of others', or of 'activity and work, as the mediation between the two aspects' (ibid., § 189). In this way men are different from animals because they multiply their needs and means of satisfying them and because of the division of labour, which results from the division of 'concrete need into individual parts and aspects which then become different needs, *particularized* and hence *more abstract*' (ibid., § 190).

Here *abstract* needs are contrasted with *concrete* ones, because they are divided and broken up, and because the activity of labour that is necessary to satisfy them is itself divided and broken up, and is thus abstract. In Hegel, the abstract nature of needs and labour thus results from development of the division of labour and from the more and more indirect satisfaction of needs. Each producer works not to satisfy his own needs, but to satisfy those of other men, for this is the only means of satisfying his own.

But the universal isolation in which the particular needs and the specific related labours find themselves, that is, their 'abstract' character, is by no means definitive. The simple fact that each producer is subordinate to all others implies some kind of reciprocity. This element of reciprocity is at first potential and 'abstract', but it becomes 'concrete' when, by way of exchange, the products of specific labours meet the par-

particular needs that have motivated their production. By way of exchange, both the initial labour activities and needs assume a social character, and the lost concrete feature is restored to these abstract elements.

Needs and means, as existing in reality, become a *being for others* by whose needs and work is their satisfaction is mutually conditioned. That abstraction which becomes a quality of both needs and means [...] also becomes a determination of the mutual relations between individuals. This universality, as the quality of *being recognized*, is the moment which makes isolated and abstract needs, means, and modes of satisfaction into *concrete*, i.e. *social* ones.' (ibid., § 192; cf. also the related addendum)

When this analysis is kept firmly in mind, it is not difficult to see what Marx owed to Hegel and which modifications he imposed upon Hegel's text.

First, the approach connected with 'abstract' labour in Hegel is to be found in Marx too, as I have tried to show. Hegel's basic idea is, in fact, simply taken up: that of a correspondence between the division of labour and the 'system of needs' (needs termed 'social' by Marx).

Second, in Marx as in Hegel, this general approach hinges on the concept of a particular kind of social objectivation: to be socially validated a given labour must produce a thing that is useful to others, and proof of this usefulness only comes about through exchange.

Third, Marx, however, formally reversed a link that, in Hegel's work, proceeds from abstract needs and kinds of labour to their concrete character. According to Marx, it is the specific independent labour that is termed 'concrete'; and its social validation by means of exchange is called 'abstraction'.

Fourth, Hegel's approach was transposed by Marx into a historical context: the question of 'abstract' labour is no longer connected with the division of labour as such, but rather with the division of labour at a specific stage in history: that of the generalized market society.

Finally, it is possible to show how the permutation of the Hegelian adjectives 'concrete' and 'abstract' is connected to Marx's acceptance of Feuerbach's definition of abstraction, a definition that Marx also applied to the concept of money (see the section above on Marx's second line of argument).

VII

Now to the third line of argument: the 'dialectical' approach. This is the most openly Hegelian of the three. But how can it be characterized properly? It has been shown that (1) to speak of a 'contradiction' between use value and exchange value, it was necessary for Marx to re-define these concepts, (2) in this theoretical perspective, the concepts of value and of money are unclear and subject to different interpretations, and (3) at two crucial moments of the deduction a logical device, that is, an *endless regression* (first between two qualitative and then quantitative determinations) is at work to produce the new concept that the regression is supposed to express inadequately.

The first point to note is that the new definitions of use value and exchange value seem identical to those Marx could have found in Hegel's *Philosophy of Right* (§ 59),⁵ the opposition being added⁶ by Marx to generate a dialectical progression.

Second, the two endless regressions we have met that form respectively the 'contradictions' of the commodity and of the developed equivalent form *are nothing but Marxian applications of a typical Hegelian process*, that of the 'false infinity' (qualitative as well as quantitative)

⁵ 'Through my taking possession of it, the thing acquires the predicate of being *mine*, and the will has a *positive* relationship to it. Within this identity, the thing is equally posited as something *negative*, and my will in this determination is a *particular* will, need, preference, etc. But my need, as the particularity of one will, is the positive factor which finds satisfaction, and the thing, as negative in itself, exists only *for my need* and *serves* it. — *Use* is the realization of my need through the alteration, destruction, or consumption of the thing, whose selfless nature is thereby revealed and which thus fulfils its destiny' (Hegel, 1821, § 59, pp. 88-9).

⁶ Hegel does not see any contradiction between them.

at work in *Science of Logic*. But again, what is coherent in Hegel's system is no longer automatically coherent in Marx; as a matter of fact, the solutions to the 'contradictions' are as artificial as the contradictions themselves:

- In the third approach the value of a commodity is defined as the quantities of *such and such commodities* for which it can be exchanged. Two interpretations are proposed above, one of which is termed 'idealist', and the second of which — bartering — is not an interesting solution at all. It is easy now to see that the idealist meaning only expresses the mere Hegelian concept of 'substance of value'.
- The reversal of the endless series of particular equivalents has been seen as generating the concept of money. The explanation of this reversal and of the endless process itself also appears unsatisfactory. We can now determine the Hegelian meaning alluded to earlier: the process and the final reversal express the progressive realization of a universal element (value), which aims at a manifestation that is appropriate to its concept — money.

* * *

These reflections on Marx's theory of value are presented here in a very sketchy way. I nevertheless hope that the discussion of the possible definitions of a central concept — 'abstract labour' — and the investigation of the three conflicting lines of argument that, in my opinion, are at work in Marx's writings, will contribute usefully to a debate that appears to be taking a new departure.

I hope also to have shown that, in this context, bringing to light Hegelian connections is no mere archaeological exercise. Nor is it a way of escaping the analytical difficulties depicted in the first sections of this chapter — as the recourse to 'philosophy' and 'methodology' in economics sometimes is. Without adding to our analytical knowledge nor suggesting

any solution to the problems dealt with, it simply provides us with a better understanding of Marx's thought and reasoning.

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