

Valeria Bruschi, Antonella Muzzupappa, Sabine Nuss, Anne Steckner, Ingo Stütze

PolyluxMarx

***A Capital Workbook
in Slides***

Volume One

DOWNLOAD THE SLIDES FOR FREE AT:
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Rosa-Luxemburg-Stiftung

Valeria Bruschi, Antonella Muzzupappa,
Sabine Nuss, Anne Steckner, Ingo Stützle

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VOLUME ONE

MONTHLY REVIEW PRESS

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Cliparts: Microsoft Office

ISBN 978-1-58367-440-6

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Translation: Alexander Locascio

Layout/Setting: Juliane Bräuer

Overall Production: MediaService GmbH Druck und Kommunikation

Cover: Rebecca Forner

Printed in Germany

TABLE OF CONTENTS

Preface to the English Edition	5
Preface	
For Whom and What is PolyluxMarx?	
Instructions for Use	8
A Brief Guide for Reading Course Moderators	
Capital Reading Courses: Questions about Appropriation and Imparting Knowledge in Political Education	10
On the Tracks of Value	
Reading Capital in Times of Crisis	14
 Presentation Sets	
«Getting Started Reading <i>Capital</i> »	19
«The Two Factors of the Commodity»	27
«The Dual Character of the Labour Embodied in Commodities»	42
«The Value Form or Exchange Value»	49
«The Fetishism of the Commodity»	58
«The Process of Exchange»	72
«Money»	77
«The Transformation of Money into Capital»	91
«The Labour Process and the Valorization Process»	99
«Constant Capital and Variable Capital»	103
«The Rate of Surplus Value»	105
«The Working Day»	107
«The Production of Absolute and Relative Surplus Value»	110
«Wages»	121
«Reproduction and Accumulation of Capital»	125
«So-Called Primitive Accumulation»	133

PREFACE TO THE ENGLISH EDITION

We are pleased that an English edition of PolyluxMarx finally exists. Our project of making Marx's critique of political economy fruitful for education, a project that developed and matured over many years, is complete and can now be discussed and used internationally. The material compiled here (in the book and in PowerPoint slides) offers individuals, as well as private and institutional reading groups a unique foundation: the argumentative structure of *Capital* (Volume I) presented in animated illustrations and graphics.

The «instruction manual» at the beginning of the book explains our experiences using PolyluxMarx in political education. In fact, the material in your hands has a ten-year history: Organized by the Rosa-Luxemburg-Stiftung, reading courses in Marx's *Capital* have been taking place on a regular basis for a few years now. These originated in informal working groups comprised of critical university students. As a foundation affiliated with the party DIE LINKE («The Left»), the Rosa-Luxemburg-Stiftung – like every other political foundation in Germany – has the ability, and the mandate, to offer educational events in different formats outside of schools, universities, and the workplace. PolyluxMarx thus emerged from the annual *Capital* reading courses¹ in which participants engage in collective discussions related to certain passages of *Capital* in weekly sessions.

Political education can also take place in other venues: in associations, NGOs, and political groups, in living rooms of shared

flats, or at universities. PolyluxMarx has also been used in such places as a supplement to reading *Capital*, because doing so alone can be difficult and not much fun.

For this reason, PolyluxMarx is intended for moderators (referred to as «teamers» in German political education), but also students, workers, politically active people with or without an academic background, readers with and without previous knowledge of the material, young people and adults.

Of course, the possibilities, locations, and conditions of political education can differ from country to country. Interpretations of Marx's *Capital* also vary, and PolyluxMarx is not unaffected by this. We don't just want to present tried and tested educational material. We also want to make a contribution to the international debate surrounding Marx, a contribution that applies a particular method. We thus hope that you can discuss and apply the present volume in your own appropriate context(s).

Finally, please note that PolyluxMarx is not intended as an introduction to *Capital*. For that purpose, we recommend Michael Heinrich's *An Introduction to the Three Volumes of Karl Marx's Capital*, also recently published by Monthly Review Press. PolyluxMarx is meant as a supplement to the original work, not as a substitute. We look forward to hearing about your experiences, criticisms, and feedback.

The PolyluxMarx Team
Berlin, March 2013

¹ See <http://www.das-kapital-lesen.de>.

PREFACE

Marx is back. His magnum opus, *Capital*, is enjoying a resurrection. It has been the subject of a film, performed onstage, toured as a jazz band and has even been published as a Manga comic. New books are being written about it, old ones reissued, and, first and foremost: people are reading it again. When we offered a *Capital* course at the Free University of Berlin in 2003, this renaissance could not be anticipated. At the time, we wanted to oppose the repression of Marx's analysis in the universities. A few years later, we continued the *Capital* reading courses under the aegis of the Rosa-Luxemburg-Stiftung. More than 40 (mainly young) people came to the first meeting in 2006. Interest in *Capital* increased as a result of the financial crisis in 2008. Twice as many people came to the first session. A journalist for the daily *Frankfurter Allgemeine Zeitung* who had mistakenly wandered into the packed room was so impressed that he mentioned it the next day in an article.

It was a time when the former German finance minister Peer Steinbrück stated in an interview with *Der Spiegel* that «certain parts of Marxist theory are not so wrong»; when the *Associated Press* wrote that, in times of financial crisis, the Germans were seeking «consolation in Marx»; and when Tokyo TV wanted to film the *Capital* reading classes at the Rosa-Luxemburg-Stiftung. The *Capital* classes at the foundation have since become an established component of its educational program. Every year, nearly 100 interested people register for the courses and meet every week to discuss *Capital*. There is, however, no need to sugarcoat things: *Capital* is 2,000 pages long (all three volumes) and is sometimes anything but easy to read. The language is unusual, the analysis complex and the historical context of the book – in spite of its contemporary relevance – is the 19th cen-

tury. It therefore seemed even more important to us to illustrate some lines of argument and concepts by means of PowerPoint presentations. Thus, over the course of many years, diverse presentations emerged from our practical work. With increasing frequency, we received requests to put these PowerPoint presentations on the Internet. However, every PowerPoint user is aware of the problem: presentations alone, without explanatory comments, are reduced to bullet point prose and context is lost. For that reason, two years ago, we decided to issue a complete collection of presentations, *PolyluxMarx*; such an easy decision, yet so difficult to implement. Every commentary, concept and illustration was considered and discussed in terms of possible reductions. We owe a particular debt of gratitude to Michael Heinrich, who constantly stood at our side with advice and thoughts during the final stages of creating the educational material. We would also like to thank Lutz Brangsch and Rolf Hecker for their support, as well as Juliane Bräuer for her patience in the realization of the graphics. Thanks also go to Bernd Brouns for the reproductive work during intense work sessions, Moritz Zeiler for proofreading, Markus Euskirchen for his help with the illustrations. Of course, we assume all responsibility for any mistakes, reductions, and other glitches.

Berlin, February 2012

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FOR WHOM AND WHAT IS POLYLUXMARX? INSTRUCTIONS FOR USE

PolyluxMarx is a collection of PowerPoint slides with commentaries. This educational material is intended to support the reading of the first volume of Marx's *Capital*. PolyluxMarx is not intended as a substitute for introductory secondary literature on *Capital*, and or as a substitute for reading *Capital*. It is intended for moderators of reading groups who are familiar with the original and would like to conduct a *Capital* class themselves. PolyluxMarx is also helpful as supplementary material for reading *Capital* on one's own.

STRUCTURE: WHERE IS WHAT?

PolyluxMarx consists of a 136-page book and a CD; 118 PowerPoint slides are also presented and commented upon in these pages. Each page of the book contains the slide in the middle of the page and underneath a commentary on the content of the slide. On the upper far edge of the page is information on the respective level of presentation in *Capital*. Beneath this information, there is an empty space for handwritten notes, and beneath this tips regarding possible methods, particularities, and difficulties relevant to the slide in question. This page construction can vary slightly, for example when the space for notes is missing because important tips have occupied the space.

CONTENT: WHAT AND HOW MUCH IS THERE

The educational material of PolyluxMarx is not a one-to-one conversion of the material in *Capital*, and not all of Marx's categories or concepts are addressed. Due to the complexity and difficulty of the material, only the first four chapters are presented in detail. Consequently, in individual slides as well as presentations, selected categories are visualized. The selection is based upon our experience with *Capital* reading classes: Which questions are most frequently posed during the collective reading, which categories inspire the most discussions, which are particularly difficult to understand? The sequence of the slides is based on the table of contents of *Capital*, but sometimes a slide summarizes material

that is presented in different chapters. We frequently include quotations from Marx in the slides. The coloured highlights are ours. With them, we attempt to emphasize the central aspect of a quotation. Most of the slides are animated. It makes sense to present the individual parts of text correspondingly. Occasionally, we have not been able to do justice to the complexity and detail of the material, opting instead for a better presentation. This is mentioned either in the relevant passages in the comments or in the tip section.

TECHNICAL ISSUES

The slides are available for use on the accompanying CD. The files on the CD are compatible with Macintosh as well as for Windows PCs and Linux. For an optimal presentation on the screen, the picture format should be adjusted to an aspect ratio of 16:10. Distortions can be compensated by means of the trapezoid function (see the menu on your beamer).

RISKS AND SIDE EFFECTS

As a method for visualizing content, PowerPoint includes the risk of reducing and simplifying the material in question. In the case of the idiosyncratic analysis and method of presentation that Marx uses in *Capital*, this danger is even greater. Furthermore, this method of visualization suggests a certain didactical method: it tempts one to engage in lectures in which moderators present lectures with the help of the slides. This can limit the time available for collective discussions, and even create a transmitter-receiver hierarchy. We attempt to prevent this by hinting at alternative methods of presentation at select spots. Furthermore, the simplified illustrations of categories or concepts tend to appear as «definitions.» This suggests an irreducible «that's just how it is.» Here, there is a danger that the independent thought of participants, in the sense of a critical approach to the presented material, is inhibited. Obviously, a very specific understanding of Marx's analysis underlies our visualization. However,

we make this transparent starting with the very first presentation and refer to alternative interpretations, as well as diverging debates concerning individual questions and interpretations. We thus hope to relativize the truth-claims implied by the character of the presentation in PowerPoint slides. We trust reading group moderators are experienced enough to use the material responsibly and with care.

USE OF THE SLIDES

Some of the included slides have not been used in our courses. The presentations as a whole are not necessarily intended for use in their entirety. Rather, moderators should decide when a certain slide can help during a session, and/or when a repetition or consolidation of material already dealt with can be facilitated with a slide. Every class has its own dynamic and a corresponding flexibility should be applied when dealing with the teaching aids. We gladly welcome any criticisms, suggestions, and personal accounts. Please send these to us at: polyluxmarx@rosalux.de.

The book, presentations, as well as revisions and additions can be downloaded from the homepage: <http://www.polyluxmarx.de/en>

LEGEND OF POLYLUXMARX



Schedule enough time



Read text aloud



Slide can be used
almost anywhere



Slide can be
used repeatedly

A BRIEF GUIDE FOR READING COURSE MODERATORS

***CAPITAL* READING COURSES: QUESTIONS ABOUT APPROPRIATION AND IMPARTING KNOWLEDGE IN POLITICAL EDUCATION**

Reading Marx in a group is more fun and usually more productive than the individual study of his exciting but complex and sometimes unwieldy work. The problem begins with getting started with the original text. Marx had dealt exhaustively with methodological questions concerning the presentation of the results of his research – not in a didactic sense, but rather with the goal of doing justice to the object. Nonetheless, or precisely for that reason, parts of *Capital* can be very challenging: it is filled with quotations in foreign languages, it is written in a language that is often difficult to understand, familiar mythological figures populate its explications, the first edition of *Capital* consists of six chapters with a few subsections, etc. Only in the second edition were more sub-chapters included, after Friedrich Engels and Louis Kugelmann drew Marx's attention to the unwieldy and disorderly quality of his endless passages of text. Essentially, Marx wrote for the intelligentsia familiar with the established canon of science, culture, and history – those less familiar with these fields could not understand his work. Thus, anyone who dives into reading the original text may soon become insecure or frustrated. A reading circle for a collective engagement with Marx can offer assistance.

METHOD, DIDACTIC, ATMOSPHERE: WHAT AWAITS US?

Working together in a *Capital* reading group that meets over the course of many months can be an important experience, not only because of the engagement with this book, which is still important for understanding capitalism, but also because the group works together intensely over a longer period of time, scholarly and political debates influence each other, and various forms of learning and discussion can be experimented with.

So *Capital* reading groups are not just a place for imparting knowledge, but part of a self-organized collective engagement with capitalist society, in which both our intellectual and so-

cial skills can be expanded. Keeping both in mind constitutes a double demand for those who want to initiate and organize such a group. We usually refer to «teamers», a German term from the field of political education that refers to the collective and to the greatest extent possible, hierarchy-free leadership of groups.

Although the moderators of *Capital* groups or experienced readers with prior knowledge may have a head start in terms of knowledge in comparison to new participants, and it makes no sense to pretend that everyone is encountering the text in the same way, critical education also always implies the self-critical reflection of the arrangement of reading groups. This concerns not only challenges with regard to imparting content, but also the manner of collectively acquiring this knowledge. How is this possible? For example, through regular feedback with participants, sounding out the specific interests of participants, self-questioning, curiosity toward other approaches and interpretations, as well as an openness for unexpected questions, processes, and results – without merely pronouncing the truth.

Acquiring knowledge can be a stubborn process. Our experience is: the role of so-called teamers alternates – depending upon context, topic, and expectations – between someone who provides an input-orientation with structuring elements and a more laid-back moderation supplying prompts and keywords. This can vary from group to group or even from session to session. Ultimately, one can only test it out.

CONTENT REQUIREMENTS: KNOWING EVERYTHING FROM THE COMMODITY TO ACCUMULATION?

Don't panic! Moderators do not have to know everything about *Capital* and have an answer to every question. However, they should – especially at the beginning – be able to structure discussions and at least provide a certain basic understanding of the problems that arise from reading *Capital*.

Certain content requirements arise from this. Our previous experience shows that moderators should closely read the first four chapters of Volume I of *Capital* as these four chapters are the foundation for everything else and are the most difficult in all three volumes. They also lead to the most conflict regarding different interpretations. The further structure of Volume I and the inner connection between the three volumes should be familiar at least as an outline. The three volumes of *Capital* constitute a whole. Many problems that arise in the first volume are solved in the third volume. Furthermore, the categories of the first volume, such as value or surplus value, should not be mistaken for the categories of the third volume, such as market price and profit, which we encounter in capitalist everyday life. The development of Marx's theory and how to situate it in context should also be roughly familiar.

SOCIAL REQUIREMENTS:

DO WE ALL HAVE TO LIKE EACH OTHER?

Often, people with very different prior knowledge, political socialization, educational levels, and engagement with the work come to *Capital* reading groups. These differences cannot be all brought under one roof without problems. However, for an orientation at the beginning, some helpful questions are, for example: In what context does such a group arise? Is it a self-organized reading group of students, or a group of labour union shop stewards with a background primarily in the workplace, or a mixture of people with widely diverging social, political, and professional biographies? Who has what prior knowledge? What educational experiences do they bring to the table? And how is their openness for theory in general? Have the interested parties been hitherto blessed primarily with the doctrine of neo-classical economics, does political theory constitute the foundation of their knowledge, or is dealing with scholarly texts entirely foreign to them? What is their motivation?

It is completely normal if the initial group decreases in size by about 20 or 30 percent after three or four meetings. However, if the group abruptly shrinks by 50 or 60 percent, or if the process of reduction continues after a few meetings, this could be an indi-

cation that something is amiss with the atmosphere in the group and its discussion culture. So what should you watch out for?

There are a few different things that can be problematic in discussions: Sometimes (but in our experience not very often) representatives of political groups show up who want to prove that *Capital* is being read not in the proper way. Then a discussion rapidly develops concerning the supposed «correct» reading of *Capital*, which most participants are no longer able to follow due to a lack of knowledge. Often groups will include a few people with extensive previous knowledge, who may dominate the discussion and intimidate beginners, because they act as if a lot of things that the others don't know are obvious. The others then no longer have the confidence to ask questions because they do not want to appear stupid. In such cases it helps to make clear that hierarchies of knowledge should not lead to talking shop over the heads of others. A *Capital* reading group is not a platform for know-it-alls to show off. If necessary, those who talk a lot (usually men) have to be held in check. But how can this be done in a non-confrontational way? The difficulty consists in finding a happy medium. Experimenting, asking questions and obtaining feedback, and deciding things (anew) collectively all help in finding this happy medium.

Frustration can also arise in another way. Most participants will already be political and want to read *Capital* for political reasons. This often suggests applying the material to social conditions, and bringing in current debates. On the one hand, this is a positive thing and prevents reading *Capital* from becoming a pure theoretical activity. On the other hand, such conversations can lead the discussion away from the passages of the text in question. Here it is also necessary to guide the discussion – without cutting it off – back to the text.

We regard it as an important foundation to engage in rigorous discussion alongside the text in order to find out «what it says.» Operating with vague generalities or apparent matters – along the lines of, «in fact, it is all clear, Marx means this and that,» or «What do you mean by interpretation? Everything is right here

in the text» – edges out everyone who encounters the original with furrowed brow and question marks. At the same time, it makes little sense to delve into great detail with regard to marginal passages, for example tracking down every economist quoted by Marx, or reconstructing the history of every figure from Greek mythology mentioned, etc. In Volume I of *Capital*, there is an index of persons, quotations of languages other than English and German, and notes on figures from mythology and literature. These can always be consulted, and, in most cases, are sufficient.

One important basic principle for discussion is this: questions regarding comprehension of the text should be given sufficient attention. Every question is valid, there are no «stupid» questions. Every concept, name, and book title mentioned should be explicable to the others. If somebody talks about Kant, Hegel, or dialectics, or about the interpretation of a particular «school», the group can resolve to have such contributions explained by the participant in order to be collectively sorted out by the group. In this way, differences in knowledge can be used productively, without promoting hierarchies and insecurities among the participants. This attentiveness should also be directed at the moderators themselves, because – whether they like it or not – they have another kind of authority. Check and ask if something was not understood. If nobody has the confidence to ask questions, then pose clarifying follow-up questions yourself. It is important to create an atmosphere in which posing questions is not regarded as something inappropriate. One approach is to direct the questions that arise to the whole group and allow them to be discussed. They do not have to be answered in a ping-pong style by the moderators. If questions remain unanswered, the group can offer one or more answers for discussion. Even if something remains unclear, it helps the general orientation to provide an overview of the discussion at the end of each unit and clarify divergent positions or individual interpretations.

However, if questions and discussions do not arise on their own, moderators can prod a little, because, just because no questions are asked, this does not mean that there are not any. For example,

they can be formulated as follows: «How did you all understand this section?», «let's look at this sentence a little bit more closely ...», or «what do you think Marx was trying get at here?» It's not easy when initially nobody answers a question, but in our experience it's not necessarily helpful to the development of the discussion when the moderators immediately jump in if nobody else says anything. A group can endure a minute of silence.

And of course, people do not have to constantly speak. Some people may not want to take part in the discussion. However, everybody should be able to follow the discussion. For that reason, it's a good idea, especially at the beginning, to frequently ask people how they feel about the discussion culture and what they think can be improved. One possibility is to limit individual speaking times, keeping a list of speakers, and to give preference to people who have not yet spoken or who have rarely participated. Some groups prefer a gender quota for speakers, while still others expect structuring and moderating interventions from the moderators. Again, here the ultimate decision should be decided by a common, reflective practice.

Last but not least: Do not overstrain yourselves! Instead of trying to be Mr. or Ms. Perfect, try instead to openly deal with not knowing all the answers or having previously given incorrect information. The point is to understand what reduced-hierarchy teaming means: namely that not everybody can know everything and appropriating Marx's work in the group is a collective effort. By the way, that also applies to all aspects of a reading circle. In order to succeed, the entire group, and not just the moderators, bears responsibility for an appealing organization of the sessions and the atmosphere of the conversation. Our experience shows that the more participants are engaged, the more productive and interesting the development of the reading is.

ORIGINAL VERSUS SECONDARY? DEALING WITH THE MATERIAL

When so-called Marx experts emphasize that *Capital* can no longer be read «naively», but rather that readers should know and consider the history of the book, and the demand is made

to be aware of the well-trodden path that a reading group is embarking on. However, our experience with reading Marx indicates that a «naive» reading of *Capital* without preconditions definitely has its positive side. Of course, the work has left deep historical traces in the collective body of knowledge and, therefore, also indirectly in the prior knowledge of interested readers. Everybody has some sort of image of Marx. Yet *Capital* can be read «naively» to the effect that an unbiased reading does not have to jettison any ideological ballast: Someone unfamiliar with the struggles being fought in the secondary literature does not have to first consciously set them aside in order to concentrate on the original. He or she can take up the challenge of understanding the critique of political economy on its own terms, appropriating the material without having to make constant comparisons with the debates being conducted. It is also very important for the educational process that, without pre-existing positions «stupid» (that is to say: unfamiliar, unusual, or abrupt) questions can be raised; the direct engagement with the material forces one to pursue a careful reading and rigorous thinking, without the reflex to cite authorities, which in the case of initial contact with the work is often a source of insecurity or distraction. That does not

mean that one should remain in the immediacy of the text and act as if there are no cogent arguments for or against a particular interpretation. Nonetheless, we see the task of an inspiring engagement with Marx consisting primarily in independently creating the broadest possible approach to the work. Additionally becoming familiar with different interpretations and comparatively discussing them can serve the thinking process in the course of further reading, but this is already a further step a *Capital* group can take.

TRANSLATOR'S NOTE

English citations of *Capital* have been taken from the Penguin Classics edition, Volume I translated by Ben Fowkes (1990) and Volumes II and III translated by David Fernbach (1992 and 1991, respectively). Other English-language citations have been taken from the online archive (<http://www.marxists.org>), which is based upon the edition of the *Marx Engels Collected Works* (MECW).

Unless otherwise indicated, all quotations are from the first volume of *Capital*.

ON THE TRACKS OF VALUE

READING *CAPITAL* IN TIMES OF CRISIS

On the German online cultural magazine perlentaucher.de, David Harvey's introduction to *Capital* was one of the most sought-out books of autumn 2011. In many bookstores, the sections on «Economics and Politics» were full of new releases on the topic of Marx. And the demand for *Capital* has not abated. Interest in the classic is unbroken. And that is not just since the real estate and financial crisis of 2008. Shortly after the turn of the millennium, interest in exploring Marx slowly grew: self-organized reading groups or student seminars at universities and other educational institutions arose or enjoyed increased attendance. There are various reasons for this.

A decade after the fall of the Berlin Wall, when Karl Marx was thrown in the dustbin of history, it slowly became apparent that the proclaimed «end of history» might imply endless horror: the gap between rich and poor continued to widen, economic crises spanned the globe, military conflicts increased, and, last but not least, the world of the 21st century was confronted with an ecological crisis of a hitherto unimaginable magnitude. Furthermore, the standard explanations from economics textbooks started to lose their credibility. That the invisible hand of the market leads to the best of all possible worlds: not even the most liberal of liberals say this anymore. Besides, since the end of the East-West conflict, a generation has grown up that didn't even consciously experience the fall of the Berlin Wall, let alone the Cold War period. The bitter struggles waged for and against Marx, which at the same time were an avowal or renouncement of faith in an entire social system, belong to the past. Rather, the reality of life for this generation is determined by capitalist globalization with its disastrous consequences and the diverse struggles of different social actors critical of globalization. At the same time, the possibilities for engaging with critical economic and social theories in the universities are decreasing. The «bachelorization» of the academic timetable, orientation toward efficiency, and performance pressure are diametrically opposed to an interest

in knowledge, which requires time and leisure. In the institutes and departments, scholarship that develops explanations for the mode of functioning of the existing social, political, and economic order that goes beyond mere justification and affirmation is only conducted in niches.

So the newly awakened interest in Marx's writings can also be interpreted as the desire of primarily younger people to understand their own, conflict-laden, real life experiences. The turn to Marx's *Capital* has to do, among other things, with the fact that Marx is (falsely) said to have predicted the collapse of capitalism and developed an alternative model of how society might look after capitalism. At the very least, he is said (this time correctly) to have predicted much of the future development of capitalism.

Reading Marx – thankfully – occurs today without state ideological guidelines. Engagement with Marx can occur independently; there's no pressure to read Marx and follow certain predetermined interpretations. Petulant struggles over interpretation and the correct reading and the compulsion within the left to join identity-building «schools» are unfamiliar to most participants in *Capital* reading groups. These are all aspects advantageous to the renaissance of Marx's magnum opus, *Capital*.

Now, it's a mistake to believe that by simply glancing at *Capital*, one obtains a universal explanatory tool for the current turbulence on the financial markets or the Greek debt crisis or globally rising energy prices. Those who expect to know the whole truth about the economic constitution of our society after two or three sessions will also be disappointed. Reading Marx, like the object that Marx examines, is full of complexities. For one thing, it is not a finished theory. For decades, Marx raised questions, researched, and wrote; his object of study also changed over the course of years. While he spent entire days in the library of the British Museum reading, he wrestled with the material, discarded his initial conclu-

sions, reordered his unfinished work, and continued to polish the presentation of the complex object. His original plan to release six books with the scope of *Capital* failed in the face of his own high expectations, as well as because his poor state of health and eventual death. Marx's work is an analytical construction site, a torso, and anything but a finished, coherent, and conclusive theory.

Yet, *Capital* is not only incomplete; it's also extensive. The analysis is not already developed with the first volume, but rather extends across all three volumes. The sheer amount of reading material is already enough to intimidate many potential readers: «Why should one read a book – no, a huge tome – of more than 2,300 pages, a doorstop that was published for the first time 140 years ago?» That is how Michael Krätke accurately summarized obvious and widespread reservations. Furthermore, Marx develops his «critique of political economy» in a unique way, with the arguments building on one another. Merely «skimming» or even picking out individual chapters prevents an understanding of how Marx analyzes the capitalist mode of production.

The gradual presentation and concomitant process of knowledge acquisition is not linear, but rather a sometimes curvy path characterized by stumbling blocks, height gaps, and shallows. The object of Marx's analysis – the capitalist mode of production – is presented at the beginning of *Capital* in abstraction from multiple determinations. In the course of the three volumes, it develops and becomes increasingly manifold. Ultimately, we arrive at the answer to the question that drove Marx for decades: What structural principles, modes of operation, and behavioural rationales make capitalism what it is? With Marx, one trains one's vision for the social structures in which we are forced to move, for the «silent compulsion of economic relations» (Capital Volume I, Penguin Classics edition, p. 899) as well as the behavioural logic based upon them and the consciousness of social actors. The unusual form of presentation, in which Marx scientifically establishes connections, can either make further engagement with the «displaced» and «mad» (both *verrückt* in German) conditions of capitalism fruitful, or frustrate it. At the beginning, one has to struggle with many unanswered questions and muster the

patience to allow them to remain unanswered for a time. All this means being able to withstand contradictions. Already the first few pages of Volume I, questions are raised to which different answers can be given – depending on interpretation and assumptions: What is value? Where does it come from? Is *Capital* also a history of capitalism? Why does Marx begin his analysis with the commodity? Such questions generate different interpretations of Marx's work.

Now and then, Marx also uses language that is unusual to today's readers, and uses terms from everyday language («value», «fetish», «productive», etc.) that have a specific meaning, but usually have little to do with our spontaneous associations. This leads to confusion and diverging notions of how the material should be interpreted. Furthermore, these days, with the MEGA edition, it is easier to reconstruct where and how Engels put together the second and third volume of *Capital* from the manuscripts that Marx left behind. Thanks to the research manuscripts available today, we can «establish which problems Marx worked on and how far he got», in the words of Michael Krätke. Marx was absolutely clear about the difficulties of his work, at least concerning the beginning of *Capital*. In a letter to the publisher of the French edition of the first volume, he wrote about his method of investigation, which would put off impatient readers, «eager to know the connection between general principles and the immediate questions that have aroused their passions» (Capital Volume I, Penguin Classics Edition, p. 104): «That is a disadvantage I am powerless to overcome, unless it be by forewarning and forearming those readers who zealously seek the truth. There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits» (ibid.).

Despite all the obstacles, persistence in reading is rewarded: *Capital* brings relations to the surface as class relations, exposes the dominant ideology of the supposedly classless «service» and «information» society, and debunks the discourse of the end of history, which stylizes the capitalist market economy as corresponding to the «essence» of humanity, as narrow-minded

individualism. With Marx, one can pointedly explain, for example, the extent to which the belief in the blessings of the free market cannot simply be reduced to the interests of the ruling class, but rather can be attributed to the universal naturalization of historically specific social forms. That means that in bourgeois society, people, in their everyday perception, identify the things they are surrounded by and the relations in which they live with the capitalist mode of production and life: money in its material state appears to be something valuable in a trans-historical sense, property and competition as natural and necessary incentives for creativity and effort, commodity exchange as the sole possibility for making goods and services available to the people who need or want them. The «critique of political economy» fundamentally questions everyday consciousness, including – and especially – one's own. At the same time, it gets at the bottom of the extent to which this everyday perception is based *in this society itself* and, therefore, possesses a certain plausibility – for both capitalists as well as for wage-labourers: for example, why it initially seems natural to demand a «just» wage or, why the maxim of the rational, egotistical, utility-maximizing individual («man is wolf to man») in our dog-eat-dog society is explained in terms of quasi-congenital, innate characteristics of «human nature.» And why the notion of a productive («good») capital is opposed to a speculative («bad») capital is so widespread, or that both spheres are conceived as being separate from one another; or why «greedy» bosses or «incompetent» managers are regarded as the evil of an otherwise essentially healthy economy, whereas crises are portrayed as deviations from an otherwise normally functioning economy.

Whoever engages in an intensive reading of *Capital* discovers that the often unquestioned basic constants of our everyday life and survival – money, property, or commodity exchange – belong to capitalism and fundamentally characterize it – yet they are in no way trans-historical or God-given natural necessities. To conceptually penetrate them, with all their contradictions, characterizes the line of attack of Marx's magnum opus. The analysis is about nothing less but also nothing more, than that. If one wishes to analyze the capitalist mode of production in the

21st century with all its historically specific forms of appearance, reading *Capital* is not enough. Marx analyzes the capitalist mode of production at «its ideal average», (*Capital* Volume III, p. 970) with a claim to validity for all the spatially and temporally varied specific manifestations of capitalism. Marx writes that «the same economic basis – the same in its major conditions – [can display] endless variations and gradations in its appearance, as the result of innumerable different empirical circumstances, natural conditions, racial relations, historical influences acting from outside, etc., and these can only be understood by analyzing these empirically given conditions» (ibid., pp. 927–28). What these capitalisms concretely look like, what distinguishes contemporary capitalism and its crises from earlier capitalisms – for that, we have to reach for other analyses, rather than just Marx's.

If one asks the participants of a *Capital* reading course what has prompted them to read *Capital* and also stick with it (many drop out after a few chapters), one perceives a colourful bouquet of interests and motivations. The spectrum ranges from the sober recognition that reading *Capital* is stimulating and makes one more sovereign in political debates, to the desire to theoretically ground one's own sometimes diffuse critique of social conditions, to the recognition that one cannot simply bypass Marx if one wants to understand society in the context of its totality, to affinity for the amusing, biting, and occasionally literary style emanating from Marx's pen. During the reading of the text and the intensive engagement with the categories developed therein, some doors of knowledge are opened to the participants. The astonishment at the manner in which *Capital* enables a completely different, unusual yet captivating view of society encourages continued reading. Where occasionally everything appears to be «clouded», the reader constantly scales new heights from which the view of certain connections first becomes possible. And a final reason to persist with reading lies in the fact that it is only in the third volume that the crisis-prone movements of financial markets and credit systems are dealt with by way of the category of fictitious capital. Even re-reading *Capital* can bring to light new, previously unrecognized aspects – or again call into question everything that previously seemed clarified.

PRESENTATION SET:
«GETTING STARTED READING *CAPITAL*»

Slide 1 (of 8)

«Curtains Up!»

Getting Started Reading *Capital* With PolyluxMarx



PRESENTATION SET: «GETTING STARTED READING *CAPITAL*»

Slide 2 (of 8)

NOTES:



Why read *Capital* today

Because it is still relevant!

Marx asks the question: What makes capitalism capitalism?

- ★ He does not examine a particular country (e. g. English capitalism around 1860) or a particular era (e. g. the beginnings of industrialization).
- ★ The object is the capitalist mode of production at «its ideal average» (*Capital*, Vol. III, p. 970), however: Capitalism always exists only in a concrete historical manifestation. Marx's analysis exists at an abstract level.

However:

There are different interpretations of *Capital* – concerning questions such as:

- ★ How did capitalism **historically emerge** and **how did it develop**?
- ★ How did **capitalism during the 19th century** function?
- ★ How does capitalism **fundamentally** function?

The 144-year old work *Capital* is still very enlightening for an understanding of capitalism in the 21st century. Marx analyzes the capitalist mode of production at «its ideal average». His examination is so abstract that it can claim validity regardless of the specific country and time period in which the capitalist mode of production is predominant. This is the interpretation to which the authors of the present educational material adhere. Precisely the fact that Marx does not examine a specific historical capitalism (such as «Manchester Capitalism», or the capitalism of England in the 19th century), but rather its general laws of movement, makes his analysis contemporary. Others read *Capital* as a history of the development of capitalism or as a description of capitalism in the 19th century. According to such interpretations, *Capital* would at the most be of historical value as a history book. Now there are text passages – in Marx's work, but primarily in the writings of Engels – that suggest such an interpretation. There is no way around it: In order to establish one's own opinion it is necessary to engage with *Capital*.

PRESENTATION SET: «GETTING STARTED READING CAPITAL»

Slide 3 (of 8)

The emergence of *Capital*

Capital was not cast from a single mould:

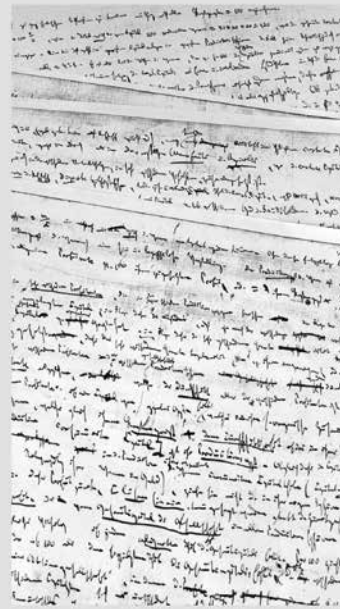
Marx (*1818 Trier – †1883 London)
created several drafts of *Capital*.

Between 1857 and 1879, various manuscripts emerged: Marx struggled with the material, some of which he discarded, other parts of which he rewrote in an effort to state his thoughts more precisely.

The **first volume** of *Capital* was published in 1867. The existing English translations are based on the fourth German edition, revised and published by Engels in 1890.

The **third volume** is based on a manuscript that existed *before* the publication of the first volume. The **second volume** is based on manuscripts composed later (1868–1881).

All three volumes we are familiar with were unknown to Marx! The work was uncompleted by its author.



NOTES:

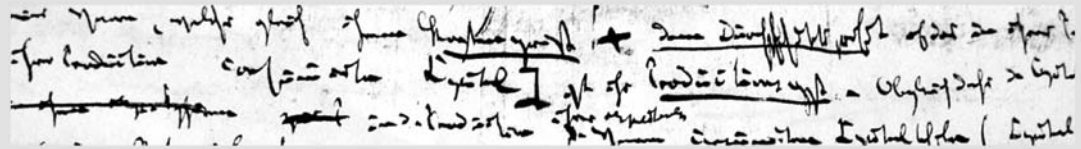


Marx's studies led him at the end of the 1850s to work out his own theory. In 1857–58, he composed a first draft of *Capital* (the *Grundrisse der Kritik der politischen Ökonomie*, or *Outline of a Critique of Political Economy*). In 1859, the *Contribution to the Critique of Political Economy* was published, which only contained the chapter on «The Commodity and Money». In 1867, the first volume was finally published. For the second edition of the first volume (1872), Marx revised the first chapter and re-structured the presentation by dividing the book into sections and chapters. For the French translation (1875), he re-formulated the section on the «The Process of Accumulation of Capital». This text was to be the foundation of a third German edition; yet, despite all efforts to continue the first volume – the work remained uncompleted by the author. After Marx's death, Engels was confronted with an almost impossible task. Among Marx's estate, he found all the manuscripts by Marx from which he reconstructed the texts for the second and third volumes of *Capital*. The difficulty for Engels was that the manuscripts were all written at different times and expressed different states in Marx's knowledge. Engels was, therefore, forced to (re-)structure the text and to standardize the terminology.

PRESENTATION SET: «GETTING STARTED READING CAPITAL»

Slide 4 (of 8)

NOTES:



Marx is not Marx

Marx wrote over the course of his lifetime, nearly a half century. He continuously developed his analysis, and the object of his analysis also changed. Only a few of his texts on economic theory were published during his lifetime.

The texts published after Marx's death were edited and revised (e. g. the second and third volumes of *Capital* by Friedrich Engels, *Theories of Surplus-Value* by Karl Kautsky) and published over several decades.

The history of the reception of Marx's work is complex and depends on various historical and political contexts, as well as the availability of specific texts.

Developing and refining his magnum opus took Marx almost 40 years. Already during his first émigré period in Paris, he studied classical and contemporary literature, primarily on political economy (the so-called *Economic and Philosophical Manuscripts of 1844*). He would once again take up these studies during his exile in London (the London notebooks of 1850–53). The British economists Adam Smith and David Ricardo had written works on the principles of political economy and taxation. Marx followed up on them, recognized their achievements, but also criticized them. He primarily distances himself from academic economics, or *Nationalökonomie*, in Germany. The reception of Marx's work depended on the various historical and political contexts. Shortly after the Social Democratic Workers' Party was formed (1869), this political movement was banned by the German chancellor Otto von Bismarck through the Anti-Socialist Laws. With the founding of the Second International (1889), the dissemination and study of Marx's theory grew by leaps and bounds. That was also the case for the availability of his writings. Marxism – as it was called – therefore became widespread in Europe at the end of the 19th century.

PRESENTATION SET: «GETTING STARTED READING *CAPITAL*»

Slide 5 (of 8)

«Critique of political economy»

«A critique of political economy» is the subtitle of *Capital*. Political economy = the historical term for what we now call economics.

Marx criticizes the very foundations of political economy, not just some of its theories, hypotheses, or findings.

The critique of political economy is also a critique of bourgeois society and its class relations.



NOTES:



Marx had set a high standard: an entire theoretical field, including its premises, was to be subject to a comprehensive critique. Political economy, according to Marx, had yielded many accurate insights (and helpful foundations for his own analysis), but had rarely posed the correct questions concerning its object. It remained trapped in bourgeois thought patterns. Thus, Marx's critique of political economy is not just a critique of a particular understanding of theory and science, but also a critical engagement with the society to which this science relates in an affirmative way.

PRESENTATION SET: «GETTING STARTED READING *CAPITAL*»

Slide 6 (of 8)

NOTES:



The type of analysis



To prevent possible misunderstandings, let me say this. I do not by any means depict the capitalist and the landowner in rosy colours. But individuals are dealt with here only in so far as they are the personifications of economic categories, the bearers of particular class-relations and interests.

(p. 92)

An analysis of capitalism in the Marxian sense means:

- ★ First, determining the social relations that force a certain behavioural rationality onto individuals;
- ★ Not starting with individual motivations and calculations;
- ★ Understanding critically how people act as «capitalists» or as «workers».

A critique of capitalism follows from this analysis, not a scolding of capitalists.

Marx's analysis is fundamentally different from both classical political economy as well as neo-classical economics. Instead of grounding an analysis of society in motivations, interests, and behaviour imputed to individuals – the famous homo economicus: the rational, utility-maximizing, completely informed individual – in *Capital* people appear as «personification[s] of economic categories». This means that structures, interests, and class relations are inscribed into individuals and operate through them; the human being is the «ensemble of the social relations» (*Theses on Feuerbach*). In other words, the calculations of individuals do not explain the economic system, but rather the opposite is true: by examining the system, the behaviour of individuals can be analyzed, if not fixed or predicted. For example, it is not the greed of managers that caused the financial crisis; rather, the greed of managers can be explained by the laws of movement of (finance) capital. The fact that Marx explicitly refers to his analytical approach in the preface to the first volume of *Capital* underscores the importance of this method for an understanding of his theory.

PRESENTATION SET: «GETTING STARTED READING *CAPITAL*»

Slide 7 (of 8)

The structure of the three volumes

Volume I

The simple circulation of commodities

Volume II

The process of the circulation of capital

The process of capitalist production

Volume II

The process of the circulation of capital



The process of capitalist production as a whole

Volume III

NOTES:

TIP:

This slide and the following slides can be used in different places. Other slides repeatedly refer to their content. Since they anticipate some things that cannot or must not be immediately understood, it is particularly advisable to come back to the material presented here at the end of a seminar.



Money (M) purchases labour power (LP) and means of production (MP). P is the process of production, in which a product is created, which has a surplus value (C') beyond the sum of LP and MP. This product is turned into more money (M') than was originally advanced (M). M' is reinvested (as a new M), the same process beings anew. The hyphens [—] stand for acts of exchange; the ellipses [...] symbolize the process of production, during which no act of exchange occurs. This descriptive formula is found in the second volume of Marx's *Capital*. Even if the concepts and connections presented here are not self-explanatory, they allow for an initial overview.

PRESENTATION SET: «GETTING STARTED READING *CAPITAL*»

Slide 8 (of 8)

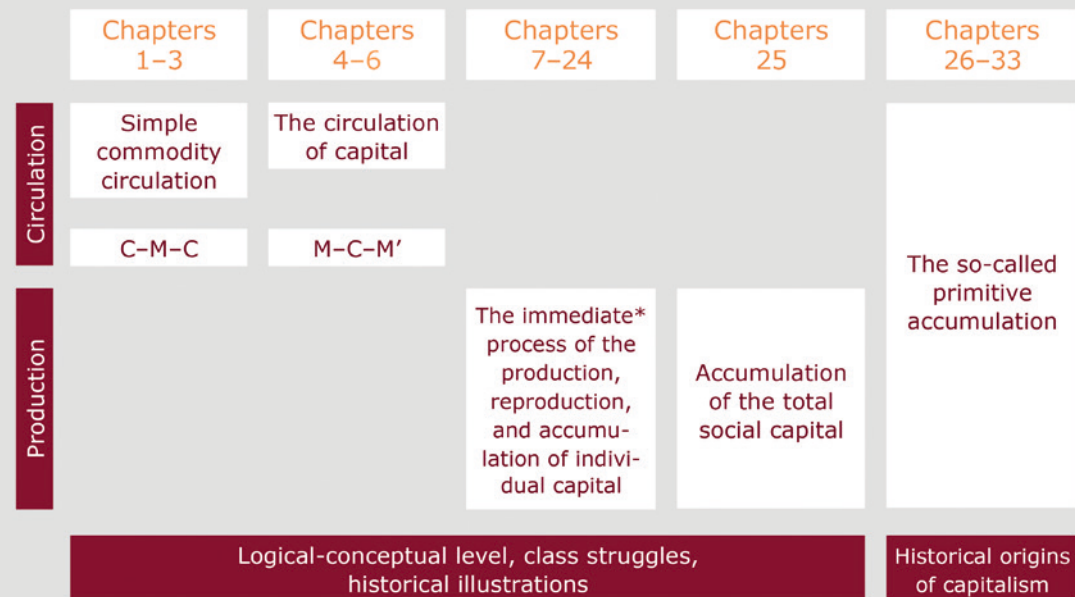
NOTES:



TIP:

Whoever panics when presented with this slide is justified (for now). Panic is «a disadvantage I am powerless to overcome, unless it be by forewarning and forearming those readers who zealously seek the truth. There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits» (p. 104). ;-)

Structure of Volume I



This is a simplified illustration which is intended to relate the various levels of presentation of the first volume to one another. The slide also offers an orientation for the box «level of presentation» on the subsequent slides. *Note: «immediate» means: disregarding mediation. Although production and reproduction of capital are mediated by circulation, we deal with them in abstraction from circulation at this level of presentation. Circulation is dealt with in the second volume of *Capital*. Until the 24th chapter, Marx also essentially abstracts from other capitals. The object of investigation is an individual capital, which is not yet fully determined. Generally, in the course of presentation, Marx adds further determinations to categories, which is to say that additional aspects are incorporated later at a different level of abstraction. So, for example, the commodity at the end of the first volume is richer in determinations than the commodity of the first chapter, but Marx could not present everything at once.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 1 (of 15)

... and thus it begins:



The **wealth** of societies
in which the capitalist mode of production
prevails appears as an «immense collection
of commodities»; the individual **commodity**
appears as its **elementary form**.
Our investigation therefore begins with
the analysis of the commodity.

(p. 125)

LEVEL OF PRESENTATION:

Simple commodity circulation

TIP 1:

It's advisable to let somebody read the sentence aloud and allow others to rephrase it in their own words.

TIP 2:

You should rouse attention for the information contained in this sentence with the hint that the questions raised do not yet clarify anything, but rather sensitize the reader to certain concepts and terms. Open questions can be collected in a «question catalog» and remain present from session to session until they are clarified through discussion or by the text.

The first sentence is often overlooked when reading *Capital*. Here we dedicate an entire slide to it, since it contains important information concerning the object and presentation of Marx's analysis: Marx indicates what societies he claims to be analyzing, that is, what the object of his investigation is. Terms such as «wealth», «appears», and «elementary form» can be interpreted in different ways. For example, the word «appears» can be understood as «takes the appearance of» or «seems as if». This provokes questions that cannot yet be answered at the moment, but already the first sentence shows how exactly Marx has to be read: the meanings of many of his terms differ from their everyday usage. Marx also states the reason here why he begins his analysis with the commodity. Concerning the question as to whether there were commodities prior to capitalism: the relationships of commensurability between commodities are valid because certain social relationships are presupposed. Even if not everything that is produced is a commodity, the bulk of products in capitalism take the form of commodities. That means that the commodity is the socially *dominant* form through which people establish relationships to each other.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 2 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Relative to the original text, this is the longest set of slides. It demands a lot of time, not just because a lot of questions are raised at the beginning, but also because the categories at the beginning are still very abstract.



Use-value

A Chair

You can sit or stand on it, it's comfortable and made of nice wood, it burns well, etc.



A Book

You can read it, it's made of paper, it's interesting or boring, etc.



Use-Value is comprised of the material properties and subjective utility of a product.



The **usefulness** of a thing makes it a use-value.

(p. 126)

A lot of questions arise with regard to the category of use value; for example: What does «useful» precisely mean? Is that an individual or a collective property? What is material? Are we dealing only with «things» here (something objective), or also services? Where and when is a product useful (for example, a refrigerator at the North Pole, water in the desert)? On what does the usefulness of a thing depend? And how is it that apparently useless things, like garbage for example, can still be traded and are obviously commodities?

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 3 (of 15)

Material content and social form



[Use-values] constitute the **material content** of wealth, whatever its **social form** may be. In the form of society to be considered here they are also the **material bearers** of exchange-value.

(p. 126)

Material content:
A sack of wheat

Social form
in feudalism:
Tribute/tithe



Material content:
A sack of wheat

Social form
in capitalism:
Commodity

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

The distinction between form and content is found throughout *Capital*. For that reason, this slide can be used at various points. It will be referred to numerous times.



This quotation indicates the distinction between form and content. The concept of form is found at different levels in Marx's work and addresses various dimensions. The sacks of wheat are an (additional) illustration where the distinction between form (commodity – tithe) and content (sack of wheat) is made with regard to the products created: One can neither taste, nor see, nor feel under which social relationships the product of labour, for example, the wheat, was cultivated. At the sensuous-material level, two sacks of wheat can look the same. However, the social conditions under which they were produced can vary: The sack of wheat can be a tribute to a landlord by a serf (feudalism) or a commodity for sale on the market (capitalism) or a contribution to satisfy human needs («association of free men»¹). The quotation from Marx deals with further dimensions of the concepts of form and content; on the one hand, at the categorical level concerning the distinction between exchange-value (the form of products as commodities, specific to capitalism) and use-value (the material content or material bearer of this form). On the other hand, it deals with the level of different social forms or formations (feudalism, capitalism, the «association of men»), which refers to the total context of the analysis.

¹ Translator's note: The phrase Marx uses in the original German is «Verein freier Menschen», literally an «association of free people.» The translation of the Penguin Classics edition is not only sexist, but also incorrect.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 4 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Exchange-value

The exchange-value of a commodity is what one receives in exchange for this commodity:



1 chair = 2 pairs of pants



Statement A: 1 chair is the exchange-value of 2 pairs of pants.

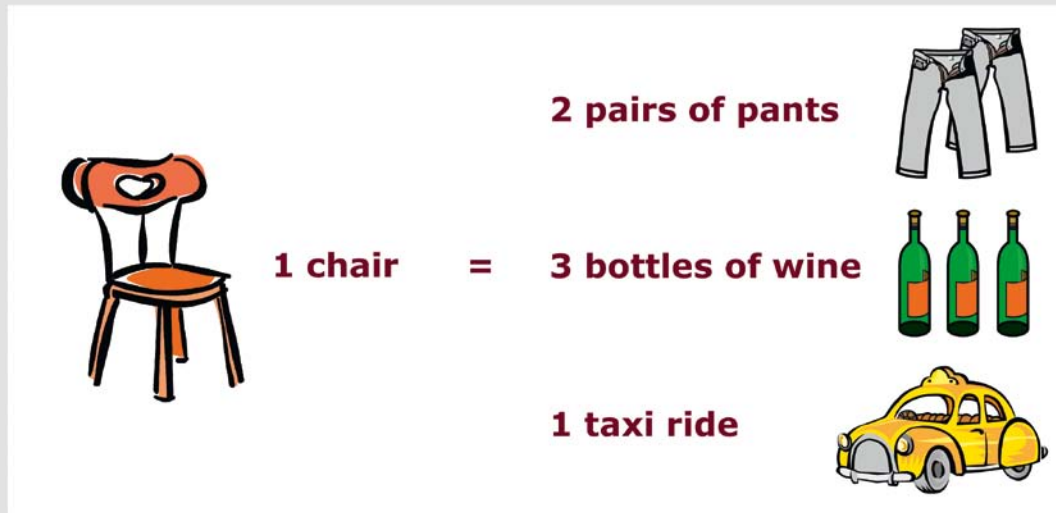
Statement B: 2 pairs of pants are the exchange-value of 1 chair.

The term exchange value already presupposes two commodities standing in an exchange relationship to each other. At this point, the question concerning money often arises: In capitalism, commodities are not exchanged for commodities, but rather for money. In the analysis, however, money has not yet been introduced as a category. Initially, exchange value is analyzed with regard to the relationship between two commodities, because Marx temporarily disregards money, i. e. he abstracts from it, although money is implied, if not yet introduced. The preface to the first edition of Volume I offers a graphic indication of the method of abstraction, to which the reader may refer.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 5 (of 15)

Every commodity has many different exchange-values



If these equations are valid ...

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

TIP:

Pants, bottles of wine, and a taxi ride are just three examples. The list of various exchange values can be infinitely expanded.

Often the question is raised as to whether the category of the commodity refers exclusively to «material» things. For that reason, in this slide the taxi ride serves as an example for various services which are often referred to as «immaterial», even if they also have material characteristics. The point behind the question, however, is whether commodities have to be material goods («things»). Here, one can refer to Marx's concept of form; concretely, that in capitalism the product of labour assumes the form of the commodity. Here, the social conditions under which commodities are produced and for what purpose are central. The question, on the other hand, of whether an individual commodity is a thing or service is not decisive.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 6 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



... then so is the following:



If 2 pairs of pants, 3 bottles of wine and 1 taxi ride are all exchange-values of 1 chair ...

... then they must, «as exchange-values, be mutually replaceable or of identical magnitude». (p. 127)

A tip concerning the quote from Marx: The word «or» here does not mean «either-or», but rather «in the sense of» (since the matter at hand is the exchange of equivalents). This sentence does not have to be valid for a coincidental, individual act of exchange. However, when exchange is the *dominant* form of economic intercourse, then what the quotation says is valid.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 7 (of 15)

... and from that follows:

... The valid exchange-values of a particular commodity express **something equal** ...

(p. 127)



... Exchange-value cannot be anything other than the mode of expression, the «**form of appearance**», of a content distinguishable from it.

(p. 127)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Quotation 1 puts us on the tracks of value, this intangible category that appears to evade all perception. Quotation 2 offers a further determination of exchange value: initially, it was that which one obtained in exchange for a commodity (see slide 4). Now it is the «mode of expression» or «form of appearance» of something else (However: here, in contrast to earlier manuscripts, Marx avoids the use of the term «essence» as the philosophical antonym of «appearance»). Also in the case of this example it can be made clear: the concepts in *Capital* (commodity, labour, money, capital, etc.) are further determined in the course of the presentation.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 8 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Now things are getting tricky, since the distinction between value and exchange value usually provokes many questions. Please, take enough time for the following slides.



From exchange-value to value



1 chair = 2 pairs of pants



Chair and pants must have something in common, but this has nothing to do with their material properties.

BECAUSE:

It is precisely the abstraction from their use-values that characterizes the relationship of exchange of commodities.

This abstraction occurs at the moment of exchange.

But what is this common, third thing?



That the abstraction occurs *at the moment of exchange* indicates that for example, when shopping in the supermarket, we do not consciously abstract from the fact that the tomato is red, juicy, and round, but we do so in fact (without expending any further thought on the matter): we reduce the different, actually incomparable use values to something comparable by exchanging them with each other in a specific quantitative relation. The slide works here again exclusively with examples from the world of tangible commodities, in order to not overtax the imagination (the value relationship is more difficult to grasp using examples of services). However, one could just as well say that one Taxi ride can be exchanged for two pairs of pants.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 9 (of 15)

Value

What remains when we abstract from all useful, concrete, sensuous-material properties of the commodity?

Then the commodities are merely **products of labour**, not of a particular concrete act of labour, but rather of **abstract human labour**, labour as such.



As crystals of this
social substance, which is
common to them all, they are
values – commodity values.

(p. 128)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP 1:

Here, one can also quote briefly from Marx's letter to Kugelman (1868) (MECW Volume 43, p. 68).

TIP 2:

Marx already refers on page 128 to «human labour in the abstract», but only in the following section from page 131 is the category more precisely determined.

For the sought common property, Marx excludes the natural (geometrical, physical, or chemical) characteristics of the commodity, since these are only relevant to its use-value, which is not the point here. Often the question arises as to why labour of all things should be the commonality, since commodities are also exchanged that are not products of expended labour, such as water, virgin soil, or fallen wood. Furthermore, Marx does not prove his labour theory of value, he simply assumes it.

In an important passage of a preliminary work to *Capital* (*The Contribution to a Critique of Political Economy*), Marx makes it clear that he is initially only concerned with commodities that are products of labour. And he did not want to «prove» the labour theory of value: Every society has to allocate labour. The difference concerns how each society does this. A society based on exchange regulates this allocation of labour by means of value. The decisive difference between Marx and classical political economy is his analytical distinction between the specific form that labour assumes under capitalist relations (and only there). The different meanings of «common» (= to have something in common) and «social» (= in relationship to others) indicate two important determinations of value.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 10 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Value and exchange-value I

Exchange-value

That which one obtains in exchange for a commodity, and a form of appearance of value.

Value

The social substance common to all: «spectral objectivity.»



The common factor in the exchange relation, or in the exchange-value of the commodity, is therefore its value.

(p. 128)

In that Marx calls value a «phantom-like objectivity» (p. 128, a better translation is «spectral»), he gets closer to its contradictory nature with a vivid picture: On the one hand, value is not tangible, somehow extraterrestrial and invisible like a phantom; on the other hand, value is not just something imaginary, but has a real effect. This real value needs an objective expression, a form of presentation: exchange-value. To stay with our previous examples: if two pairs of pants can be exchanged for a chair, the exchange value of the pairs of pants is a chair or, to put it another way: in exchange, the chair gives the «phantom» (value) a body.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

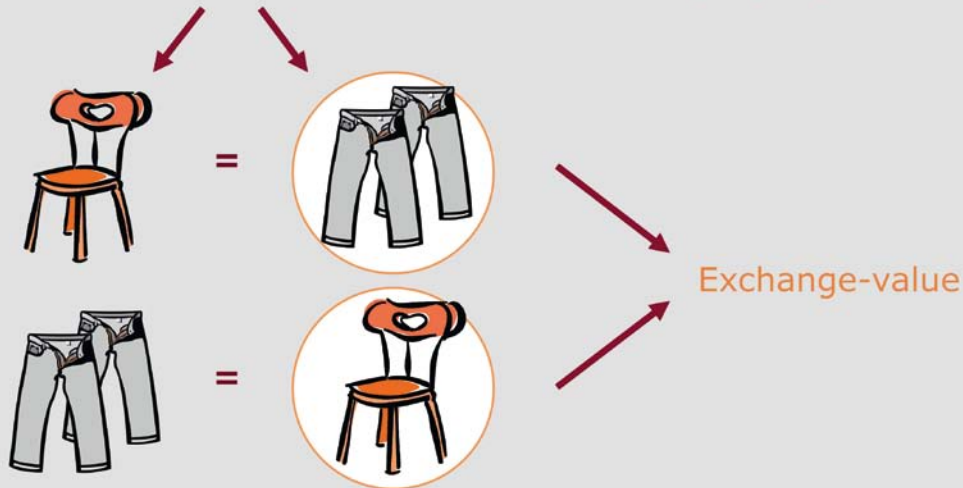
Slide 11 (of 15)

Value and exchange-value II

The substance constituting value:
abstract human labour

→

The common third
property: **value**



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

TIP:

If furrowed brows or puzzled looks still indicate a lack of clarity, do not panic! Value is a complex topic that requires time to understand.

With regard to the difference between value and exchange value, the question often arises as to where exactly value is located and where it originates and becomes manifest: in the production process, or in exchange. The fact that there are various ways of reading that are responsible for differing interpretations of value indicates that the question cannot be easily answered. For each of the differing interpretations, one finds a corresponding quotation from Marx: The German «New Reading of Marx» emphasizes the social quality of value into which «not an atom of matter enters» and which only appears «in the social relation between commodity and commodity» (p. 138–39). Other interpretations trace the emergence of value back to production: Every article produced possesses value independent of exchange, the commodity contains value the way a jelly donut contains marmalade. With Marx, one could therefore say it is «the magnitude of the value of commodities which regulates the proportion in which they exchange» (p. 156). The questions raised here (where can value be located and where does it arise and become manifest?) accompany the progress of the lecture, without a satisfactory answer being possible at this point.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 12 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



The magnitude of value

It is not individually expended labour time which is **constitutive of value**, but rather **socially necessary** labour time.

What is that?

Only that labour power that has the character of **socially average labour power**.

What is socially average labour power?

- ★ Socially normal **conditions of production**
- ★ The socially average degree of **skills on the part of the worker**
- ★ The socially average degree of the **intensity of labour**

This does not yet completely answer the question as to the magnitude of value. More exact determinations follow (see the «The Dual Character of the Labour Embodied in Commodities», slides 4 and 6). Often the question is raised concerning how the term «average» is meant. How is this average determined? «Average» should not be understood here in an arithmetical sense, but rather in the sense of «most widespread». This average quantity is first determined in exchange: only on the market does it first become apparent to commodity producers what normal level of technology, skill, and qualification has managed to impose itself. To that extent, during this presentation it makes sense to recall this social aspect of the constitution of value. In the second section of chapter one, the topic is dealt with more in-depth (see the presentation set «The Dual Character of the Labour Embodied in Commodities»).

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 13 (of 15)

The productivity of labour



... The greater the
productivity of labour, the less
the labour-time required to produce
an article, the less the mass of labour
crystallized in that article, and
the less its **value**.

(p. 131)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

For an illustration of this quotation, see the following slide.

This is the first passage in which Marx speaks of the productivity of labour. An increase in productivity means that in the same period of time or with the same expenditure of labour, more products can be produced (for example, through the use of machinery). This will repeatedly play an important role in the coming chapters, especially with regard to competition between capitalists. A change in productivity in the production of a particular commodity has effects upon its socially necessary quantity of labour and therefore upon its magnitude of value. The quotation chosen here makes the connection clear.

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 14 (of 15)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Increase in productivity

The production of 3 tables takes 60 hours:



After the purchase and use of machinery:

→ Increase in productivity

Now the production of 3 tables only takes 30 hours:



The illustration of this slide (as well as others) contains the potential risk of making value appear as something intrinsic to an individual commodity. What is constitutive of value, however, is not the labour individually expended in production, but rather the labour that emerges as average socially necessary labour time (on the question of the average socially necessary labour time, see slide 12 on the magnitude of value).

PRESENTATION SET: «THE TWO FACTORS OF THE COMMODITY»

Slide 15 (of 15)

Concluding clarifications

There are commodities that are not the product of labour: they have use-value and can have an exchange-value (if they are sold), but no value.

Example: virgin soil

→ Here, exchange-value is not a form of appearance of value.

There are products of labour with use-value, but no exchange-value: Whoever does not exchange his product has not produced a commodity, and hence has not produced value.

Example: baking a pizza at home for friends

→ No value, no exchange value, only use-value.

A product that cannot be exchanged (since nobody wants it), does not have use-value for others, and is therefore useless. The labour embodied in it proves to be useless.

→ No use-value for others, therefore no value, and therefore not a commodity.

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Primarily with regard to commodities that are not products of labour yet can nonetheless be exchanged, questions are frequently posed which at this point cannot (yet) be answered using Marx's work. Marx initially examines commodities that are products of labour – as a presupposed «normal case» (see slide 9, subtext). The determination of the exchange value of commodities that are not products of human labour is a topic in the third volume of *Capital* (for example in the section on land rentals), which Marx briefly notes in this passage.

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 1 (of 7)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

In order to illustrate the dual character, the following image helps: You observe the same object with two different pairs of glasses. Each pair allows something different to become visible: One pair of glasses shows the material character of the object, the other its social character.

The dual character of the labour embodied in commodities



... **crucial** to an understanding of political economy ...

(p. 132)

Concrete useful labour: purposeful activity that creates use values (i. e. shoemaker's or carpenter's labour; the labour of a teacher or IT programmer; etc.)

Abstract human labour: human labour as such, meaning in abstraction from concrete activity

Concrete labour must be recognized as abstract labour – labour as such – in exchange. Otherwise it is not constitutive of value and hence useless (in the capitalist sense).

Marx does not speak of the dual character of labour, but rather the dual character of labour *embodied in the commodity*. Marx introduces it as analogous to the double character of the commodity: just like the commodity, labour also has a dual character in capitalism. Just like the «twofold nature» of the commodity, this is a purely analytical distinction, which considers *the same* act of labour from two sides: from the perspective of its sensuous, perceivable, material aspect, and from the perspective of its social form. On the following two slides, both aspects of this labour are explained in greater detail. The use of the word «crucial» in the quotation (the German original uses the word *Springpunkt*, or «pivot») shows how important this distinction was to Marx. Its importance will also be demonstrated in the following chapters. Marx introduced this distinction and, in doing so, distinguished himself fundamentally from classical political economy.

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 2 (of 7)

Concrete useful labour



We use the abbreviated expression «useful labour» for labour whose utility is represented by the use-value of its product.
(p. 132)

Labour, then, as the creator of use-values, as useful labour, is a condition of human existence which is independent of all forms of society; it is an eternal natural necessity which mediates the metabolism between man and nature, and therefore human life itself.
(p. 133)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Due to the difficulties involved in visualization, services are also missing here: Instead of tables, taxi rides could also be used as illustrative examples.

The dual character of commodity producing labour: 1. The *material* level: The arrows that align the various products with a common point of reference are intended to demonstrate that in *every* society, it is necessary for people to be active, i. e. to allocate the necessary labour and subsequently to organize the distribution of the use values produced. This is not a question specific to capitalism, just as concrete-useful labour is not specific to capitalism. The second quotation emphasizes this.

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 3 (of 7)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Abstract human labour

- ★ Is the «reduction to homogeneous human labour», to *labour as such*;
- ★ labour considered as «human labour power expended without regard to the form [=manner] of its expenditure»;
- ★ a purely social determination;
- ★ something specific to capitalist commodity production;
- ★ is distinct from the specific expression of concrete activity (carpentry, tailoring, driving a taxi, philosophizing) or its character (sweat-inducing, boring, diverse, intellectual, simple, or complex).

Only as abstract labour is it the substance of value.

But how is the quantitative aspect of value creation determined?



This slide introduces one of the most difficult categories of *Capital*. Experience shows that it is usually difficult for readers to conceptualize abstract labour. In the course of this presentation, both one's understanding or one's confusion might be increased. Often, the question arises as to whether abstract labour is something that exists in *all* societies, since for the sake of human survival «human labour in general» must always be expended everywhere. Abstract labour is a reduction, consummated in exchange, of opposite acts of concrete labour to equal human labour, «human labour in general». This procedure serves to symbolize this abstract labour, but is not identical with it. The *social* determination of abstract labour, what is specifically capitalistic about this category, will first become clear over the course of reading the book.

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 4 (of 7)

The value constituting substance

The extent to which individual concrete labour is recognized as abstract human labour is first shown in exchange.

Because different acts of labour – to the extent that they constitute value – are qualitatively equal, they can be *quantitatively* compared. The magnitude of a commodity's value depends on how much equalized labour is contained within it.

In exchange (i. e. this act of equalization), three reductions occur:

- ★ Distinct individual labour expenditure is reduced to **average socially necessary labour** (technology, skill, knowledge, productivity).
- ★ **Complex** labour is reduced to **simple** labour (the former is merely a multiple of the latter) – depending upon social conventions, power relations, gender hierarchies, etc.
- ★ **Privately** expended labour is reduced to **socially necessary** labour («use-value for others»: total social demand must be present).

Only concrete labour can be measured with a stopwatch!



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

This slide has a lot of text. It should therefore be dealt with slowly, point-by-point. In our experience, there is a need for a lot of discussion concerning the acts of reduction.



These three reductions are named in Marx's text, but not presented in such a systematic way. This slide therefore falls a bit outside of the framework of the others, since it is not as closely oriented on Marx's text. Marx also does not speak of demand, but rather of «use-values for others» (p. 131). In our experience, this systematization helps to make the process of reduction in exchange understandable. It also makes sense to point out that the reduction of the various concrete activities to a commonality does not occur in the consciousness of the actors. They act without having to know what they're doing. At the very latest, once participants see the stopwatch, the frowning questions start to pile up: «Come again?» Of course, the social average can be measured, the measurement would then yield an hourly count of abstract labour, etc. The following slides attempt to further get to the bottom of this difficult determination of abstract labour ...

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 5 (of 7)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Do not dwell on this slide. The next slide has all relevant information and clarifies questions that might already arise here.

How does this reduction function?



The various proportions in which different kinds of labour are **reduced** to simple labour as their unit of measurement are established by a social **process** that goes on behind the backs of the producers; these proportions therefore appear to the producers to have been handed down by tradition.

(p. 135)

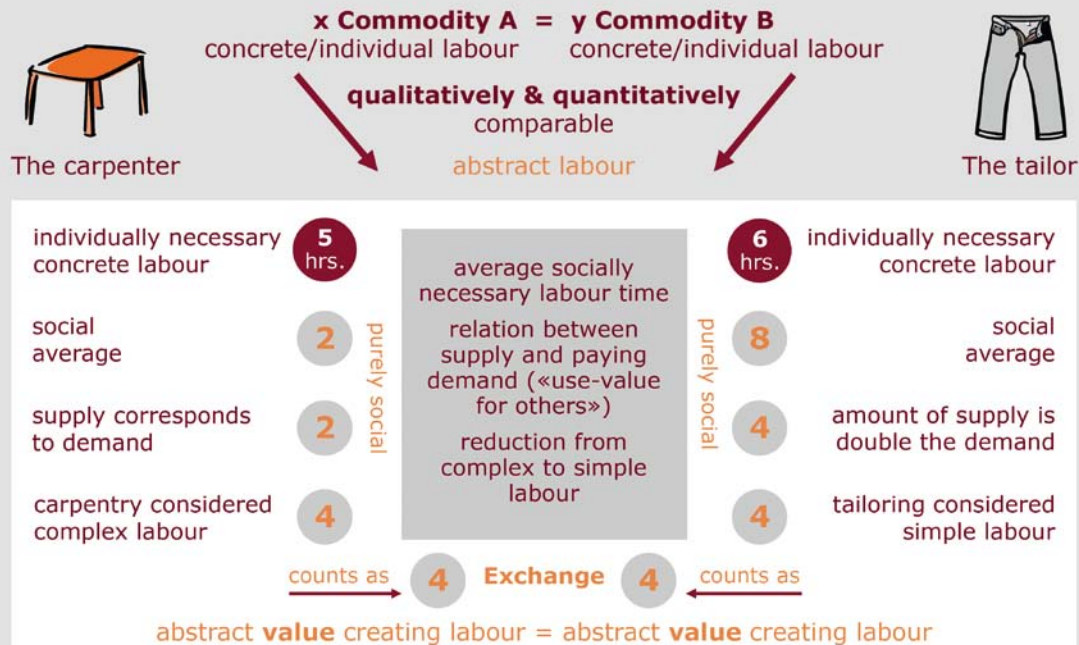


The market depicted here is a completely normal weekly market. The photo helps to symbolize the process of reduction: it portrays the exchange of equivalents, commodity for commodity. But don't get confused by the concrete illustration: Marx has not yet introduced money, and commodity owners have not yet entered the stage. – Marx's quotation only refers to the second of the three reductions mentioned, but points out a curiosity in connection with *all* reductions: the recognition of concrete labour as abstract, value-constituting labour on the market occurs behind the backs of producers. This quotation therefore also frequently provokes the question as to how the reduction of the manifold acts of labour to a particular measure occurs. On this, see the following slide ...

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 6 (of 7)

The reductions



LEVEL OF PRESENTATION:

Simple commodity circulation

TIP:

Don't panic! This slide is only an optical overload at first glance. Plan enough time (at least 15 minutes).

In the animated PowerPoint presentation, the individual elements appear one after another. This helps to maintain an overview.

Each element requires its own explanation: it's best to go through them beforehand and let the sequence sink in.



This image visualizes a social process or relation whose visual presentation is so difficult precisely because it is neither visible nor calculable, nor does it occur consciously: As with value, abstract labour is not something that can be perceived by the senses, but rather a category that expresses something *social*. This slide attempts to find a demonstrative, explanatory form of presentation for the process of the reduction of concrete labour to abstract labour. The image presents at individual moments something which must be grasped as a whole. Important to note is that the reductions do not occur one after another, as the image suggests, but rather simultaneously. And the numbers in the circles are not individually measurable hours, or even hours fixed prior to exchange (this is why the word «hour» is only appended in the case of the concrete labour expenditure), but rather illustrate a relation of social validation that becomes manifest in exchange: 5 hours *count* as 4 hours.

PRESENTATION SET: «THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES»

Slide 7 (of 7)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Causes of misunderstanding in Marx's work



All labour is an expenditure of human labour-power, **in the physiological sense**, and it is in this quality of being [...] abstract human labour that it forms the **value of commodities**. On the other hand, all labour is an expenditure of human labour-power in a particular form and with a definite aim, and it is in this quality of being concrete useful labour that it produces use-values.

(p. 137)

All labour is in some sense physiological expenditure.

But this does not yet say anything about the *specific social character* of abstract labour.



abstraction in the sense of **physiological commonality**

≠

abstraction in the sense of a **relation of social validation**

To conclude this presentation, here is another quotation from Marx that frequently sparks a misunderstanding: Isn't abstract labour simply a physical or mental effort in general, measurable in terms of expended energy? Such an understanding has led to interpretations in which abstract labour is understood in the sense of a particularly homogeneous, monotonous type of labour. Marx contradicts this reading: In countless passages, he makes it clear that there is nothing physical about abstract labour. The fact that with this quotation (and others, such as the reference to «expenditure of human brains, muscles, nerves, hands etc.» on page 134) Marx himself gave rise to such misunderstandings shows how difficult it was for Marx to maintain consistency in terms of what was radically new in his theory of value in contrast to classical political economy. In the course of the presentation (from the second chapter on) this confusing linkage of physiological expenditure of labour power with the category of abstract labour no longer arises.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 1 (of 9)

Back to exchange value

Marx intends to explain the **genesis of the money form**.

➡ **Solving the mystery of money:**
Why everything can be bought with money.

How does Marx solve the mystery? He follows the expression of value from its simplest manifestation all the way to its monetary form.

The **value relation** of two commodities:
20 yards of linen = 1 coat

This yields the simplest **expression of the value** of a commodity: 20 yards of linen are worth 1 coat.

LEVEL OF PRESENTATION:
Simple commodity circulation

TIP 1:

Since this section is so dense, it's advisable to constantly bring to mind Marx's central question concerning the genesis of the *money form*.

TIP 2:

During the presentation of the slides on the analysis of the forms of value, the statements «20 yards of linen = 1 coat» and «20 yards of linen are worth one coat» can be written on a black-board, since they have to be referred to repeatedly.

In the first section of the first chapter, Marx began with exchange value as the exchange relation between two commodities, in order to get on the tracks of value. Now he returns to exchange value and uses the analysis of value as its basis. Each of the example statements stands for a distinct analytical focus: In the value relation, the emphasis is on the commonality between the two commodities (value). In the expression of value, the value of a commodity is expressed in another commodity. Classical political economy never posed the question as to why we can buy anything with money, but simply assumed this as a given reality.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 2 (of 9)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

During the transition from the simple, isolated, or accidental form of value to the total or expanded form of value (see slide 7), this slide can be referred to again.



The simple, isolated or accidental form of value I

20 yards of linen = 1 coat

Simple



Does not presuppose anything other than two commodities.

Isolated



Does not encompass any relationship to other expressions of value, is considered in isolation.

Accidental



Could be any arbitrary commodity, such as wheat, a hat, a straw, or lemonade.

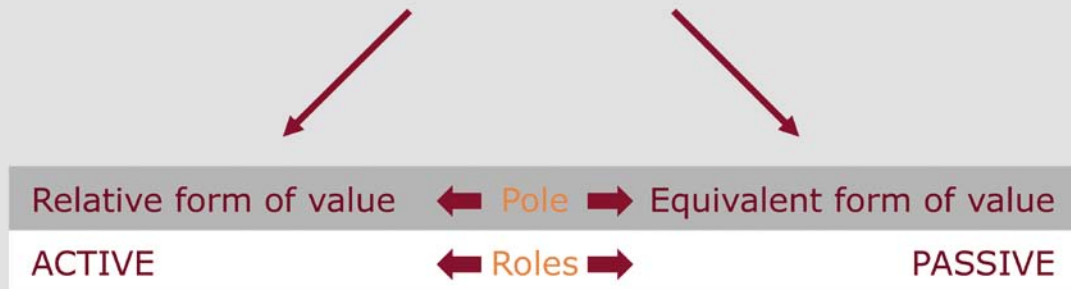
Since «the whole mystery of the form of value lies hidden in this simple form» (p. 139), Marx conducts a very detailed analysis of the simple, isolated, or accidental form of value. This is why the following three slides are dedicated to it. The debate concerning historical versus logical-conceptual readings also arises with regard to the analysis of the form of value: Whereas some read the development of the forms of value as a *historical* emergence of commodity exchange and money, others assume that with the analysis of the value form, Marx delivers an examination of money *within* capitalist society.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 3 (of 9)

The simple, isolated or accidental form of value II

20 yards of linen = 1 coat
20 yards of linen are **worth** 1 coat



LEVEL OF PRESENTATION:

Simple commodity circulation

TIP:

Sometimes scenic comic relief helps:

Linen: «I'm worth something, but I have nothing and nobody who will express my value. Dear coat, please express my value.»

Coat: «Alright, alright. You know that I don't like that, because then nobody wants me as a coat, but only as an expression of your dumb value.»

Linen: «That's so nice of you. Then I've finally found something, and everybody can see what I'm worth: one coat.»

In the expression of value, a commodity cannot be in both positions at the same time. Here the point is that the value of the commodity on the *left* is expressed in the commodity on the *right*. Both commodities play two different roles.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 4 (of 9)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Here you can refer to the passages on abstract human labour in the first and second sections of the first chapter.

The content of the relative form of value



... The magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit [...] The linen and the coat [...] are expressions of the same unit, things of the same nature. [...] Human labour-power [...] creates value, but is not itself value. It becomes value in its coagulated state, in objective form.

(pp. 140–42)

Within the value expression **20 yards of linen are worth 1 coat**, the coat *counts* as a form of existence of value, as a «thing of value.»

The value of the linen has taken the form of the coat.

Now the linen has a **value form** distinct from its **natural form**.

Marx analyses the two distinct roles of the commodities in the first form of value separately. This and the next slide deal with the analysis of the commodity in the first position, in the relative form of value. The analysis of the qualitative side of the commodity is given priority in the relative form of value over the quantitative. This once again indicates that value and its substance, abstract human labour constitutes the foundation so that the commodity obtains a form of value in the body of another commodity. Marx criticizes classical political economy for only concerning itself with the quantitative aspect and ignoring the qualitative aspect. The reason for this is that classical political economy never made a distinction between value and the value form as its necessary incarnation.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 5 (of 9)

The quantitative determination of the relative form of value

The expression of the value of commodity A changes when:

- ★ Its value changes, but not the value of commodity B.
- ★ Its value does not change, but commodity B's value changes.
- ★ The values of both commodities change, but not to the same extent or in the same direction.

IMPORTANT:

If the values of both commodities change to the **same extent** and in the **same direction**, the expression of value *does not change at all!*

LEVEL OF PRESENTATION:

Simple commodity circulation

TIP 1:

Here, heads might start spinning. For illustration, you can use the examples that Marx offers on the pages of this section (pp. 145–46).

TIP 2:

This slide can also be used later concerning the difference between developments in value and developments in price (see the presentation «Money», slides 2 and 3).



The last sentence points out that changes in the magnitude of value are not necessarily reflected in the expression of value: even if the expression of value remains the same, that does not mean that the magnitudes of value of commodities also remain unchanged. The expression of value is always something relative, meaning in relation to other factors.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 6 (of 9)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

In our experience, discussing the three peculiarities of the equivalent form takes a lot of time.



The equivalent form

The equivalent form of a commodity = the form of its **direct exchangeability** with another commodity:
The coat is directly exchangeable with the linen.

The three peculiarities of the equivalent form:

- ★ **Use-value** becomes a form of appearance of its opposite, **value**.
- ★ **Concrete labour** becomes a form of appearance of its opposite, **abstract human labour**.
- ★ **Private labour** becomes a form of its opposite, labour in **immediately social** form.

The **mystery** of the equivalent form:
The coat is an embodiment of value only in its relationship to the linen. Outside of this relationship, it is merely a use-value.

The three peculiarities of the equivalent form become apparent from analysis of the equivalent form. The three peculiarities should be discussed extensively as they are important for understanding the «topsy-turvy relations» of capitalism. See also: the presentation set on «the Fetishism of the Commodity». The «mysteriousness of the equivalent form» is the foundation of the money fetish.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 7 (of 9)

The total or expanded form of value

20 yards of linen = 1 coat



20 yards of linen = 10 lb. tea



20 yards of linen = 1 quarter of wheat



20 yards of linen = 2 ounces of gold



20 yards of linen = y commodity B

LEVEL OF PRESENTATION:

Simple commodity circulation

TIP 1:

The sense in which Marx writes of the «defects» of the form of value is best made accessible at the end of the entire value-form analysis, and with regard to the question posed at the beginning (see slide 1).

TIP 2:

In Marx's time, a «coat» was a suit. But today's graphic programs seem to be unfamiliar with such old-fashioned clothing.

Out of the limited properties of the first form of value, the simple, isolated, or accidental form (see slide 2), there arises the necessity of a logical-conceptual development of a further form of value which transcends the «insufficiencies» of the first form (on the «insufficiencies», see p. 154). The total or expanded form of value performs this function. In the simple form of value, the value of the 20 yards of linen is expressed in the coat. The coat was chosen coincidentally; the value of the 20 yards of linen could also be expressed in tea, wheat, iron, etc. The endless list of simple forms of value of the 20 yards of linen yields the total or expanded form of value. We have an endless sequence of simple expressions of value, but no *general* expression of value.

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 8 (of 9)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

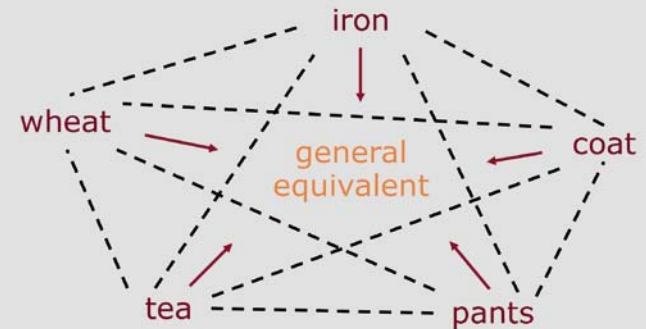
Here it is also important to refer to the transition from the total to the general form of value, as Marx describes it in *Capital* (p. 156).

The general form of value

--- = the result of →

1 coat =
10 lbs. tea =
1 quarter of wheat =
2 oz. of gold =
1 ton of iron =
etc. =

20 yards of linen



Every equation can be reversed. Thus, the general form of value is obtained from the total or expanded form of value. All commodities have a form of value distinct from their own natural forms in the same commodity, which means the value of *all* commodities has an independent form. First here, where all commodities stand in a relationship to one another (see the image at top right), one can truly speak of commodities. The graphic image illustrates this: In that all commodities relate to the mediating general equivalent (shown by the arrows), they can relate to each other both qualitatively and quantitatively as commodities (shown by the dotted lines). Now, it's easy to proceed from the general form of value to ...

PRESENTATION SET: «THE VALUE FORM, OR EXCHANGE VALUE»

Slide 9 (of 9)

The monetary form

1 coat	=	
10 lbs. of tea	=	
1 quarter of wheat	=	2 ounces of gold
1 ton of iron	=	
etc.	=	

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Frequently, a lot of questions will arise concerning the money commodity here as well as in the next two chapters.



In the transition from the general form of value to its monetary form, in contrast to the other transitions, we are not dealing with a further development of the value form. Gold becomes the equivalent commodity «by social custom» (p. 162). In his analysis of the value form, Marx implies that the money form is assumed by a commodity that – like all other commodities – has both a use value and value. Today, money is no longer tied to a money commodity. There is a debate concerning this: is Marx's analysis of money therefore invalid, or does the analysis retain its validity, regardless of whether money is itself a commodity?

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 1 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Before using this slide, we suggest compiling collective associations and examples of the term «fetish», initially without limitations, in order to address notions concerning the term in everyday language.

What is *not* meant by fetish:



What Marx means by «fetish» has nothing to do with the everyday understanding of the term today. The three pictures are symbols of everyday conceptions: fetishizing brands, sexual fetishes, or the drive to acquire the newest products, etc. As with other terms from *Capital*, it is important to ask how Marx uses the term. The fetish section is very well-known and rouses a lot of interest. On the other hand, there are a lot of imprecise notions of what exactly Marx means by «fetish» and why this concept is so central to the critique of political economy. For that reason, it is important to address possible misunderstandings, and to distinguish the concept from related categories such as «inversion» or «mystification».

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 2 (of 14)

The table as use-value and as commodity



As a **use-value**, a table is simply a table: as a material object, it can be used for various purposes (to eat or write on, as firewood, etc.).



As a **commodity**, the table becomes «mysterious» ...



... as soon as it emerges as a **commodity**, it changes into a **thing which transcends sensuousness**. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head ...

(p. 163)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

The first few pages of the fetish section are very dense: It is worth reading multiple passages aloud (as to which sections, and when: see the following slides).



Commodities might not appear to be anything mysterious to everyday perception. It is first Marx's analysis that shows that something is mysterious. Of course, no table simply stands itself on its head. Rather, Marx's intent is to challenge apparently obvious, quasi-natural relations. That which «transcends sensuousness» about the commodity is the fact that on the one hand it is a thing perceptible to the senses (or a service) with a concrete, material usefulness and composition, but at the same time it also has properties imperceptible to the senses («transcend[ing] sensuousness»): it possesses value, which is equated to other commodities in exchange. The last property indicates a very specific form that products assume in capitalism (see the next slide).

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 3 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Here, we suggest reading
page 164 aloud.



The enigma of the commodity form



Whence, then, arises the
enigmatic character of the product
of labour, as soon as it assumes
the form of a commodity? Clearly,
it arises from this form itself.

(p. 164)

Marx wanted to track down the causes of fetishism, and pinpoints it as something specific to commodity production. It obviously has something to do with the particular manner of this form of socialization: the first answer he provides, «clearly [...] from this form itself» offers an opportunity to once again clarify what it means that a product takes on the «form» of a commodity.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 4 (of 14)

The solution of the enigma ...



The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as [...] the socio-natural properties of these things.

(pp. 164–65)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

The last paragraph of page 164 and the first paragraph on page 165 can be discussed extensively, sentence by sentence.

Often, the question arises as to what Marx means by «socio-natural properties». «Social» (created by human beings) and «natural» (independent of the activity of human beings) here constitute a pair of opposites, which Marx conceptually unites. To wit: Under capitalist conditions, the «social characteristics of men's own labour» (which are created by human beings) present themselves as something natural. Value and abstract human labour are something social, but appear as something natural, in the sense of: having always necessarily existed in such a way. (For a better understanding, see the following slides.)

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 5 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Private independent producers



This slide illustrates the manner in which production is organized in capitalism: «Private individuals who work independently of each other» make individual decisions without consulting each other. As such, they can only guess as to what and how much other producers produce, and how much demand there is on the market. They try to make these guesses as precise as possible (market research), but only in exchange do they find out whether they have persisted in competition with others and whether they've been able to successfully sell their products (that is, at the magnitude of value taken into consideration). There is no common organization or coordination of production in accordance with needs that are determined *in advance*. So a speculative element structurally belongs to the capitalist mode of production, hence the formulations: «assume», «hope», «guess», «bet», «speculative».

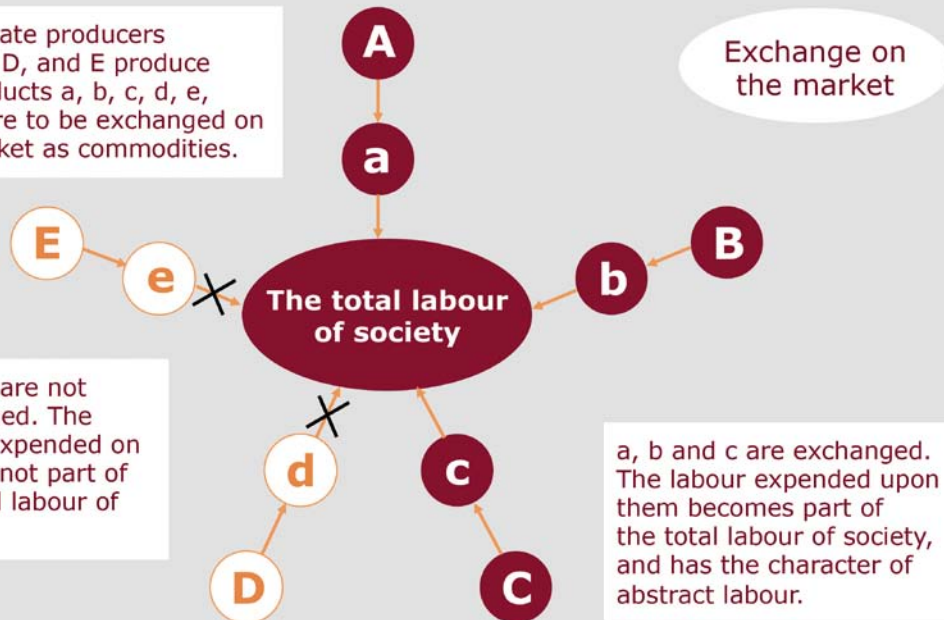
PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 6 (of 14)

The total labour of society

The private producers A, B, C, D, and E produce the products a, b, c, d, e, which are to be exchanged on the market as commodities.

e and d are not exchanged. The labour expended on them is not part of the total labour of society.



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



In part, this slide recapitulates material already addressed. But the term «total labour of society» is first used in the fetish section. Labour in capitalist society is not directly social. Only on the market do producers find out if the individual labour expended is recognized by society. Only the labour of those producers who actually sell their commodities becomes a part of the total labour of society.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 7 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP 1:

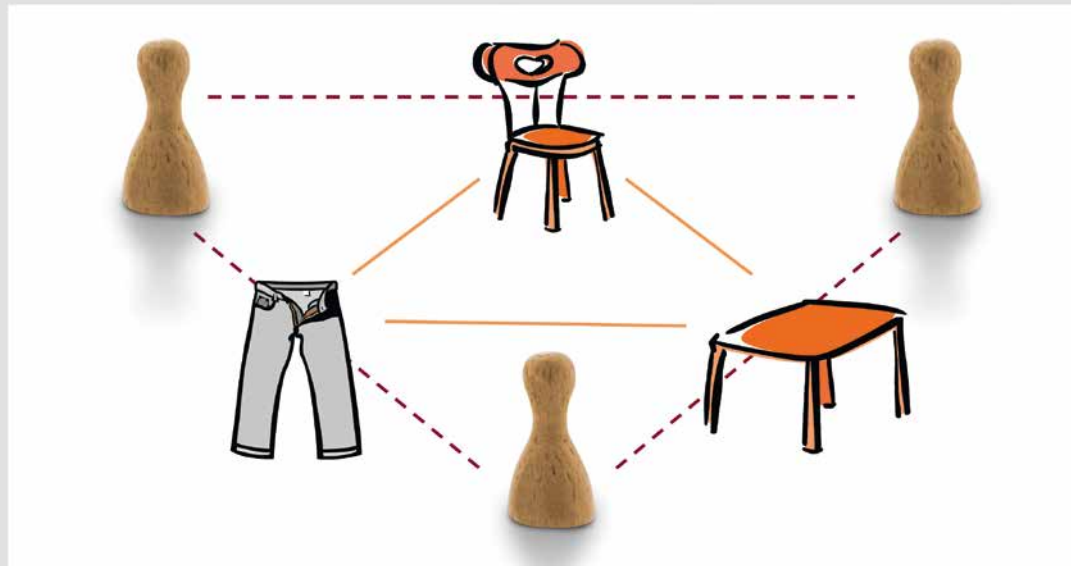
Let this slide make a visual impression before explaining what is being presented.

TIP 2:

You may continue to read this passage aloud, up to the top of page 166.



Social relations between things – material relations between people



This slide visualizes the following: Since in capitalism, people only enter into social contact with each other through commodities (mediated by money, as will be shown later in the presentation), the commodities are placed in the foreground of the illustration: their «social relationship» (the fact that they relate to each other as values and exchange for one another, seemingly on their own) is symbolized by the lines between them. Of course, commodities cannot act on their own; they need people to bring them to the market. However, the relationships between these people are not unmediated and direct, but are rather *mediated* by the commodities (hence the dotted lines in the background). The fetish is not a deception: Commodity owners portray relations as they actually are on the basis of the organization of production and distribution, «as material [*dinglich*] relations between persons and social relations between things» (p. 166). Fetishism is therefore not a problem of perception, but rather owes its existence to real conditions. However, through fetishism, one loses sight of the fact that these conditions are man-made.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 8 (of 14)

Agency and consciousness



... by equating their different products to each other in exchange as values, they equate their different kinds of labour as human labour. **They do this without being aware of it.**

(pp. 166–67)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

This quotation is an excerpt from a longer passage (pp. 166–67) which can also be read aloud.



This passage hits the nail on the head concerning a central aspect of the fetish: Regardless of what people think, they always act de facto as commodity producers; people do not engage in exchange because they are aware of value and abstract labour, but rather the reverse; because they engage in exchange, they realize the relation of commodity and value (unbeknownst to themselves). The fact that they equate their variegated commodities to one another in exchange, and thus relate them to each other as values, can be grasped with the concept of «real abstraction»: it is not a mental abstraction, but rather an abstraction in the real behaviour of human beings. They abstract from the use values of their commodities and exchange values, regardless of whether or not they know what they are doing.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 9 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Reification and naturalization



=



The chair has a value:
always and everywhere.



Reification: Social relationships appear as the properties of things. Just as a chair is brown, angular, and made of wood, it also possesses value. Naturalization: It seems natural that products assume the form of the commodity and possess value, as if this was always the case. The chair appears to always have value (expressed in money), since things *must* somehow possess some value, and *always have*. That which is only the dominant form of social intercourse in capitalism is naturalized into a trans-historical constant. Whereas reification has an objective foundation – material things, in fact, are bearers of social relations – naturalization arises from a false conception that the commodity form of products and their character as values are neither natural nor trans-historical. The equation «chair = money» is not intended to symbolize greed for money on the part of the commodity owner, but rather the fetishism that accompanies reification and naturalization. Marx does not himself use the term naturalization and reification first appears in the third chapter.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 10 (of 14)

Examples of naturalization

That which is only valid for this particular form of production appears «to those caught up in the relations of commodity production» (p. 167) as natural, trans-historical and final:

In every society		Only in commodity production
Product of labour	>	Commodity
Relations between people	>	Relations between things
Concrete useful labour	>	Abstract human labour

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



The > sign in the table means that a specific aspect of commodity production appears to be valid for every social formation, hence natural and necessary. For example, there are products of human labour (in the sense of activity) in every society (see the presentation set «The Dual Character of the Labour Embodied in Commodities», slide 3). Commodities, on the other hand, only exist in commodity producing societies. Fetishism causes every product of labour to be naturalized as a commodity. This slide expands upon the previous one and offers different examples of naturalization.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 11 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

In this context, one should address what the law of value means and its forceful imposition (formulated in a very reduced form on pages 167–68).

... Things that control them ...

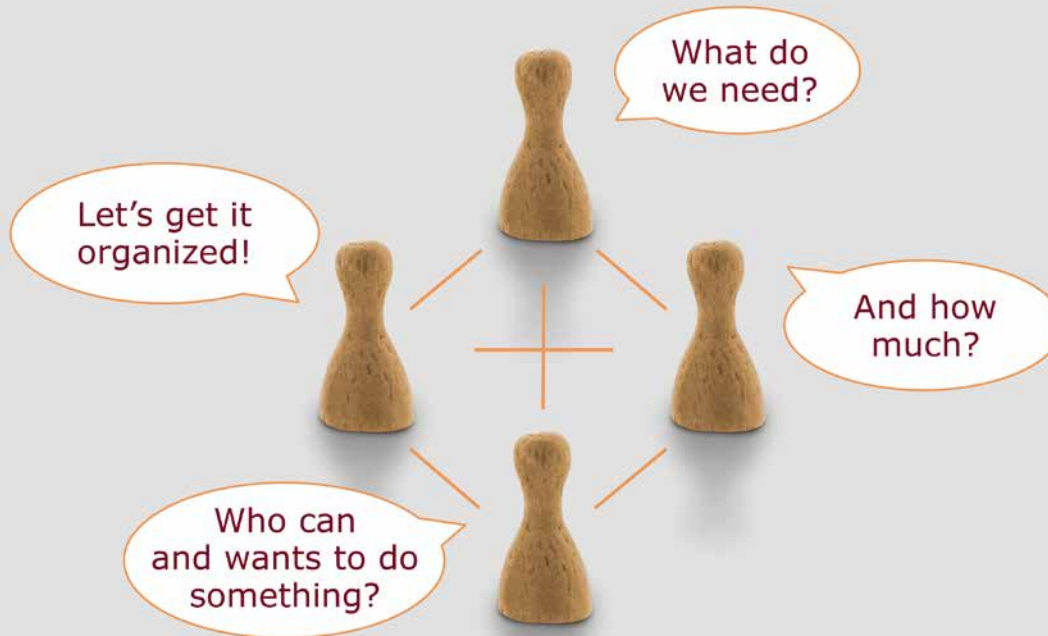


This slide visualizes the following: Because human beings enter into contact with one another by means of commodities, their social relations assume an independent character in the form of commodities, despite the fact that *human beings themselves* generate these social relations, thus the analogies to the divine figures of religion, which are products of the human mind, but appear to be independent and all-powerful. However, as opposed to religion, the power of commodities is not an illusion: The commodities produced *are in fact* of decisive importance for the possibility of being recognized as a seller on the market and being able to participate in a commodity-exchanging society. That this is not mere illusion is emphasized by Marx's use of the phrase «forms of thought which are socially valid, and therefore objective» (p. 169), which is worth discussing here.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 12 (of 14)

Association of free men



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

TIP:

Here, one can refer back to the presentation «The Two Factors of the Commodity», slide 3, in order to illustrate the difference between the two social formations.

The «community of free individuals» as outlined by Marx as one of many social formations in which relations are not fetetized. Socialization occurs *prior to and in* production, it is organized in common by the freely associated producers and is oriented to the various needs of humanity (this slide visualizes the process). Just as in the large peasant families of the Middle Ages or with Robinson Crusoe on his island, there exist no private producers independent from each other. Social relationships are unmediated and transparent. The question often arises with regard to the «community of free individuals» as to whether this is Marx's description of a communist society. However, the brief exemplary sketch of this «association» as well as other modes of production merely serves to distinguish it from the fetishistic relations of capitalism.

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 13 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

In a *Capital* course, it is often the case that people do not get around to discussing the footnotes. So here is at least an important quotation from them.

Critique of political economy I



As regards value
in general, classical political
economy in fact nowhere distinguishes
[...] between labour as it appears in the
value of a product, and the same
labour as it appears in the
product's use-value.

(p. 173, footnote 33)

From page 173 in footnotes 33, 34 and 35, Marx engages in an extensive critique of classical political economy. There he engages with the most important exponents of classical economy. Marx regarded the dual character of the labour embodied in commodities as «crucial to an understanding of political economy» (p. 132; see also the presentation «The Dual Character of the Labour Embodied in Commodities», slide 1). Marx accuses classical political economy of not having distinguished between concrete and abstract labour, and thus of having naturalized commodity-producing labour: in such a conception, every act of labour would be commodity-producing labour (on the concept of naturalization see slide 10).

PRESENTATION SET: «THE FETISHISM OF THE COMMODITY»

Slide 14 (of 14)

Critique of political economy II



Political economy has indeed analysed value and its magnitude, however incompletely, and has uncovered the content concealed within these forms. But it has never once asked the question **why this content has assumed that particular form ...**

(pp. 173–74)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Here you could discuss how Marx actually answers the question he poses («why this content has assumed that particular form»).

This quotation once again raises the question concerning *form*: classical political economy had already discovered labour as the content of value (such as in the labour theory of value of Adam Smith and David Ricardo), but did not raise the question concerning the *form* that labour takes under the conditions of commodity production (this focus is what distinguishes Marx's analysis). Since the classical economists did not analyze the form of value and its substance, labour, they also could not consider the peculiarities of commodity production. They therefore regarded them as natural and not as historically specific (naturalization). However, that which is historical can also be changed or even overcome. In contrast, that which is regarded as natural remains what it is – forever. Thus, according to Marx, it is not only everyday consciousness, but also bourgeois scholarship which is subordinated to the fetish.

PRESENTATION SET: «THE PROCESS OF EXCHANGE»

Slide 1 (of 5)

LEVEL OF PRESENTATION:

Simple commodity circulation

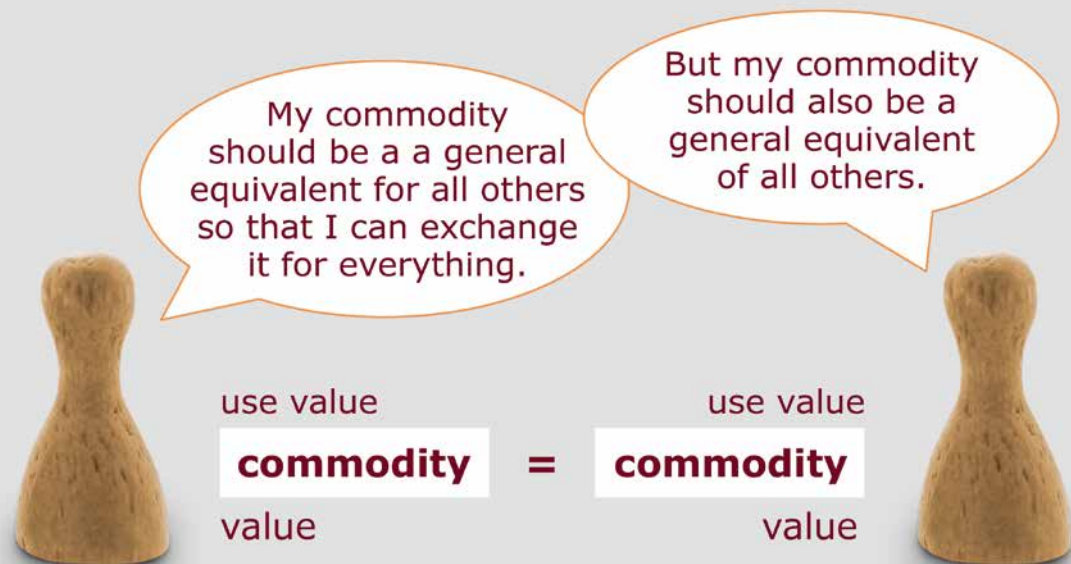
NOTES:



TIP:

This presentation set can also be used for a small activity: Print out individual slides, mix the copies, divide the course into small groups and let them try to arrange the slides into a sequence. Then have a collective discussion concerning the various proposed solutions. Slide number 5 does not have to be in the position it is here, but all the other slides do. Have fun!

Commodity owners and their commodities

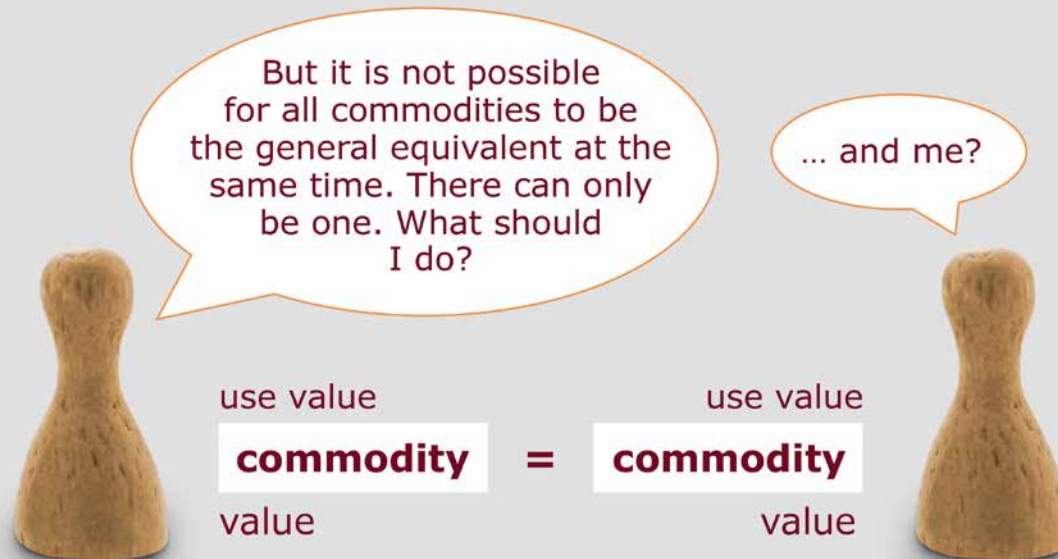


In the second chapter, Marx's presentation switches from the form determinations of the commodity to the activity of commodity owners. In the course of this, he demonstrates that their activity necessarily follows from the previously analyzed form determinations (commodity owners as «personifications of economic relations», p. 179; a more literal translation would be «economic character masks»). In the first chapter, Marx analyzed the money form on the basis of the exchange relationship (C–C without commodity owners). Now, the topic is the constitution of *money* in the exchange process (C–C with commodity owners). Every commodity owner desires that *his* commodity is a general equivalent, that is to say, that it can be exchanged for every other commodity. The solution to this contradiction is money, as the following slides will show.

PRESENTATION SET: «THE PROCESS OF EXCHANGE»

Slide 2 (of 5)

The commodity owner's ponder ...



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

TIP:

IMPORTANT NOTE! The speech balloons (particularly in slides 3 and 4) suggest that commodity owners are aware of what money is, but that is not the case. The speech balloons are intended to illustrate a process that actually occurs but which is not reflected upon and which can only be identified through analysis.

Commodity owners have a suspicion: not all commodities can assume the role of the general equivalent *at the same time*. From the analysis of the forms of value, we know that commodities can only relate to one another through the general form of value. Without a general equivalent, there would be no commodities, but rather only use values. The process of exchange appears impossible ...

PRESENTATION SET: «THE PROCESS OF EXCHANGE»

Slide 3 (of 5)

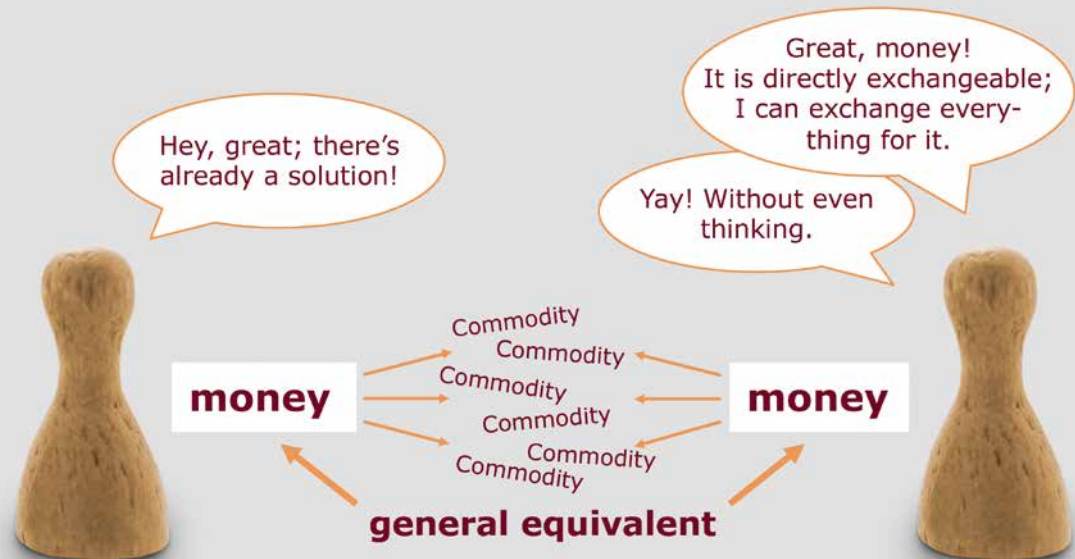
LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



... and find a solution



«In their difficulties our commodity-owners think like Faust: <In the beginning was the deed.> They have therefore already acted before thinking». (p. 180)

Commodity producers single out – without reflection and in an unplanned manner – a single commodity to which they can all relate. The commodity selected takes on the function of money. We are dealing here with a *social* act. In order to emphasize its character as an act, Marx quotes from Goethe's *Faust*: «In the beginning was the deed» (p. 180). However, this beginning is not meant in a temporal sense, but rather in a logical one. Money is the result of a process already consummated by commodity owners in their activity, without even being conscious of it.

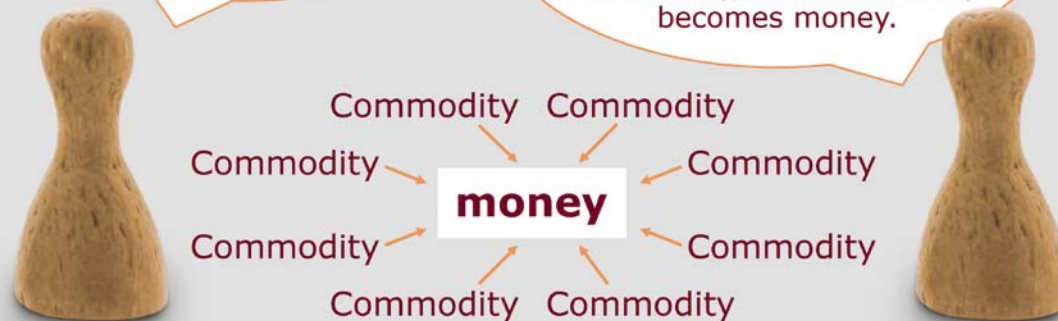
PRESENTATION SET: «THE PROCESS OF EXCHANGE»

Slide 4 (of 5)

The money fetish

Look, because we have money, we can relate all of our commodities to it as values. Practical, no?

Man, you've totally succumbed to the money fetish. The reverse is the case: Because we represent the value of all our commodities in an exclusive commodity, that commodity becomes money.



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



The money fetish (p. 187) is a further development of the fetishism of the commodity because of which the relationship between commodity and money appears «backward» to commodity owners: Commodities appear to express their value in money *because* something seems to be money by nature. But it is exactly the opposite: *Because* all commodities express their values as a particular commodity, this commodity becomes money. «The movement through which this process [commodities expressing their value in a particular commodity] has been mediated vanishes in its own result, leaving no trace behind» (this is the money fetish; p. 187). People's own activity does not have to be comprehensible to them: the fact that they use money everyday and everywhere does not necessarily mean that they *know* what money is.

PRESENTATION SET: «THE PROCESS OF EXCHANGE»

Slide 5 (of 5)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

At this point, you might raise the issue of the relationship between history and the logical-conceptual level in *Capital* (see the presentation «So-Called Primitive Accumulation», slide 1, subtext).

Historical process: the development of money

The historical broadening and deepening of the phenomenon of exchange develops the opposition between use-value and value which is latent in the nature of the commodity. [...] At the same rate, then, as the transformation of the products of labour into commodities is accomplished, one particular commodity is transformed into money.

(p. 181)



This quotation refers to the *historical process* in which money develops into the general equivalent. The historical constitution of money is first outlined in a very general way after the analysis of form (chapter one) and activity (chapter two, until p. 181). Although these are two distinct levels, history and analysis are interwoven with one another: in the course of the historical expansion of commodity exchange, the categorical separation becomes fixed (between use value and value). However, in *Capital* history does not form the basis of the analysis. The reverse is the case: The analysis of capitalist society provides the key to understanding the social formations that *precede* capitalism (see the presentation «So-Called Primitive Accumulation», slide 1, subtext).

The measure of values

With regard to money as the **measure of values**, the values of commodities are:

- ★ presented as **qualitatively** equal (all in gold);
- ★ **quantitatively** comparable.

However,

- ★ it is not money that makes commodities commensurable (they are commensurable as values);
- ★ rather, money is the **necessary form of appearance** of the values of commodities.

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



After analyzing the form of money (chapter one) and money (chapter two), Marx refers here for the first time to the circulation of commodities. It is upon this analytical foundation that Marx examines the functions of money. In contrast to this, other theories of money start by merely listing the functions of money. Marx's assumption of a money commodity usually provokes a lot of questions (see the presentation «The Value Form, or Exchange Value», slide 9, subtext). The analysis of money is not concluded with the third chapter of Volume I, but rather continues all the way to the third volume of *Capital*. Many questions can therefore not yet be satisfactorily answered here.

PRESENTATION SET: «MONEY»

Slide 2 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP 1:

The price form first appears at the end of the analysis of the forms of value (p. 163), but was not further dealt with.

TIP 2:

In our experience, understanding the function «measure of price» usually takes more time.



The price form and the measure of prices

The price form

The value of commodities is ideally expressed in the money commodity. Real money is not required. A price tag is sufficient for communicating prices.



The measure of prices

A certain gold weight, which serves as the unit of measurement for the amount of gold, for example 1 ounce.



The functions «measure of values» and «measure of prices» are fundamentally distinct: gold is the measure of values, to the extent that it represents a specific quantity of abstract labour. It is the measure of prices as a physical quantity and requires a physical measure such as the ounce. As a measure of prices, the unit of measurement must be fixed (for example, 1 ounce or 1 kilogram). As a measure of values, the value of gold can vary: 1 ounce or 1 kg of gold can represent different quantities of abstract labour.

Value and price



Price is the money-
name of the labour objectified
in a commodity.

(pp. 195–96)

However, price and value are not identical!

Value

expresses the relation between individually expended labour time and the total labour of society.

Price

expresses the exchange relation between a commodity and the money commodity.

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



The price does not always correctly indicate the magnitude of value of the commodity; it can also deviate from the value. Marx mentions the possibility of such a deviation in this passage but does not explain it. The difference between value and price and their relationship to each other, as well as the price of non-products of labour such as water, virgin soil, or stocks, is dealt with in the third volume of *Capital*.

PRESENTATION SET: «MONEY»

Slide 4 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

Complications in the metamorphosis of the commodity



Transformation of commodity into money: **sale**



Transformation of money into commodity: **purchase**

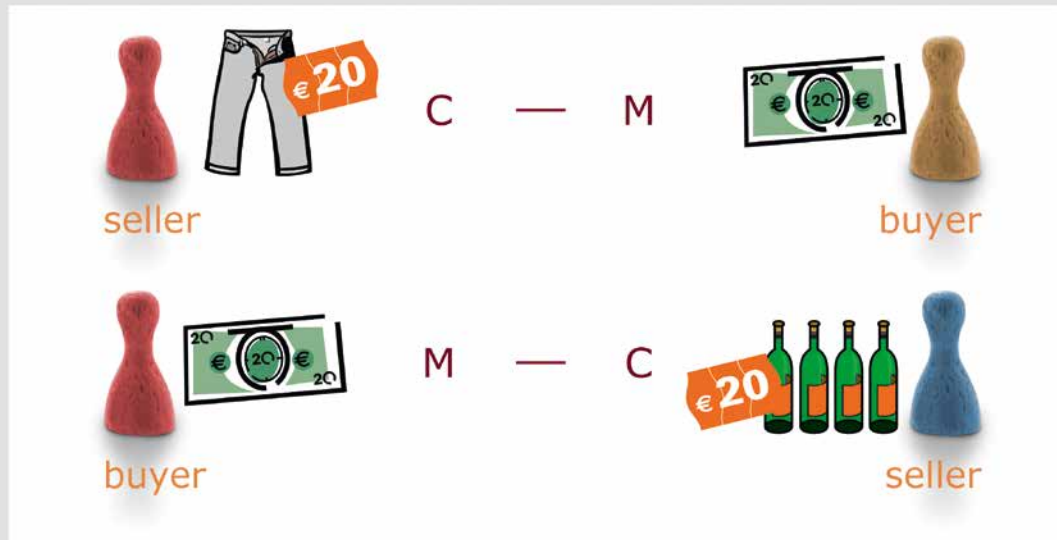
$C - M - C =$ **The process of exchange**

The example on page 200 is visually presented here (with different products): Person A (the figure above left) exchanges her pants for bottles (C–C) by means of money (M). The material content of the movement is the changing of hands of the products (pants and bottles). The social form is the exchange of commodities. The precondition of exchange is that Person A produces pants, but does not need any. Person B (the figure above right) needs a pair of pants and has the money to buy one. If nobody needs a pair of pants, Person A cannot sell her pants. What can also happen is that Person A has taken too much time to produce her pair of pants. Her concrete-useful labour (or a portion of it) is not recognized as socially necessary (see the presentation «The Two Factors of the Commodity», slide 12). Even if Person A has not taken too long, but too many pairs of pants have been produced, not all of the individual labour expended counts as value-creating. It is first in exchange that the producers find out whether and to what extent their concrete-useful labour was value creating (see the presentation «The Dual Character of the Labour Embodied in Commodities», slide 6). Marx disregards these possibilities in the subsequent passages and presupposes that the transformation of the commodity into money comes off smoothly.

PRESENTATION SET: «MONEY»

Slide 5 (of 14)

Economic characters



$C - M - C =$ The process of exchange

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:

TIP:

At first glance, this slide seems to be the same as the previous one. The difference lies in the respective different perspectives toward the same process: form metamorphosis (slide 4) and «character masks» (slide 5).

Every purchase is simultaneously also a sale; the first metamorphosis of a commodity is also the final metamorphosis of another commodity. The total metamorphosis (C–M–C) thus consists of two opposed movements, C–M and M–C, which are executed by two people. Two «economic characters» (p. 206, corrected translation) confront each other: seller and buyer. Just as in the first and second chapters, Marx first analyzes the form (the metamorphoses in form of the commodity: the exchanged commodity changes its form, it «becomes» money) and then the activity of people. Then he returns to an analysis of form. C–M and M–C constitute the circuit of a commodity; it is absorbed in the circuit of other commodities as the «circulation of commodities».

PRESENTATION SET: «MONEY»

Slide 6 (of 14)

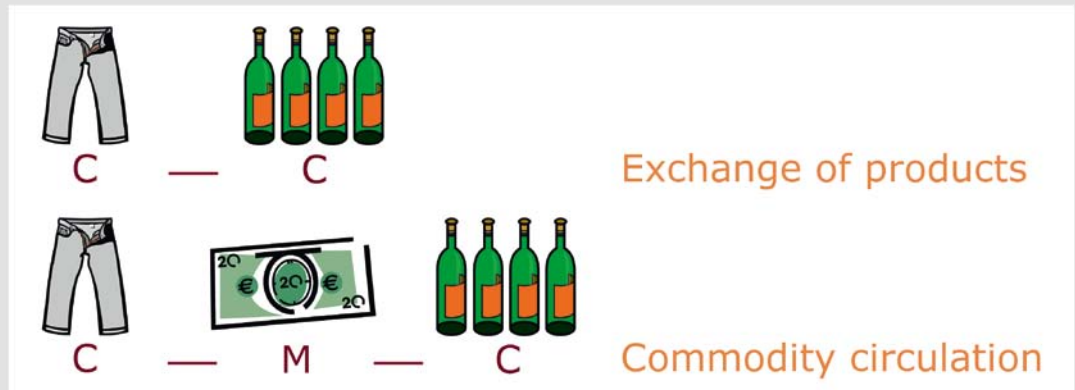
LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



The exchange of products and commodity circulation



The circulation of commodities differs from the direct exchange of products not only in form, but in its essence.
(p. 207)

C–C is the result of C–M–C, but nonetheless fundamentally distinct from it: in exchange mediated by money, not just two but at least three people are participants, the sphere of exchange and the number of products expands. At the same time, this expanded exchange develops into «a whole network of social connections of natural origin, entirely beyond the control of the human agents» (p. 207).

The possibility of crisis



These forms [the poles of the metamorphosis of the commodity] 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 even exist from the standpoint of the simple circulation of commodities.

(p. 209)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



In the case of the unmediated exchange of products, purchase and sale coincide. In the case of exchange mediated by money, an act of purchase does not necessarily follow from a sale, purchase and sale can diverge from one another. C–M and M–C are on the one hand two complementary moments of a total process (C–M–C), on the other hand they are two independent processes: «If the assertion of their external independence [*äußerliche Verselbständigung*] proceeds to a certain critical point, their unity violently makes itself felt by producing – a crisis» (p. 209). At the level of simple commodity circulation, one can only establish the *possibility* of crisis, but not that this possibility will also become reality. Crisis is a topic in various passages of the three volumes of *Capital*. – Marx criticizes positions that reduce commodity exchange to the exchange of products and which arrive at the conclusion that the capitalist mode of production is in principle free of crisis. This is usually the case in contemporary neo-classical economics (Say's Law).

PRESENTATION SET: «MONEY»

Slide 8 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



TIP:

Absent here are colourful illustrations and nice animations. Here you must endure a vile formula that summarizes pages 213–21. The equation at the bottom is the explanation for the formula above it.

The circulation of money

$$\frac{P}{V} = M$$

$\frac{\text{sum of commodity prices}}{\text{speed of money's turnover}} = \text{the quantity of money functioning as the circulating medium}$

As the mediator of commodity exchange, money traces a circuit. It leaves its point of departure and always undergoes the same process. After the act of exchange, commodities fall out of circulation, but money remains and circulates constantly. This gives rise to the perception that commodities circulate because money does. In reality, the reverse is true: Money only moves because commodities change their form. The movement of money as a means of circulation is «merely the movement undergone by commodities while changing their form» (p. 212). The question arises of how much money circulation requires? Marx deals with this question on pages 213–221 and arrives at the following conclusion: The mass of money functioning as a means of circulation is dependent on the sum of prices of commodities. With this statement, Marx is engaging in a critique of political economy, which asserts the opposite: that the price of commodities depends on the quantity of money (the quantity theory of money). This concept is still advocated today in neo-classical economics.

PRESENTATION SET: «MONEY»

Slide 9 (of 14)

Coins and symbols of value



Gold coins,
which function as money



Paper bills issued by the state,
as a replacement for gold coins
(legal tender)

LEVEL OF PRESENTATION:
Simple commodity circulation

NOTES:



Since gold coins can become worn but nonetheless continue to circulate and be accepted, circulation has the tendency to replace coins with symbols. This is Marx's argument, which merely establishes what actually occurred in history. But the question arises as to «why gold is capable of being replaced by valueless symbols of itself» (pp. 225–26). Marx's answer is based on his analysis of the means of circulation in the process C–M–C. The replacement of gold with another symbol (metal, paper, etc.) is already intrinsic to the logic of commodity exchange, where the means of circulation is constantly replaced by other commodities (for example, money by a pair of pants). Money functions here as a mere symbol «of itself». For that reason, participants of the economic system can also actually replace it with symbols that are then confirmed and ensured by the state.

PRESENTATION SET: «MONEY»

Slide 10 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



Money as money

hoarding



means of payment



international currency

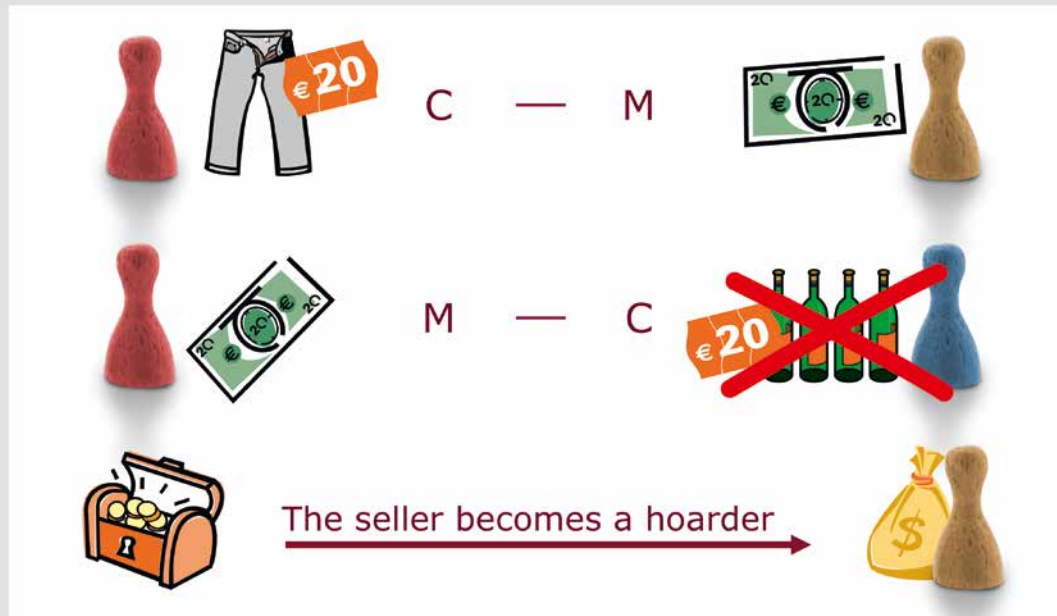


The title of the third section («Money») provokes the question: «What does that mean? Money was the topic the whole time». The money of the third section of the third chapter is the «commodity which functions as a measure of value and therefore also as the medium of circulation, either in its own body or through a representative. [...] Gold (or silver) is therefore money» (p. 227). Money thus functions as «money» (and not merely as the measure of value or as a means of circulation) when it functions as «the only adequate form of existence of exchange value in the face of all the other commodities» (ibid.). It does this in its functions as a hoard, as a means of payment, and as world money. These terms will be dealt with in greater detail in the following slides.

PRESENTATION SET: «MONEY»

Slide 11 (of 14)

Hoarding



LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



As already presented in slide 7, the seller does not necessarily have to engage in an act of purchase after he has sold his commodity. Those who withdraw money from circulation engage in hoarding. The hoarder does not sell the commodity (pants), in order to purchase another (bottles), but in order to keep the money. The aim of the process has changed. But why should anybody hoard money? In capitalist society, money embodies immediate exchangeability. When you have money, you can purchase things. Money is wealth and social power incarnate. So it is social relations that explain the «lust for gold» Marx mentions with regard to the hoarder. Thus, here, greed is neither an individual motivation, nor is it part of human «nature». Here, the question often arises as to why hoarding is «boundless». Again: Marx's intent is to analyze structures that influence behaviour. Money is qualitatively without limits (that is to say, there is no reason why hoarding should cease) but at the same time quantitatively limited (500 Euros are fewer than 1,000 Euros, which, in turn, are fewer than 2,000 Euros, etc.). Hoards also fulfill an economic function: They serve as reserves and as a channel for circulation.

PRESENTATION SET: «MONEY»

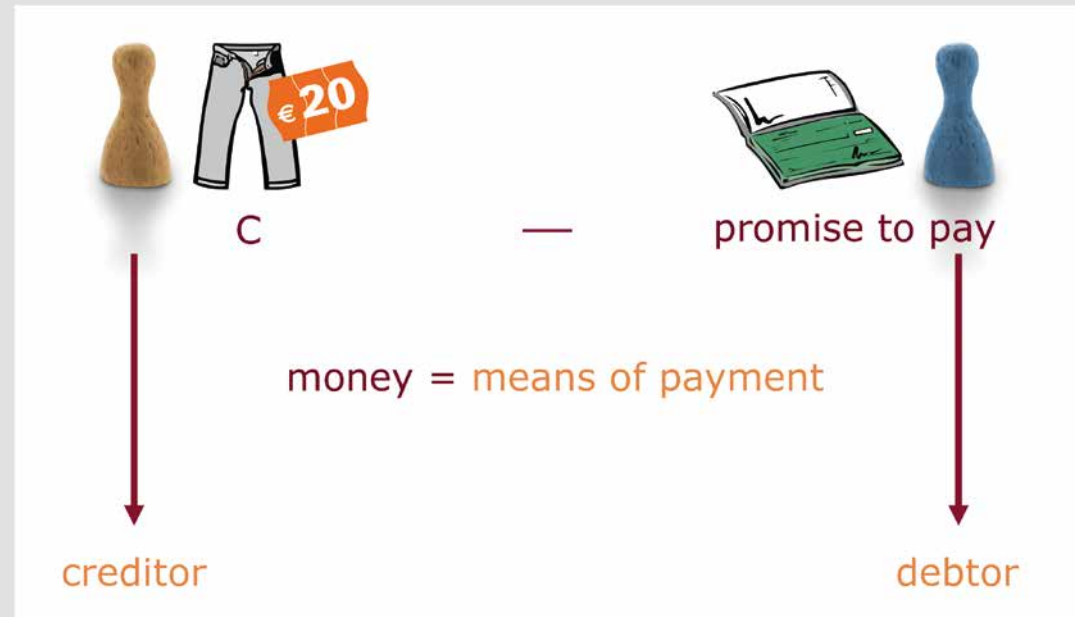
Slide 12 (of 14)

LEVEL OF PRESENTATION:
Simple commodity circulation

NOTES:



Money as means of payment



If the commodity is not immediately paid for with money, but rather with a negotiable instrument such as a promissory note or bill of exchange, money no longer functions as a means of circulation, but rather as a means of payment. The corresponding economic character masks are creditor and debtor. Since money is no longer present during the purchase, it no longer mediates the process. It concludes the process, if the commodity has long since left the sphere of circulation. The debtor must sell something in order to acquire money. As with hoarding, money is the «self-sufficient purpose of the sale» (p. 234), whereas money as the means of circulation mediates the exchange of two commodities. Please note: The distinction between means of circulation and means of payment is one made by Marx. These days, the means of circulation is also called the means of payment.

Another possibility of crisis



There is a contradiction immanent in the function of money as the means of payment. When the payments balance each other, money functions **only nominally, as money of account**, as a measure of value. But when actual payments have to be made, money does not come onto the scene as a circulating medium [...], but as the [...] **universal commodity**. This **contradiction bursts forth** in that aspect of an industrial and commercial crisis which is known as a monetary crisis.

(pp. 235–36)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



With money as a means of payment, a new possibility for crisis arises: As long as all the payments balance out, no actual money is needed. However, when payments actually have to be carried out, money as the «absolute commodity» must be available, i. e. as a commodity with which everything can be purchased – which, nonetheless, is not guaranteed. Hence, the possibility of a monetary crisis arises.

PRESENTATION SET: «MONEY»

Slide 14 (of 14)

LEVEL OF PRESENTATION:

Simple commodity circulation

NOTES:



International currency



When money leaves the domestic sphere of circulation it loses the local functions it has acquired there, as the standard of prices, coin, and small change, and as a symbol of value, and falls back into its original form as precious metal in the shape of bullion.

(p. 240)



World money is money that is used on the world market. The quotation describes the situation during Marx's time, but is no longer applicable to the period after the Second World War. Since then, a national currency (the US dollar) functions as the world currency. Often questions arise in connection with the sentence: «Its mode of existence becomes adequate to its concept» (p. 241). Here, Marx refers to the three properties of the equivalent form (see the presentation «The Value-Form, or Exchange Value», slide 6): It is only on the world market that money (as world currency) really becomes a general expression of value, referred to by Marx in the first chapter as the «general equivalent».

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 1 (of 8)

Forms of circulation

C-M-C simple commodity circulation

M-C-M circulation of capital



The first distinction between
money as money and money as capital
is nothing more than a difference in
their form of circulation.

(p. 247)

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



TIP:

Congratulations! You've made it this far: Capital finally enters the stage.

In the fourth chapter, the level of presentation changes: Marx refers for the first time to capital. The categorical transition from C-M-C to M-C-M is missing in *Capital*. Alongside C-M-C «we find» (p. 248) M-C-M, which may lead to many questions. The presentation of this transition, as well as the connection between simple commodity circulation and the circulation of capital, can be found in the so-called *Urtext* (*The Original text of the Second and the beginning of the Third chapter of a Contribution to the Critique of Political Economy*, MECW, Volume 29) and in the *Grundrisse* (MECW, Volume 28).

In the quotation, the focus is on the adjective «first», since the circulation of capital will be specified more precisely over the course of the chapter (M-C-M').

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 2 (of 8)

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



TIP:

For the meaning of the term «character mask» see page 179 (as well as slide 7).

Forms of circulation: commonalities

In $C-M-C$ and in $M-C-M$ one finds:

- ★ the same phases: purchase and sale ($M-C$ and $C-M$);
- ★ the same elements: commodity and money;
- ★ the same economic character masks: buyers and sellers.

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 3 (of 8)

Forms of circulation: differences

C-M-C	M-C-M
Money is the mediator.	The commodity is the mediator.
The money is definitely spent.	The money is advanced.
The same piece of money changes hands twice.	The same commodity changes hands twice.
The money does not return.	The return of the money is the motor of the movement.
Consumption is the goal.	Exchange value is the goal.
The extremes are different use values.	The extremes are only quantitatively distinct → Thus the Form M-C-M only makes sense as M-C-M'

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



Whereas the aim of C-M-C is the exchange of one use-value for another (for example, a table for a pair of pants) so that two qualitatively *different* things are at the beginning and end of the process, the qualitatively same thing is at the beginning and end of M-C-M. So the purpose of M-C-M can only be a quantitative difference, having more money at the end of the process than at the beginning (M-C-M'). The movement M-C-M' is self-valorizing value, what Marx calls capital. This movement is limitless and endless. In the case of M-C-M', the point is not to satisfy needs but rather to produce more value. The satisfaction of needs is merely a means in order to achieve the goal of valorization. Often the complaint is raised here: M-C-M' is not enlightening, or is only something posited by Marx. Why should this movement be limitless? Do capitalists really *want* more and more? At this time, no answer can be given to the question, since capitalists do not yet play a role. A capitalist is someone who makes the content of the movement of capital «his subjective purpose» (p. 254). He does so as a result of the force of competition.

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 4 (of 8)

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



The origin of surplus value

The transformation of money into capital has to be developed on the basis of the immanent laws of the exchange of commodities, in such a way that the starting-point is the exchange of equivalents.

(pp. 268–69)



In the form analysis, Marx deduces that the sole purpose of $M-C-M$ is the increase of M . But how is this increase at all possible? In the second section of the chapter, Marx explains why surplus value, on the one hand, cannot originate in circulation, but, on the other hand, must originate in circulation. In the quotation, the task of the analysis is described: to explain surplus value on the basis of the exchange of equivalents. Under these conditions, the change in value can only originate in the use value of the commodity, which is purchased in the first act of $M-C$. But only one commodity has the property of itself being a source of value ...

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 5 (of 8)

The special commodity: labour power

Labour power = the ability to work

Value of the commodity LP the labour time socially necessary for its (re-)production (like any other commodity);

the value of necessary means of subsistence, such as nutrition, housing, clothing, education, etc. («historical and moral element» → only valid for the value of the commodity LP).

Use-value of the commodity LP consists of its power to create value. By a correspondingly long working time, LP can create more value than it has.

Price of the commodity LP the wage in money. What is paid is labour power, not the labour performed.

★ **labour** (*creates* value) ≠ **labour power** (*has* value) ★

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



TIP:

The «historical-moral element» can be illustrated with the aid of concrete questions: how does the average standard of living look in a particular place at a particular time? Does a laptop belong to this average or not? To what extent are workers in a position to impose their wage demands? What role is played by the social recognition of a particular profession?

The concept of the (re-)production of the commodity labour power is comprised by far more than just nutrition or shelter. Since reproduction also aims to secure future utility (also of working-class children), it necessarily includes time for limited regeneration, education, partnership, and biological reproduction. Through the «historical-moral element», the value of the commodity labour power is not objectively fixed, but rather depends on political factors and the social balance of forces. For example, racist or patriarchal relations influence the value of the labour power in different social groups. At this level of abstraction, it plays no role whether labour power is male, female, queer, white or of colour, old or young. The value of the commodity labour power often gives rise to discussion about the sphere of reproduction and whether or not Marx takes into consideration unpaid, but necessary household labour, which historically has usually been performed by women or immigrants. Feminist debates have widely discussed and criticized this aspect. Note: the value of labour power and wages are not the same thing.

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 6 (of 8)

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



The worker free in two ways

The worker sells the capitalist his labour power as a commodity.

In order to find labour power on the market, two conditions must be fulfilled:

1. The worker must be formally **free to sell his labour power**. He is not in a relationship of personal dependency (e.g. slavery or serfdom).
2. The worker must be materially **«free» of means of production**, so that he is, and remains, forced to sell his labour power.



The basis of capitalist society is a particular class relation: It requires people who possess means of production and money, as well as people who own nothing other than their own labour power. Both conditions are the result of a historical process that Marx first examines in chapter 26 (see the presentation «On the So-Called Primitive Accumulation»).

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 7 (of 8)

... to summarize:

Surplus value

the increment relative to the sum initially advanced (difference between M' and M);

the value produced by the worker, minus the value of the commodity labour power.

Capital

the value that is valorized (increased).

Capitalist

the bearer of the movement of capital, character mask, capital personified.

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



TIP:

This slide can be used repeatedly.



The concept of surplus value first appears on page 251. Surplus value is not the same thing as «profit», as is often mistakenly assumed. Capital is «self-valorization value», whether in the form of a commodity or in the form of money. Commodity and money are merely «different modes of existence of value itself» (p. 255). The capitalist is a character mask: He acts according to the logic of capital. Marx analyzes people as «personifications of economic categories» (see the presentation «Getting Started Reading *Capital*», slide 6). That means that before one can understand why people act in such a way, one must explain the structures in which they act.

PRESENTATION SET: «THE TRANSFORMATION OF MONEY INTO CAPITAL»

Slide 8 (of 8)

LEVEL OF PRESENTATION:

The circulation of capital

NOTES:



What does exploitation mean?

Exploitation describes when workers are forced to work longer than necessary for their own reproduction and when others appropriate the fruits of this surplus labour.



When we speak of capacity for labour, we do not speak of labour, any more than we speak of digestion when we speak of capacity for digestion.

(p. 277)

Exploitation in Marx's sense is not characterized by low wages or bad working conditions. It is not a moral category. Exploitation is a normal capitalist condition that does not violate the law of value. Workers receive the equivalent of the exchange value of their labour power. Capitalists purchase the commodity (labour power) and use its use value (labour). Within the framework of commodity production, nobody experiences an injustice or is defrauded. The distinction between labour and labour power (see slide 5) is also important for the later section on wages.

PRESENTATION SET: «THE LABOUR PROCESS AND THE VALORIZATION PROCESS»

Slide 1 (of 4)

The labour process



The labour process [...] is purposeful activity aimed at the production of **use-values**. It is an appropriation of what exists in nature for the **requirements** of man. It is the universal condition for the metabolic interaction between man and nature, **the everlasting nature-imposed condition** of human existence, and it is therefore **independent of every form of that existence**, or rather it is common to all forms of society in which human beings live.

(p. 290)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Read slowly, or let the participants read aloud ...



Independent of the question as to *how* people in different historical eras organize social labour (the production and distribution of goods), they have to enter into a metabolic process with nature. Marx initially examines labour independent of its social form. But as such, it is an abstraction: labour always exists only in a particular social form. What is the point of all this? Marx wishes to maintain the distinction between actual necessities of the human labour process, on the one hand, and necessities of the process of valorization, the specific historical form of the labour process in capitalism (see the next slide), on the other hand. The quotation on the slide is a succinct summary from the end of the chapter.

PRESENTATION SET: «THE LABOUR PROCESS AND THE VALORIZATION PROCESS»

Slide 2 (of 4)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP 1:

There is a lot of text on this slide, so plan enough time for questions and discussion.



TIP 2:

As an alternative, two categories «labour process» and «valorization process» are also appropriate for small working groups.

The valorization process

What characterizes the labour process under capitalist conditions:

- ★ «The worker works under the control of the capitalist to whom his labour belongs». (p. 291)
- ★ «The product is the property of the capitalist and not that of the worker, its immediate producer». (p. 292)
- ★ «Use values are produced by capitalists only because and in so far as they form the material substratum of exchange-value, are the bearers of exchange value». (p. 293)
- ★ Under the command of the capitalist, the worker works longer than is necessary for his own reproduction. «... this difference was what the capitalist had in mind when he was purchasing the labour power». (p. 300)
- ★ Past labour, objectified «dead labour» is transformed into capital during the valorization process by the application of «living labour», in «value which can perform its own valorization process». (p. 302)

➡ valorization process

The valorization process (form) is the labour process (content) under capitalist conditions. In order to distinguish between the two categories, Marx's most succinct statements are arranged so that it becomes clear what exactly is historically specific about the process of valorization. In this regard, everyday consciousness also amalgamates content and form: Every act of labour appears to be wage labour. Here, it makes sense to (once again) recall the historically distinct forms of the social organization of labour: production in capitalism, in feudalism, in the antique city-states, etc. Not every labour process is *in and of itself* a valorization process, just as means of production or money are not *in and of themselves* capital (see p. 291, footnote). In capitalism, not *everything* is produced as a commodity (for example, with regard to reproduction, activities such as child-rearing or caring for the elderly occur, and are not necessarily organized according to capitalist structures). But Marx's intent was to analyze the socially *dominant* form of labour and production.

PRESENTATION SET: «THE LABOUR PROCESS AND THE VALORIZATION PROCESS»

Slide 3 (of 4)

The production process of commodities



Just as the commodity itself is a unity formed of **use-value and value**, so the process of production must be a unity, composed of the **labour process and the process of creating value**.

(p. 293)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

In this context, the question is often raised about what counts as «simple» and what counts as «complex» labour, even though, or precisely because, there are very few clarifications concerning this in the text (see p. 305, footnote 19).

We have already established that the distinction between material content and social form is a sort of «analytical rail» running through the entirety of *Capital*. The quotation above refers to other categories which allow one to conceptually grasp the dimorphism of social relations (use value/value, concrete/abstract labour) – categories that can be repeated here (concerning form and content, see the presentation «The Two Factors of the Commodity», slide 3). Since this quotation only mentions the process of value creation, here is a short addendum concerning the difference between the process of value creation and the valorization process: The production process above and beyond the simple process of value creation becomes the valorization process from the moment where necessary labour time ends, meaning the value of the commodity labour power is replaced and surplus labour-time begins. This is the source of surplus value.

PRESENTATION SET: «THE LABOUR PROCESS AND THE VALORIZATION PROCESS»

Slide 4 (of 4)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP 1:

This slide can be used repeatedly.



TIP 2:

The next presentation is closely connected to this one. It is best to deal with both of them as a whole.

... to summarize:

Labour process:

the general moments of every concrete-useful labour.

Process of creating value:

the social form of the labour process when the product of labour takes the form of the commodity.

Process of production of commodities:

the unity of the labour process and valorization process.

Valorization process:

the process of creating value that occurs for such a length of time that the magnitude of value of the newly produced commodity is greater than that of the commodities used in production.

Capitalist process of production:

the unity of the labour process and the valorization process.

PRESENTATION SET: «CONSTANT AND VARIABLE CAPITAL»

Slide 1 (of 2)

The twofold nature of the labour process

Since however the addition of new value to the material of his labour, and the preservation of its former value, are two entirely distinct results, it is plain that this **twofold nature of the result** can be explained only by the **twofold nature of his labour**.

(p. 307)



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

TIP 1:

This slide is closely connected to the previous four slides («Labour Process and Valorization Process»). It is best to deal with them as a whole.

TIP 2:

It is worth repeating: Value is not simply «already there» in production. Rather, its realization implies an exchange relationship without which it cannot exist.

This quotation makes it emphatically clear: The same act of labour is considered from two different aspects. The labour process and the valorization process relate to one another in a manner analogous to the dual character of labour: In commodity production, concrete labour obtains the value of the means of production used and transfers its component value to the new product. At the same time, abstract human labour creates additional value. At the level of the labour process, both things happen simultaneously, *while* and *because* the labourer engages in purposeful production. With regard to the valorization process, the *preservation* of value (or transfer of value) and the *creation* of value have to be analytically separated. In our experience, it is initially difficult for people to simultaneously consider the *quantitative and qualitative* aspects of the same process, while at the same time separating them analytically. It helps to illustrate this using the examples Marx provides starting on page 308.

PRESENTATION SET: «CONSTANT AND VARIABLE CAPITAL»

Slide 2 (of 2)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

And now a break after so much complex theory!

The concepts:

Constant capital: «That part of capital, therefore, which is turned into means of production, i. e. the raw material, the auxiliary material and the instruments of labor, does not undergo any quantitative alteration of value in the process of production». (p. 317)

Variable capital: «That part of capital which is turned into labour-power does undergo an alteration of value in the process of production. It both reproduces [...] its own value and produces an excess, a surplus value, which may itself vary». (p. 317)

The same elements of capital which, from the point of view of the labour process, can be distinguished respectively as the objective and subjective factors, as **means of production and labour-power**, can be distinguished, from the point of view of the valorization process, as **constant and variable capital**.

(p. 317)



Above, both terms are concisely defined. The subsequent quote from Marx is well-suited to establish a connection between the categories of chapter 7 and those of chapter 8: The same process is being considered from different perspectives. The small figures are intended to emphasize that variable capital and living labour exist at a level of abstraction in which concrete characteristics, such as gender, background, or age play no role. Since we are dealing with central categories for the further understanding of the production of surplus value, adequate time should be spent discussing them. Often, at this point, discussions focus on the question of why means of production (constant capital) do not create value, i. e. do not transfer any more value to the new product than they already possess independent of the labour process, and why their level of value also does not change.

PRESENTATION SET: «THE RATE OF SURPLUS VALUE»

Slide 1 (of 2)

Necessary labour time and surplus labour time

The capitalist does not buy the worker (wage labourers are not slaves), but rather only his labour power, which he can dispose of as he pleases.

Necessary labour time:

that part of the working day when the value of all those products is created that the worker requires for his own (re-)production.

Surplus labour time:

labour expended beyond that under the command of the capitalist. It is the source of surplus value.



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Before beginning this part of the presentation, you can recapitulate what is special about the commodity labour power, in particular concerning the category of the «value of the commodity labour power» (see the presentation «The Transformation of Money into Capital», slide 5).



The example of a working day visualized here merely serves as an illustration. Of course, surplus labour time can not be measured with a stopwatch. Here – as is often the case with Marx – it is an *analytical* distinction, which has empirical consequences (the surplus product created is real), but which is not perceptible to the senses during the production process. This image illustrates the relationship between the two quantities, how they can change in relative or absolute terms, etc.

PRESENTATION SET: «THE RATE OF SURPLUS VALUE»

Slide 2 (of 2)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Just as a reminder: Exploitation is not a moral category for Marx (see the presentation «The Transformation of Money into Capital», slide 8).

The rate of surplus value and the degree of exploitation

$$\frac{s}{v} = \text{rate of surplus value} = \text{measure of the valorization of variable capital}$$

$$\frac{\text{surplus labour}}{\text{necessary labour}} = \text{degree of exploitation} = \text{measure for the exploitation of LP}$$

Both rates are equal in magnitude and both describe the relationship of exploitation; on the one hand with regard to the quantity of value, and on the other hand with regard to the length of time.

value of commodities $c+v+s$

c constant capital

v variable capital

s surplus-value

$$\text{rate of profit} = \frac{s}{c+v}$$



The rate of surplus-value is therefore an exact expression for the **degree of exploitation** of labour-power by capital, or of the worker by the capitalist.
(p. 326)

Both the rate of surplus value and the rate of exploitation are based, in different ways, on the same circumstance: The rate of surplus value (the level of valorization of variable capital) expresses a relationship between magnitudes of value, while the rate of exploitation (the level of exploitation of labour power) expresses a relationship between magnitudes of time. Both rates are equal in terms of quantity. The rate of surplus value is not the only measure of valorization: There is also the rate of profit as a measure for the valorization of capital. Marx briefly mentions that the rate of profit in Volume III of *Capital* is determined at a different level of abstraction (p. 324). So why even mention the category of profit at all? The rate of surplus value – a purely analytical category – is not relevant in the mind of the capitalist, but the rate of profit is (and the rate of surplus-value is its foundation). However, the rate of profit obscures the level of exploitation, which is still apparent in the rate of surplus value. Furthermore, profit is related to an everyday understanding of «profit» as a relation between costs and revenue. Concerning the progress of Marx's argumentation, however, we are only initially concerned with the rate of surplus value. Profit is first taken up again by Marx much later.

PRESENTATION SET: «THE WORKING DAY»

Slide 1 (of 3)

The working day: form determination

necessary labour time: value of labour power | surplus labour time: surplus value
total length of the working day

The length of the working day is not constant: It is «capable of being determined, but in and for itself indeterminate». (p. 341) – Why?

Minimal limit of the working day = necessary labour time

If surplus labour time = 0 → there is no capitalism, since no exploitation occurs.

The maximum limit of the working day can vary within certain limits:

- ★ the physical limits of the resilience of the labourers;
- ★ the moral limits for the satisfaction of their mental and social needs.

The «boundless thirst for surplus labour» (p. 345) does not arise from the individual greed of the capitalist. It follows the logic of the capitalist mode of production, which imposes itself by means of the pressure of competition.

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:

TIP:

To break the ice, after presenting the slide, the voices of the capitalist and worker from page 342 («The capitalist therefore takes his stand ...») to page 343 («... like every other seller ...») can be read aloud together.



The slides on the working day are divided as follows: the level of social form, the level of activity, and the level of history. To some extent, these aspects are presented in Marx's text one after another in an abrupt way. It is important to keep them separate and be clear about why the question of the actual length of the working day cannot be answered at the level of social form. This is why the form-determined activity of social actors necessarily results in conflict. The result of this conflict is exhibited in a concrete historical process of class struggles. As distinct from the value of the commodity labour power, the determination of which is also the result of conflict (its historical-moral element), Marx *explicitly* refers to this aspect of struggle with regard to the working day.

PRESENTATION SET: «THE WORKING DAY»

Slide 2 (of 3)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:

TIP:

To change the pace, ask these questions: Who was Mary Anne Walkley and what does she have to do with «death from simple overwork?» (The answer is on page 364).

The working day: behaviour

The capitalist invokes the law of commodity exchange, his guaranteed right to use the use value of the purchased commodity labour power for as long as he likes.

The worker also invokes the law of commodity exchange and with it the careful handling of the only thing he possesses, his labour power, which he also has to sell as a commodity in the future.



... The nature of commodity exchange itself imposes no limit to the working day [...] Between equal rights, force decides.
(p. 344)

Here, Marx switches from the level of social form to the level of activity (struggles between capital and labour). In the chapter on the working day, the historical passages do not primarily serve as illustrations, but are rather an integral part of the argument itself. Whereas the form of commodity exchange in itself does not contain any further determination for the limitation or extension of the working day, class struggle and the state play a regulatory role. Insofar as the state sets limits to exploitation by legal limitations to the working day, it secures the foundations of exploitation in the long term: Labour power is maintained. This process is not planned «from above», but is rather the result of class struggles. The illustration on the slide shows the conflict of interest between capitalist and worker. Whereas the latter do not want to allow themselves to be overworked in order to increase the profit of the capitalist (symbolized by the pause button symbol in the word balloon), the capitalist drives the workers.

PRESENTATION SET: «THE WORKING DAY»

Slide 3 (of 3)

The working day: history

Before capital was «bound by the chains of legal regulations» (p. 353), limitless overwork and the continuous extension of the working day were not exceptional: «Capital was celebrating its orgies». (p. 390)



The **changed material mode of production** and the correspondingly **changed social relations** of the producers, first gave rise to outrages without measure, and then called forth, in opposition to this, social control [...]. For «protection» against the serpent of their agonies, the workers have to put their heads together and, **as a class, compel the passing of a law** [...], by which they can be prevented from selling themselves and their families into slavery and death by voluntary contract with capital.
(pp. 411–12, 416)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

TIP 1:

Marx extensively examines the struggles surrounding the working day and factory legislation. It is not necessary to discuss every detail in these historical passages. However, you should refer to their systematic importance (see slides 1 and 2).

TIP 2:

At the end of these three slides, you may once again point out the change of level (form, activity, and history) as well as the shift from individuals to classes.



The historically contested nature of the working day and the gruesome conditions in the factories are made clear by the long passages on factory legislation. The quotation pinpoints two central aspects: the connection between the mode of production and social conflicts as well as the role that the state plays. In the case of the history of struggles concerning the regulation of the working day, the focus is no longer individual workers or capitalists, but rather *classes* which stand opposed to one another and begin to perceive themselves as such. The emphatic language Marx uses in the chapter on the working day is the cause of numerous debates concerning the ethical-political impetus of his analysis.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 1 (of 11)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

At this point, you can refer to the determination of capital in the fourth chapter: The movement of capital is limitless and endless (see the presentation «The Transformation of Money into Capital», slide 3, subtext)



The limitlessness of capital

The purpose of the capitalist mode of production is to increase surplus value. That is in the «nature of capital». (p. 433)

M – C – M'

Under the pressure of competition, capitalists are engaged in a permanent attempt to increase surplusvalue.

How exactly does this occur?

This slide introduces the presentation on absolute and relative surplus value. From the form-determination of capital in the fourth chapter, we know that capital is self-valorizing value, and thus has the tendency to constantly increase its value. In the third, fourth and fifth section, Marx analyzes how this actually functions in the production process.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

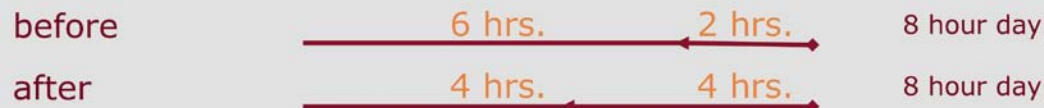
Slide 2 (of 11)

The production of surplus value

Absolute surplus value: increasing surplus value by extending the working day



Relative surplus value: length of the working day remaining the same, increasing surplus value by reducing necessary labour time



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Here, you can refer again to the slides on the working day (see the presentation «The Working Day», slide 1).



There are two possibilities for increasing surplus value: either by extending the working day or, with the working day remaining constant, by reducing the necessary labour time. The latter is possible by increasing the productivity of the means of production.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 3 (of 11)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



The production of relative surplus value

How is necessary labour time decreased?

By **increasing productivity** in those branches whose products are necessary for the reproduction of labour power.

However, this is not the conscious motivation of the capitalist. Its driving motivation is the hunt for ...

extra surplus value:

the difference between the social value of commodities and the value of a commodity produced with greater productivity. Extra surplus value exists as long as the increase in productivity has not been generalized.

Driving force: **competition**



Decreasing necessary labour time is not the capitalist's motivation; rather he is driven by the hunt for extra surplus value and the pressure of competition. When a capitalist introduces newer, more effective methods in his factory, his competitors follow suit and also apply such methods. Thus, over the course of time, the difference in value is leveled out and the individual advantage is lost. If the more productively made commodities are part of the value of labour power (necessary means of nourishment and machines for producing means of subsistence, for example), the value of labour power is also decreased by this development of the forces of production as soon as it is generalized and the value of commodities in general has decreased, as well as necessary labour time.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 4 (of 11)

Competition



While it is not our intention here to consider the way in which the **immanent laws** of capitalist production manifest themselves in the **external movement of the individual capitals**, assert themselves as the **coercive laws of competition** and therefore enter into the consciousness of the individual capitalist as the **motives which drive him forward**, this much is clear: a scientific analysis of competition is possible only if we can grasp the inner nature of capital, just as the apparent motions of the heavenly bodies are intelligible only to someone who is acquainted with their real motions, which are not perceptible to the senses.

(p. 433)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



From the first volume of *Capital* through the third, Marx gradually develops the intrinsic laws of the capitalist mode of production. After establishing these, competition can be systematically analyzed, which happens in the third volume but only on a very abstract level. Here, for reasons of the plausibility of the argument, Marx anticipates that analysis: The imposition of this intrinsic law (the production of relative surplus value by means of increasing the productivity of means of production) is not plausible without addressing competition because, in the everyday activity of the capitalist, there is no connection between increasing the productivity of individual capital and the labour time necessary for the reproduction of individual labour power.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 5 (of 11)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



Ways of increasing relative surplus value I

Cooperation

Many workers use means of production and facilities in common, work according to plan with and next to each other.

- ★ The means of production are used more economically.
- ★ The productivity of the individual is increased.
- ★ Workers execute tasks in common that cannot be accomplished individually.

Division of labour

Complex labour processes are broken down into numerous, simple partial functions, and are thus made faster.

→ e. g. Taylorism, assembly line labour

Both methods cost the capitalist nothing – they are free!

The methods for producing relative surplus value depicted on this and subsequent slides are presented here only in a summary way. Their various aspects are described more extensively by Marx over the course of many pages.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 6 (of 11)

Ways of increasing surplus value II

Machinery and large scale industry
e. g. automation, factories

In contrast to the other two methods, here the capitalist has to consider if the individual commodity can be produced more cheaply and if surplus value is increased or not as a result.

The use of machinery is worth it if more variable capital is saved than the constant capital that has to be newly invested.

Investments in machines are dependent on the level of wages.



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:

TIP:

Here, the individual effects of the implementation of machinery are not addressed. However, it would be important to discuss why the working day increases in length despite increased productivity. Also, in our experience many questions arise concerning the intensification of labour.



The use of machinery is of interest to the capitalist when he its use allows him to decrease the costs of production, meaning that wages are so high that it is worth it to purchase comparatively cheaper machines rather than pay workers: The latter thereby become superfluous and hence cheaper. On the other hand, labour power is the source of all value and of surplus value. This contradiction is dealt with by Marx in the third volume. The chapters on machinery and large industry in particular provoke numerous questions, including those concerning Marx's attitude toward technological progress, how the use of machinery generally affects humans and nature, the extent to which the destructiveness of certain technologies can be attributed solely to the capitalist mode of production, and whether, in a fully automated working environment, people would still produce value.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 7 (of 11)

LEVEL OF PRESENTATION:

The immediate process of
production of the individual capital

NOTES:



Destructive tendencies of capital

Capitalist production,
therefore, only develops the
techniques and the degree of
combination of the social process of
production by simultaneously under-
mining the **original sources of all
wealth** – the soil and the worker.

(p. 638)



Marx discusses the destructive tendencies of capital primarily with regard to the forces of labour. However, he also had the destruction of nature in mind, as the quotation illustrates. It is frequently referred to in debates concerning the extent to which Marx was concerned with ecological problems.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 8 (of 11)

Formal subsumption

Labour that initially does not occur under the command of capital is subordinated to it, without the labour process being fundamentally altered.

→ Production of **absolute surplus value**



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



The concept of «subsumption», which is uncommon in everyday language, can be translated as «subordination» or «submission». With the development of the capitalist mode of production, an increasing number of fields of work are subsumed to the capital relation. There are still examples of formal subsumption today, for example when independent seamstresses make dresses as outworkers under the command of a capitalist enterprise. – Formal and real forms of subsumption are concepts that are tightly bound up with the concepts of absolute and relative surplus value as well as with the concept of productive labour. Marx deals more extensively with formal and real subsumption in the *Results of the Immediate Process of Production*, which is available as an appendix to the Penguin Classics edition of Volume I.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 9 (of 11)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Here you might site examples of modern management methods for increasing the productivity of labour.

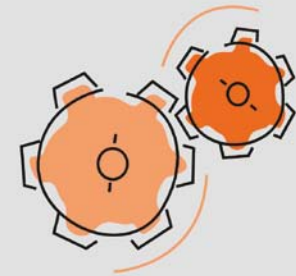
Real subsumption

The labour process is fundamentally revolutionized by the introduction of new technologies or ways of working, or by the application of science to production.

→ Production of **relative surplus value**

Examples:

- ★ Working rhythms dictated by machines
- ★ Taylorist organization of the labour process
- ★ Higher labour productivity on the basis of independent teams competing with each other within the same company



Real subsumption is not a matter of reducing the individual to a tiny cog in the machine, but rather of a fundamental revolution in the labour process. For example, the introduction of machinery substantially revolutionized activity previously organized along artisanal and manufactural lines. Real subsumption (just like formal subsumption), however, is not limited to the historical constitution of the capitalist mode of production. It is still relevant today everywhere where capital attempts to make the labour processes under its command more productive and intensive. As long as the organization of the labour process serves the increase of relative surplus value, real subsumption can mean anything from fragmented, monotonous assembly line labour to apparently creative, supposedly independent teamwork.

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 10 (of 11)

Productive and unproductive labour

From the perspective of the labour process:

labour produces **use values**;
in this respect it is productive labour.

From the perspective of the valorization process:

The purpose of production is surplus value;
only labour that **produces surplus value** is productive.



To be a productive
worker is therefore not a piece
of luck, but a misfortune.

(p. 644)

LEVEL OF PRESENTATION:

The immediate process of
production of the individual capital

NOTES:



TIP:

Refer to the presentation «The
Labour Process and the Valoriza-
tion Process», slides 1 and 2.



Here, as in other contexts, the debate often arises as to whether housework is productive. Marx is sometimes criticized for having disqualified the reproductive sphere as «unproductive» despite its indispensability for capitalism. However, one should keep in mind that the terms «productive» and «unproductive» are not used judgmentally by Marx, in the sense of good and bad, necessary and superfluous, or important and unimportant, but rather as analytical categories. In the original draft for the sixth chapter of the first volume of *Capital (Results of the Immediate Process of Production)*, Marx deals extensively with the terms «productive and unproductive labour».

PRESENTATION SET: «THE PRODUCTION OF ABSOLUTE AND RELATIVE SURPLUS VALUE»

Slide 11 (of 11)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:



TIP:

Different examples of productive and unproductive employment relationships can be discussed. However, you must take into consideration that some examples can be mixed forms (self-employment, one-woman workplaces, etc.) that Marx did not consider.

Examples



In capitalism:

- ★ If I bake a cake for my roommates, I create use value, but no value. The labour is **unproductive**.
- ★ If I bake the same cake as a wage labourer in a capitalist bakery, value and surplus-value is produced. The labour is **productive**.
- ★ If I bake the same cake as a wage labourer in a private household, I produce use-value for my boss. The labour is **unproductive**.

All (capitalist) productive labour is wage labour, but not all wage labour is productive labour.

In the first example, the cake is not sold, but rather serves to contribute to enjoyment between friends. In the second example, the capitalist confronts the worker; here we have the movement $M-C-M'$. In the third example, the employer does not confront the worker as a capitalist, as a representative of capital. Here, no surplus value is produced. If a worker performs wage labour in a private household, then she or he produces use values that serve consumption and are not intended for sale.

Mystifications of the wage form I

- ★ The wage presents itself as the **value** or **price of labour**: It appears that labour is paid, not labour power.
- ★ The wage presents itself as **payment of the entire working day**.
- ★ Payment of labour is an **«imaginary expression»** (p. 677) that arises from the relations of production.



LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

TIP 1:

When reading this chapter, concepts from the fourth chapter should be available for reference (see the presentation «The Transformation of Money into Capital»).



TIP 2:

If needed, you can summarize how the working day is divided up (see the presentation «The Rate of Surplus Value»).



In everyday consciousness, as well as in classical political economy, the wage is defined as the value or price of labour, and no distinction is made between labour and labour power. (An analogy from Marx from the seventh chapter, creatively applied by us: One can sell oil, but not the warmth that emerges from burning the oil, see p. 301) In exchange with the owner of money (the capitalist), the worker sells his labour power and receives in return the equivalent in money. How long he works and how much value he produces with his labour is independent of the value of his labour power. The expressions «value of labour» and «price of labour» therefore present the actual relations incorrectly; the wage-form mystifies them. Just as a reminder: In the presentation on the fourth chapter the «price of the commodity labour power» was already mentioned. However, at that level of abstraction, the wage form had not yet been introduced.

PRESENTATION SET: «WAGES»

Slide 2 (of 4)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

TIP:

The «nominal wage» (= the exchange value of the commodity labour power) and the «real wage» (= the mass of means of subsistence that this nominal wage is turned into) are briefly introduced by Marx (p. 683). Although they no longer play a particular role in the course of the presentation, they can be discussed: They refer to contemporary common expressions such as nominal wages and real wages, which are often present in discussions.

Mystifications of the wage form II



The wage-form thus **extinguishes every trace** of the division of the working day into necessary labour and surplus labour, into paid labour and unpaid labour. All labour **appears** as paid labour. [...] **All the notions of justice held by both the worker and the capitalist**, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the form of appearance discussed above, which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation.

(p. 680)

It appears as if the entire working day is paid by the wage. This is the foundation of all legal conceptions, mystifications, and illusions of freedom, which in no way only run through the heads of capitalists, but also shape the everyday consciousness of workers. With the quotation, it becomes clear that no position in the process of production automatically generates a specific consciousness. Rather, all people are (initially) subject to these inversions. (Here a brief look ahead: In the first section of the third volume of *Capital*, the wage form is once again taken up: precisely because all labour appears to be paid by the wage, profit can also appear as the fruit of capital. The wage form is thus of fundamental importance to the Trinity Formula at the end of the third volume.) At this point, you can address the difference between fetish (the commodity fetish, which is not merely a misapprehension, but rather has a material reality at its foundation) and mystification (in the sense of obfuscation and actual false conception). Consequentially, Marx does not speak of a fetish with regard to the wage form.

Time wages and piece wages

Time wages:

The worker is paid per unit of time.

daily value of the commodity LP

working day of a given number of hours



Piece wages:

The worker is paid per product.

daily value of the commodity LP

average number of products made during a working day



However, it is in itself obvious that the difference of form in the payment of wages in no way alters their essential nature.
(p. 693)

LEVEL OF PRESENTATION:

The immediate process of production of the individual capital

NOTES:

TIP:

On this slide, the definitions of forms of payment at the top operate at the level of appearances; the fractions below are Marx's decipherment of their essence (and in no way the method of calculation of the capitalist).

Time wages, as well as piece wages, reinforce the mystifications of the wage form. Time wages suggest a payment of the entire labour per unit of time. This notion is based on forms of appearance, such as the hourly wage or part-time jobs, in which a correspondingly lower wage is paid. The piece wage suggests that a payment is made for the labour expended in making the product. Marx demonstrates that the forms of payment change nothing concerning the definition of the wage as the value of the commodity labour power, expressed in money. The reason for this may be that the capitalist lets the worker work, for example, for three hours. However, to survive, the worker needs at least the corresponding value of eight hours of labour. The situation is similar in the case of the piece wage: particularly diligent or swift (self-exploiting) workers can achieve a higher wage (and «lazy» workers a lower one), but with the number of products made on average in a single day, the workers arrive at the wage that corresponds to the daily value of labour power.

PRESENTATION SET: «WAGES»

Slide 4 (of 4)

LEVEL OF PRESENTATION:

The immediate process of
production of the individual capital

NOTES:



Peculiarities of piece wages

- ★ The quality of the labour is controlled by the enterprise itself.
- ★ The piece wage offers a measure for the intensity of labour.
- ★ The capitalists can simply raise the intensity of labour.
- ★ Piece wages facilitate the interposition of «parasites» between capitalists and wage labourers: «the subletting of labour». (p. 695)
- ★ Individuality has more room for maneuver.
- ★ Competition between workers increases.

These peculiarities specify and illustrate the piece wage. On the basis of these peculiarities, one can draw analogies to contemporary working relations, since the form of payment of the piece wage, for example in piece-work, is still relevant.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 1 (of 8)

Simple reproduction I

The production process is not an isolated occurrence, but rather repeats itself continuously. → the process of reproduction

Condition: Sufficient means of production must be created for future production cycles.



As a periodic increment of the value of the capital, or a periodic fruit borne by capital-in-process, surplus-value acquires the form of a revenue arising out of capital.
(pp. 711–12)

Simple reproduction

The capitalist uses revenue only as a consumption fund.
No part of surplus value is invested in the new production cycle.

LEVEL OF PRESENTATION:

The immediate process of production and accumulation of the individual capital

NOTES:



Simple reproduction is not something specific to capitalism. *Every* society has to produce enough for the following cycle and achieve a successful circulation of products if it wishes to consume and endure. The specific form of circulation in capitalism is the exchange of commodities. Marx tacitly assumes here that this circulation is successful. The closer analysis of circulation is the topic of the second volume of Capital. In that Marx deals for the first time with the reproduction of capital, he gets to the bottom of the apparently self-evident *preconditions* of accumulation. These are anything but self-evident. However, that can only be shown by analysis.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 2 (of 8)

LEVEL OF PRESENTATION:

The immediate process of production and accumulation of the individual capital

NOTES:



Simple reproduction II

Thus far, variable and constant capital have appeared to have been advanced **by the capitalist**.

Now the analysis of simple reproduction shows:

- ★ All capital is merely **surplus value** that has been **capitalized** after a short or long period of time.
- ★ The capital that is advanced is simply the product **constantly reproduced by the worker** and transformed into money.
- ★ In the new cycle, capital functions as a means of purchasing $(c + v)$.

From the examination of the constant repetition of the accumulation process, it becomes clear where in capitalism the source of capital and surplus value is. That the capitalist does not advance his own money, but rather the product of the unpaid labour of others from the previous cycle of production, is a circumstance whose historical preconditions Marx examines later (see the presentation «So-Called Primitive Accumulation»). Workers produce the capital that the capitalist appropriates in order to purchase means of production and forces of labour in order to produce commodities. The money resulting from the sale of commodities remains in the hands of the capitalist. The workers have to spend their wages for their own reproduction, at the end of every production cycle they possess nothing other than their labour power, which they once again have to sell in order to secure their own reproduction.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 3 (of 8)

Simple reproduction III



The capitalist process of production, therefore, seen as a total, connected process, i. e. a process of reproduction, produces not only commodities, not only surplus-value, but it also **produces and reproduces the capital-relation itself**; on the one hand the capitalist, on the other the wage-labourer.

(p. 724)

LEVEL OF PRESENTATION:

The immediate process of production and accumulation of the individual capital

NOTES:



In this quotation, Marx takes up the issue of the social relation underlying the capitalist process of production, and which is constantly reproduced by it. That means that in order for the capitalist process of production to take place at all, a specific social relationship between capitalist and worker has to exist. As the capitalist production process produces not only commodities, but also social structures, it reproduces its own conditions of existence. The question is: How did these conditions of existence arise for the first time? The answer is provided by the chapter on «The So-called Primitive Accumulation».

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 4 (of 8)

LEVEL OF PRESENTATION:

The immediate process of production and accumulation of the individual capital

NOTES:



Expanded reproduction

Accumulation of capital:
expanded reproduction

A part of the surplus value is invested in the next production cycle and turned back into capital.



The more the capitalist has accumulated, the more he is able to accumulate.

(p. 729)

The spiral – a metaphor which Marx also uses – symbolizes the difference between simple reproduction and expanded reproduction. Whereas in the first case, in the new production cycle the same amount is invested in labour power and means of production as in the previous cycle, the latter term describes a process in which the newly invested sum of money contains a part of the surplus value obtained in the previous cycle. This movement leads to a spiral-like expansion of the amount of capital. Under capitalist relations, we are dealing primarily with expanded reproduction, simple reproduction only occurs in exceptional cases.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 5 (of 8)

The inversion of property laws

According to bourgeois conceptions, labour constitutes the basis for property. This perception is grounded in the **perspective of simple commodity circulation**.

If one considers not only an individual act of exchange, but also the **expanded reproduction of capital**, this conception is **inverted and transformed** into its **opposite**:

The capitalist appropriates alien labour – without an equivalent. The property of the capitalist is not based upon his own labour, but rather the labour of others.

- ★ The perspective of simple commodity circulation obscures this relationship.
- ★ This «inversion» only occurs in analysis, and does not refer to a historical process.

LEVEL OF PRESENTATION:

The immediate process of production and accumulation of the individual capital

TIP 1:

To better understand this slide, we advise taking a look at slides 5 and 8 from the presentation «The Transformation of Money into Capital».

TIP 2:

In this context, it is worthwhile to read aloud Marx's concept of property (pp. 729–30) and discuss it.



Marx refers critically to bourgeois contract theory (Locke, etc.), according to which private property is based upon appropriation through labour. The early socialists (Proudhon et al.) shared this conception, but believed that this original property right is violated in capitalism. Marx deconstructs both with the change of the «laws of appropriation of private property» into their «direct opposite» (p. 729).

1) Simple commodity circulation, which lends plausibility to the apparent identity of labour and property, has never existed independent of capitalism. 2) In an individual, initial act of exchange, one could still assume that the capitalist has «worked for» his money. If one considers expanded reproduction or accumulation, then the further course of things makes clear that the capitalist pays for labour power out of surplus value, that is to say unpaid labour, and the newly purchased labour power in turn yields unpaid labour anew. The more this process is repeated, the more labour and property diverge, without the exchange of equivalents being violated.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 6 (of 8)

LEVEL OF PRESENTATION:

Accumulation of the total
social capital

NOTES:



The composition of capital

The value composition
of capital:

value relation in which capital
is divided into constant and
variable capital.

The technical
composition of capital:

relation between the mass of
means of production used and
the quantity of labour necessary
for their use.

The organic
composition of capital:

value composition, to the extent
that it is determined by the
technical composition.

These three terms are introduced at the beginning of chapter 25. They provoke a lot of questions, especially since Marx does not develop them. Particularly with regard to the organic composition of capital, the question is often raised: When is the value composition not determined by the technical composition? From Marx's short definition, we can conclude that the organic composition of capital only takes into consideration the changes in the value composition of capital that have to do with technical conditions (for example, when a new, expensive machine is used). These terms are important because they also play an important role in explaining the existence of the industrial reserve army (see the next slide) and in Volume III.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

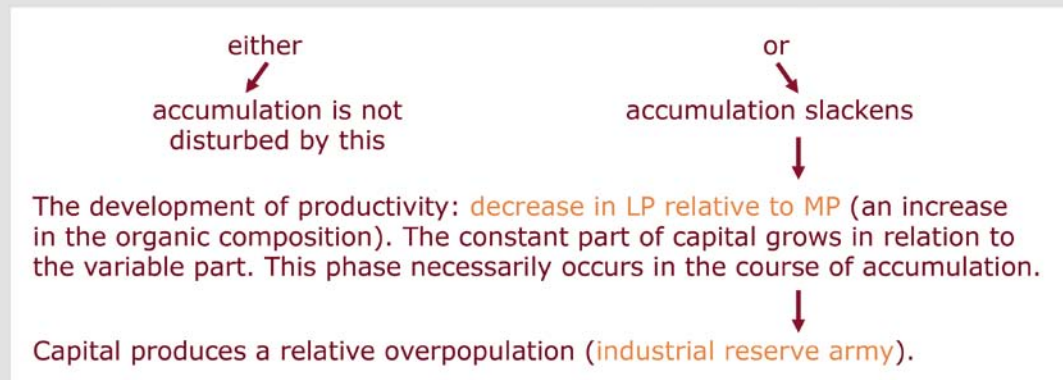
Slide 7 (of 8)

Phases of the accumulation of capital

If capital is to grow, a part of surplus value must be transformed into variable capital.

If we assume that the relation between LP and MP remains constant (so the organic composition remains unchanged), then:

Demand for LP grows and the price of the commodity LP increases. That can have two consequences:



LEVEL OF PRESENTATION:

Accumulation of the total social capital

NOTES:



TIP:

What happens when capital is accumulated? How do wages develop? What do capitalists increasingly invest in? What consequences does this process have for the worker? These and similar questions help to illustrate the various phases of capital accumulation under discussion.

This slide provides a broad overview, so here is some detailed information. There are two opposed tendencies in capital accumulation: On the one hand, an increase in labour power (LP) on the basis of capital growth (Marx calls the growth in capital «concentration», which is different from the contemporary usage), and, on the other hand, a decrease in LP as a result of a rise in the value composition of capital. Whether the industrial reserve army actually grows depends on which tendency is stronger. Marx assumes that the second tendency is stronger in the long run. He sees the reason for this in the processes of centralization (which is today referred to as «concentration» or «fusion»): Individual capitals merge, or smaller ones are taken over by larger ones. That functions like a sudden spurt for the individual capital, which in turn opens possibilities for an accelerated increase in the value-composition. So in the case of centralization, we are not dealing with actual growth (relative to the economy as a whole), but rather with an increase in value composition. The so-called surplus population is only superfluous for the valorization needs of capital. It is also an advantage for capital, since it drives down wages.

PRESENTATION SET: «REPRODUCTION AND ACCUMULATION OF CAPITAL»

Slide 8 (of 8)

LEVEL OF PRESENTATION:

Accumulation of the total
social capital

NOTES:



TIP:

On the following pages (798–99)
the law of capitalist accumula-
tion is succinctly stated. These
pages should be read together.



The general law of capitalist accumulation



The greater the social
wealth [...], the greater is the industrial
reserve army [...]. The greater the industrial
reserve army [...], the greater is the mass of
a consolidated surplus-population [...].
The more extensive, finally, the pauperized sections
of the working class and the industrial reserve army,
the greater is official pauperism. *This is the absolute
general law of capitalist accumulation.* [...] It follows
therefore that in proportion as capital accumulates,
the situation of the worker, be his payment
high or low, must grow worse.

(pp. 798–99.)

With regard to the general law of capitalist accumulation, the question is often discussed as to whether Marx formulated a theory of immiseration, according to which workers' absolute poverty increases with the growth of capital accumulation. However, Marx does not argue for a theory of absolute immiseration (the quotation says that it does not matter if the worker's payment is high or low), but rather speaks of increasing inequality and growing pauperism. Unemployment is a necessary product of capital accumulation and not due, for example, to high wages. So it's obvious that full employment is neither the goal nor a possibility of capitalism.

PRESENTATION SET: «SO-CALLED PRIMITIVE ACCUMULATION»

Slide 1 (of 4)

The history of capitalism's origins



The capital-relation
arises out of an economic soil
that is the product of a long
process of development.

(p. 647)

The **so-called** primitive accumulation:

Marx is poking fun at bourgeois historiography, according to which the wealth of the few is historically based on the diligence and frugality of a small number of people.

LEVEL OF PRESENTATION:

The history of capitalism's origins

NOTES:



Here a shift in the level of presentation occurs. Until now, Marx engaged in a logical-conceptual development of categories for the analysis of capitalism. Now he deals with the history of its origins. Historical accounts were named in the previous chapters, but they either had an illustrative character or were decisive for the determination of individual categories. So, why the change now? After Marx had demonstrated how the (developed) capitalist production process reproduces its own conditions of existence, the question logically arises as to how this process emerged historically. But why didn't Marx place this historical presentation at the beginning of the analysis of capital? «Human anatomy contains a key to the anatomy of the ape.»¹ The analysis of the production of surplus value tells me what it is based on: on the special commodity labour power. Labour power exist as a commodity when the worker who is free in a double sense exists. So the analysis of the capitalist production process tells me what to pay attention to in the multifaceted course of history: the historical process on the basis of which the worker who is free in a double sense arose.

¹ See Grundrisse (<http://www.marxists.org/archive/marx/works/1857/grundrisse/ch01.htm>).

PRESENTATION SET: «SO-CALLED PRIMITIVE ACCUMULATION»

Slide 2 (of 4)

LEVEL OF PRESENTATION:

The history of capitalism's origins

NOTES:



TIP:

Here, you can again draw a connection to chapter 4 in which the worker who is free in a double sense is taken as a given (see the presentation «The Transformation of Money into Capital», slides 5 and 6).

The «idyllic methods» (p. 895) of so-called primitive accumulation



If money [...] «comes into the world with a congenital blood-stain on one cheek», capital comes dripping from head to toe, from every pore, with blood and dirt.

(pp. 925–26)

- ★ Expulsion of peasants and small tenants from their plots;
- ★ appropriation of common land and transformation of farmland into pasture;
- ★ enclosure, monopolization and concentration of large plots of land;
- ★ expropriation of the Catholic Church → pauperism of its clientele;
- ★ transformation of feudal clan property into capitalist private property;
- ★ imprisonment and imposition of forced labour on the poor.

Marx illustrates the extremely violent historical constitution of the modern capital relation using the example of England. In the course of the dissolution of feudal structures, the preconditions for the capitalist mode of production were created: the separation of property-owners from their means of production, which is to say, the creation of the worker free in a double sense (labour) and the owner of means of production (capital). There is a widespread debate concerning whether so-called primitive accumulation is a singular historical event or a continuous process. What is discussed is which aspects at what time and place can be subsumed to the term.

PRESENTATION SET: «SO-CALLED PRIMITIVE ACCUMULATION»

Slide 3 (of 4)

The silent compulsion ...



The advance of capitalist production develops a working class which by education, tradition and habit looks upon the requirements of that mode of production as self-evident, natural laws. [...]
The **silent compulsion of economic relations** sets the seal on the domination of the capitalist over the worker. **Direct extra-economic force** is still of course used, but only in exceptional cases. In the ordinary run of things, the worker can be left to the «natural laws of production».
(p. 899)

LEVEL OF PRESENTATION:

The history of capitalism's origins

NOTES:



TIP:

In this quotation, there are important aspects related to what has been dealt with previously. It is best if you read and discuss it sentence by sentence.



Under pre-capitalist class relations, serfs were engaged in a relationship of personal dependency. They experienced «direct extra-economic force» (the compulsion to yield a share of their harvest to the feudal lord, the obligation to remain on the plot of land; the feudal lord was allowed to use violence to reclaim the serf if the latter ran away, etc.). In capitalism, on the other hand, the workers are personally free: They may annul their employment contracts. However, workers are also objectively dependent, which is why they attempt to find somebody who will exploit them. When is «extra-economic force» necessary now? Only when the rules of social interaction (freedom, equality, property) are not adhered to – not necessarily whenever workers strike, but only when they are no longer prepared to recognize the system of property. For more on personal and impersonal domination, see page 247, footnote 1.

PRESENTATION SET: «SO-CALLED PRIMITIVE ACCUMULATION»

Slide 4 (of 4)

LEVEL OF PRESENTATION:

The history of capitalism's origins

NOTES:



TIP:

On the term «centralization», see the presentation «Reproduction and Accumulation of Capital», slide 8.

The historical tendency of capitalist accumulation

... as soon as the capitalist mode of production stands on its own feet, the further socialization of labour and the further transformation of the soil and other means of production into socially exploited and therefore communal means of production takes on a new form. [...] This expropriation is accomplished [...] through the centralization of capitals. [...] The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

(pp. 928–29)



Marx sews a connecting thread from primitive accumulation through the development of capitalism up to its future end. He presents this process as a historical necessity and describes it as «negation of the negation»: The «negation» of pre-capitalist property by capital is followed by the «negation» of the capitalist mode of production by the working class. That the transcendence of capitalism must happen as a historical necessity is not scientifically justified by Marx (counter-arguments developed by Marx himself, such as the role of fetishism and the mystification of the wage form, are neglected by Marx in this regard). Rather, this is a political desire. In the history of the workers movement, this short section played a central role: it was regarded as a scientific proof for the coming end of capitalism.

