Interventions

The Fallacies of ‘New Dialectics’ and Value-Form Theory

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Abstract

Chris Arthur’s approach aims at a systematic re-ordering of Marx’s categories. This article argues that his approach is actually a different ordering of different categories that are positioned within a specific theoretical whole, a Hegelian re-interpretation of Marx and especially of abstract labour, which distances itself from Marx. While the debate has focused mainly on the philosophical aspects of Arthur’s work, its economic features have not been the object of a systematic analysis. Yet, a full assessment of the ‘New Dialectics’ should include explicitly a systematic internal critique of its economic dimensions. The aim of this article is to assess the internal consistency of the economic ramifications of the ‘New Dialectics’. The focus is on the notions of abstract labour, concrete labour, and exploitation. Arthur’s faithfulness to Marx, or correspondence to Marx’s quotations, is not the criterion used to assess the ‘New Dialectics’. Rather, the criterion is whether it (a) discovers logical inconsistencies in Capital and (b) is itself free from inconsistencies. The answer is negative in both cases.

Keywords
abstract labour, value-form theory, dialectics

1. Introduction

Chris Arthur’s The New Dialectics and Marx’s ‘Capital’, has been at the centre of a lively controversy, most recently in Historical Materialism. The debate has focused mainly on the philosophical aspects of Arthur’s work. Yet, a full assessment of his ‘new dialectics’ should include explicitly a systematic internal critique of its economic dimensions. The aim of this article is then to assess the internal consistency of the economic ramifications of the new dialectics.

In the Introduction, the author states:
The new interest in Hegel is largely unconcerned with recovering the grand narrative of Hegel’s philosophy of history and relating it to historical materialism: rather it is focused on Hegel’s Logic and how this fits the method of Marx’s Capital. The point is usually put by saying the effort is to construct a systematic dialectic in order to articulate the relations of a given social order, namely capitalism, as opposed to an historical dialectics studying the rise and fall of social systems.2

The theoretical justification is found in a ‘striking homology between the structure of Hegel’s Logic and Marx’s Capital’.3 Arthur stresses, rightly in my opinion, that Marx left the outcome of his dialectical method ‘in the shape of Capital’.4 But Marx stressed in Capital that he had distanced himself from Hegel’s dialectics. Thus, it would have seemed reasonable to extract Marx’s method from Capital (and other writings) rather than ‘appropriating Hegel’s logic’.5 The proof of the validity of the outcome would have been both its logical consistency with Marx’s results and its fruitfulness for the further development of those results. But this is not the road taken by Arthur.

For the author, his ‘research programme demonstrates its fruitfulness only in its success in exhibiting the systematic ordering of categories’.6 This sounds as if it were just a matter of a different ordering of the same (of Marx’s) concepts. But Arthur’s work is a different ordering of different economic concepts which are positioned within a specific theoretical whole, his value-form theory. The link between new dialectics and value-form theory is the Hegelian reinterpretation of Marx’s concept of abstract labour. Arthur quotes Hegel to the effect that the Spirit ‘is not an essence that is already finished and complete before its manifestation, keeping itself aloof behind its host of appearances, but an essence which is truly actual only through the specific forms of its necessary self-manifestation’.7 And, Arthur adds, ‘I would say the same of value’.8 Just as Spirit actualises itself only through its forms of manifestation, value comes to be only through exchange and money rather than existing as abstract labour, as in Marx, already in production, before exchange. Value, then, becomes an empty form. For Marx, too, value is a (social) form but it is

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8. Ibid.
not empty, it is the form of its substance, abstract labour. As Kincaid remarks "The category of "pure empty form" has no effective presence in *Capital*".9

The author, then, distances explicitly himself from Marx. In his reply to critics, Arthur states 'Now I understand... that it only causes confusion to cite passages from Marx. In the future, I will present my own views in my own way'.10 Thus, Arthur’s fidelity to Marx or correspondence to Marx’s quotations will not be the criterion used to assess the validity of new dialectics or its internal consistency. Rather, the criterion will be whether the new dialectic (a) discovers logical inconsistencies in *Capital* and (b) is itself free from these inconsistencies. The focus will be on the notions of abstract labour, concrete labour, and exploitation.

My assessment and critique of Arthur (and, briefly, in sub-section 2.3 below, of other value-form authors) entails a short reference to the notion of dialectics which will guide the rest of this article. Marx makes extensive use of three principles that are the co-ordinates of his method of social research. All phenomena are always (1) both realised and potential, (2) both determinant and determined, and (3) subject to constant movement and change. It follows that *social reality*, seen from the perspective of dialectics, is a temporal flow of determining and determined contradictory phenomena continuously emerging from a potential state to become realised and going back to a potential state. The *dialectical relation* between phenomena is then their reciprocal interaction seen from this perspective. The *dialectical method of social research* inquires into a social phenomenon’s origin, present state and further development, i.e. into (a) the past dialectical relation with other phenomena through which it has emerged from a previous potential state to become a realised phenomenon with its own potential contradictory content, thus possibly superseding its previous realised form; (b) its present dialectical relation with other contradictory social phenomena, some of which are determined by it and some other are its determinants, some potential and some realised; and (c) its further development (change) due to the future realisation of its potentials as realised conditions of its reproduction or supersession. An example of (a) is the development in *Capital*, Volume I of the expanded value-form from the simple value-form and of the money value-form from the expanded value-form. The expanded and money value-forms were potentially present in the simple value-form and this is why they could be developed from the latter. The formers’ realisation was the latter’s supersession.11

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9. Kincaid 2005, p. 103. For a rejection of ‘attempts to make Hegel’s *Logic* the model for’ a reconstruction of Marx’s method, see Callinicos 2005.
2. Abstract labour

For Marx, abstract labour is the substance of value and is the expenditure of human energy irrespective of, abstracting from, the concrete, specific forms it takes (concrete labours). Value is thus contained in the commodity before it realises itself as exchange-value, i.e. before the commodity is sold. Arthur rejects this approach and thus Marx’s labour theory of value. ‘My position is quite different from that of the orthodox tradition, which sees labour creating something positive, namely value, then expropriated’.12 The author submits two critiques.

2.1. Arthur’s first critique

The first objection is that concrete labour cannot be reduced to abstract labour. Arthur quotes the following passage from the Grundrisse:13

This economic relation... [of production, G.C.] develops more purely and adequately in proportion as labour loses all the characteristics of art; as its particular skill becomes something more and more abstract and irrelevant, and as it becomes more and more a purely abstract activity, ... a merely physical activity, activity pure and simple, regardless of its form.

Marx’s argument is clear: inasmuch as capitalism develops ‘as a particular mode of production’, labour ‘becomes more and more a purely abstract activity... a merely physical activity, activity pure and simple, regardless of its form’. In other words, labour as a purely physical activity regardless of its specific forms, i.e. abstract labour, emerges with the emergence of capitalism and asserts itself as capitalism becomes the dominant mode of production. Arthur misreads this quotation as if Marx were dealing with the process of deskilling of concrete labours and as if this were to culminate in abstract labour. But this is simply mistaken. Abstract labour emerges because general exchangeability requires a rod upon which to base exchange ratios. For these ratios, the specific features of commodities and thus the skills needed to produce them are irrelevant.14 If Arthur’s interpretation were correct, Marx would have made a ‘conceptual mistake’ because deskilling, no matter how extreme, cannot cancel all concrete qualities so that de-skilled labour ‘can never be abstract as such’.15 But it is Arthur who makes a conceptual mistake.

14. I disregard, of course, the greater value produced by skilled labour-power.
15. Arthur, 2004b, p. 44.
by attributing to Marx the view that concrete labour can be reduced to abstract labour. Marx could not be clearer: ‘As use values, commodities are, above all, of different qualities but as exchange values they are merely different quantities, and consequently do not contain an atom of use value.’ 16 The rejection of Marx’s notion of abstract labour on these grounds is thus unwarranted.

2.2. Arthur’s second critique

Let us consider now Arthur’s second critique, that abstract labour lacks direct empirical evidence:

the natural body of the commodity under this description [i.e. as a use-value, G.C.] is clearly a substance present to inspection. To speak of ‘value’ as a substance, by contrast, could be taken as highly objectionable. From the time of Samuel Bailey’s attack on Ricardo, such a view has been rejected (other than by Marx) in favour of an account in which there is no value substance, and insofar as it appears as a property of commodities, something they ‘have’, this has been analysed as a purely relational property identical with ‘value in exchange’ and accordingly labile.17

For Arthur, then, the notion of value as a substance ‘could be taken as highly objectionable’ because value is not subject to inspection, because it is not empirically visible during production, before it appears as exchange-value in its money-form. However, aside from the fact that existence does not require observability, it can be shown that value as a substance, or the substance of value, namely abstract labour expended during production, can be observed and therefore exists before exchange. The proof goes as follows.

If it can be shown that a material, physiological and undifferentiated substance can be observed to be expended during production, it is also shown that abstract labour is an observable material substance. Due to the principle of the conservation of energy and given that value is abstract labour under capitalism, it follows that that substance coagulates in the product and becomes its embodied value. Thus, what is needed is the proof that abstract labour is an observable expenditure of physiological and undifferentiated human energy.

The following proof cannot be explicitly found in Marx (it draws upon medical knowledge not available to him). However, it is inherent in and consistent with his work. The process essential for our purposes is the human metabolism. The analysis of the human metabolism shows that people, irrespective of their differences, produce the same undifferentiated type of

energy and thus consume the same undifferentiated type of energy, no matter which specific activities they engage into.\textsuperscript{18} This is consonant with Marx’s ‘physiological’, ‘material’ expenditure of undifferentiated human energy. As Marx says: ‘all labour is an expenditure of human labour-power, in the physiological sense, and it is in this quality of being equal, or abstract, human labour that it forms the value of commodities’.\textsuperscript{19} Abstract labour is a ‘purely abstract activity, a purely mechanical activity . . . a merely formal activity, or, what is the same, a merely material [stofflich] activity, activity pure and simple’.\textsuperscript{20} This is exactly what human metabolism is.\textsuperscript{21} The observation of the expenditure of calories during production is the observation of abstract labour. If one wanted to, one could measure a labourer’s physical fatigue or the consumption of calories while at the same time observing her producing a specific use-value, i.e. engaging in concrete labour. This is what is commonly done in sport when the expenditure of calories is measured when one is running, swimming, etc. Denial of the existence of the material substance of value (abstract labour) is simply incompatible with modern medical science.

The expenditure of undifferentiated human energy is common not only to all people but also to all people in all societies. In this sense, it is trans-epochal. Nevertheless, its discovery as a trans-epochal phenomenon is socially determined and its practical significance (as abstract labour and thus as the substance of value) is socially specific.\textsuperscript{22} The reason is that, in a society in which the different products of labour (use-values) must be exchanged, there must be a feature common to all different concrete labours. This is abstract labour. Notice that emphasis on calories as one of the possible measures of the expenditure of undifferentiated human energy is not meant to replace time as a measure of value. The human metabolism and the expenditure of

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\item[18.] The human metabolism is a two-stage process. In the anabolic phase, human energy is produced in the form of calories and ATP (Adenosine 5’-triphosphate) and stored. There are, of course, differences between the organs and functions of different individuals but these differences do not affect the general, common way in which we all produce energy in the above mentioned form. This is followed by the catabolic phase, the use of the stored energy. This use or expenditure cannot but be the consumption of the same type of energy (calories and ATP).
\item[19.] Marx, 1976a, p. 137.
\item[20.] Marx 1973, p. 297, emphasis in the original.
\item[21.] The expenditure of human energy is observed and measured by referring to the basic metabolic rate, i.e. the amount of energy or calories the body of an average individual sitting and at rest burns to maintain itself in its resting state.
\item[22.] It is perhaps not by chance that studies on the human metabolism started in the seventeenth century. ‘The first controlled experiments in human metabolism were published by Santorio Santorio in 1614 in his book 
\textit{Ars de statica medecina} that made him famous throughout Europe. He describes his long series of experiments in which he weighed himself in a chair suspended from a steelyard balance . . . before and after eating, sleeping, working, sex, fasting, depriving from drinking, and excreting’ (<http://en.wikipedia.org/wiki/Metabolism>).
\end{itemize}
undifferentiated human energy (calories) are mentioned here to rebut the view that abstract labour is not a material, physiological substance (or that it cannot be shown to be such).

The physiological and material expenditure of undifferentiated human energy does not imply that this material expenditure excludes the production of knowledge and thus human consciousness. The expenditure of material undifferentiated human energy encompasses the working of the whole human body, i.e. it comprises the physiological expenditure due to the working of the human brain as well. The material expenditure of human energy is not equivalent to ‘manual’ labour or to any other such concept that excludes ‘brain work’. I know of no passage where Marx holds a notion of a machine-like type of a material expenditure of undifferentiated human energy as if it excluded the working of the brain and thus the production of knowledge. And this is certainly not the thesis of this article. Abstract labour can be expended both in the production of material objects and in the production of knowledge. To clarify this point, let me deal summarily with one aspect of Marxist epistemology.23

Given that the production of knowledge is the expenditure of human energy which, as the human metabolism shows, is a material activity, the distinction between material and mental activities uses an incorrect terminology. The basic distinction should be between objective and mental transformations. These are, respectively, the transformations of the reality outside us and of our conceptualisation of that transformed reality, or knowledge. Objective and mental transformations are the two constituent elements of labour in general. This is an analytical distinction. In reality, these two types of transformation take always place contemporaneously and presuppose each other. The necessary combination of objective and mental transformations results into objective (usually called material) and mental labour: if objective transformations are determinant, labour is objective; if mental transformations are determinant, labour is mental.24 Both objective and mental labour are expenditures of differentiated human energy (needed to produce the specificity of the products) and, at the same time, expenditures of undifferentiated human energy (e.g. calories). As expenditures of undifferentiated human energy, they are material processes. Abstract labour is material whether it transforms objective reality or knowledge. Seen through the eyes of our epoch, the expenditure of differentiated and of undifferentiated human energy are, respectively, concrete and abstract labour. It follows that (1) if abstract labour under capitalist production

23. I submit such a theory of knowledge production in Carchedi 2005.
24. For the notion of determination, see Carchedi 1991, Appendix and Carchedi 2008a, 2008b.
relations produces value, value is produced both by objective and by mental labour and (2) abstract labour is not the equivalent of objective labour: abstract labour is a basic component of both objective and mental labour. The objection that the materiality of abstract labour would imply the reduction of humans to unthinking machines is just another manifestation of the underdevelopment of Marxian epistemology.

As far as the expenditure of undifferentiated human energy is concerned, there is no difference between general and capitalist abstract labour. Far from being a ‘metaphor’, abstract labour in all modes of production is a real abstraction, in the sense that it is a notion abstracted from a real process, the undifferentiated expenditure of human energy. The difference is in the social content. General, or trans-epochal, abstract labour is not the same as the specifically capitalist abstract labour. It becomes capitalist abstract labour (both objective and mental) only within a specific social setting, under capitalist production relations.

An analogy can be drawn with the way Marx conceptualises the laws of movement. They are ‘the same under all modes of production’ and thus ‘cannot be done away with. What can change in historically different circumstances is only the form in which these laws assert themselves’. Their historical and social specificity does not deny their transhistorical existence but it is this specificity, their being social forms of ahistorical elements common to all modes of production, that makes of these phenomena essential elements for a social system’s reproduction, so that their supersession is a necessary condition for the supersession of the system. It is in this sense that these specific social forms of natural laws acquire the force of social laws, of laws of movement of socio-economic systems. For example, the wealth produced in any society must be distributed for that society to reproduce itself. Under capitalism, wealth is produced as value and surplus-value in the form of money. The distribution of wealth is thus the distribution of labour’s product between labour and capital, as wages and profits. Similarly, it can be said that the expenditure of undifferentiated human energy is ‘the same under all modes of production’ and ‘cannot be done away with’, yet it is its historical and social specificity that counts.

It has been said above that value is abstract labour under capitalism. This is a convenient short-cut. In reality, the relation between the two categories is more articulated and depends upon time.

(1) If the production process has been started but is not yet finished, the labourers are performing abstract labour and are thus creating the commodity’s

value embodied. However, that abstract labour is not yet value; more precisely, it is value in forming, it is potential, embodied, value because the commodity itself, not being finished, is being created and thus only potential.

(2) If the production process is completed and thus the commodity is finished (but not yet sold), the abstract labour which has gone into it becomes the value contained or embodied in it, it is its individual value whose material substance is undifferentiated human energy, abstract labour. Since a commodity must be sold in order to realise its value, its individual value is also its potentially realised value, given that the value realised is quantitatively different from the value contained in that commodity.27

(3) If and when the commodity is sold, the value embodied, or individual, or potential value becomes actually realised value whose substance is the individual value.

(4) Since commodities are produced in order to be sold for money, the actually realised value becomes itself a substance that takes necessarily the form of value, the monetary form. Money is the form of existence of the value realised and thus of the (quantitatively modified) value contained and thus of capitalist abstract labour.

Thus, value does have a material substance, abstract labour. The proof above is perfectly consonant with Marx's textual evidence. Yet Arthur holds that Marx held contradictory views. Arthur mentions the following quotation from Marx: 'not an atom of matter enters into the objectivity of commodities as values'. This quotation has been read as if it indicated that Marx contradicts himself, that abstract labour is not the conceptualisation of the material substance of a social process. But this is not the case. What Marx says is that not an atom of the matter of use-values enters into the objectivity of commodities as values. In fact, the text continues 'in this it [the objectivity of commodities as values, G.C.] is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects [i.e. as use-values, G.C.]'. And, further: 'we may twist and turn a single commodity [as a use-value, G.C.] as we wish; it remains impossible to grasp it as a thing possessing value'. And, finally, 'as exchange-values [commodities, G.C.] are merely different quantities, and consequently do not contain an atom of use-value'.28

Let us read Marx’s text further:

If, however, we bear in mind that the value of the commodities has a purely social reality, and that they acquire this reality only insofar as they are expressions or

27. Realised value is usually referred to as social value (also by Marx), as opposed to individual value. Since value has always a social content, individual value is here set against realised value.
This passage has been read as if Marx, by stressing the purely social character of value, denied the materiality of abstract labour and thus of value. But this is not what Marx says. Given his emphasis on the materiality of abstract labour, as re-iterated by the reference to ‘embodiment’, the purely social nature of abstract labour cannot refer to its having no material reality but to the fact that abstract labour is capitalist abstract labour, labour that has been expended under capitalist production and thus exchange relations and that, given this social nature of that material reality, must become realised only through exchange. As mentioned above, value is the specific social dimension of a material reality. It is neither only physical nor only social, it is both.

2.3. Two other value-form theorists

Even though this article focuses on Arthur’s work, it should be mentioned that there are different angles from which value-form theory denies materiality to abstract labour. Here, I shall focus on two contemporary important value-form theorists who deserve special attention because of the specificity of their arguments and because of the many valid points they make, and which I share, in spite of our differences.

Murray’s position is, in many ways, close to mine. I share with this author a range of concepts relating more or less directly to the question of the (im)materiality of abstract labour, such as the rejection of the thesis of the neutrality of the forces of production, of the view that, for Marx, value was only a natural substance, and of what he calls the ‘Rubin dilemma’ i.e. ‘that it is not possible to reconcile a physiological concept of abstract labour with the historical character of the value it creates’. I also agree with Murray that ‘Marx’s theory of value is nothing but his theory of the distinctive social form of wealth and labor in capitalism’, that Marx’s notion of value is purely social (but, for me, in the sense specified above); that Capital begins with ‘commodity

30. As Likitkijsomboon 1995 notes, there are different value-form theories. However, they all deny materiality to abstract labour. In this sense, it is warranted to speak of ‘value-form theory’.
31. There are other authors who should be discussed but this is not possible within the present limits of space.
32. Murray 2000, p. 28.
34. Murray 2000, p. 53.
35. Murray 2000, p. 29.
capital and surplus-value producing capital';36 that the commodity is the right starting point for Marx’s Capital;37 and that ‘value is not fully actualised in production but rather requires that the commodity be sold’ (in the sense, for me, that the value contained is a quantity that must realise itself through exchange, as a modified quantity).

Moreover, Murray distinguishes among (a) the general concept of labour, which concerns ‘the essential features of any actual act of human labour’;38 (b) the general concept of abstract labour, which is the ‘pure expenditure of human energies’;39 and (c) the concept of ‘practically abstract’ labour i.e. a historically-specific abstract labour, the only type of value-producing labour under capitalism. Categories (b) and (c) correspond broadly with my categories of transhistorical abstract labour (both objective and mental) and of capitalist abstract labour respectively. However, there is a fundamental difference. For Murray, general abstract labour is ‘nothing actual’.40

To treat commodities as if they ‘embodied’ abstract labour is to reify a distinction of reason; it is to treat an analytical abstraction as if it picked out some actual, natural or natural-like property of a product.41

Murray’s general abstract labour, then, lacks materiality and is not contained in the commodity before exchange. What, then, is exactly abstract labour for the author?

As Murray puts it in a private communication, ‘My abstract labor does lack materiality… value is an objective property of the commodity… but this objectivity is “a purely social reality” and immaterial’. However, ‘there must be potential value or else there would be nothing to be validated or realised in exchange’. This potential value is concrete value that must be validated as abstract labour through exchange: ‘to have value-producing labor, the social validation of concrete labor must involve a social practice (exchange in the market) that actually treats concrete labor as abstract’. In short, abstract labour is the specific capitalist social dimension (production for sale) of concrete labour. This position is in no way attributable to Marx, to his view of ‘the two-fold nature of the process of production itself – which, on the one hand, is a social process for producing use-values, on the other, a process for creating surplus

37. Murray 2000, p. 62. As Likitkijsomboon 1995, p. 82, points out, one must start from the commodity in order to understand money.
39. Ibid.
40. Ibid.
41. Murray 2000, p. 58.
The social nature of the production of use-values is not their being produced for exchange but their being produced (1) by the non-owners of the means of production who, under developed capitalism, are not the individual but the collective labourer, i.e. the whole of the labourers producing a use-value through the articulation of the different tasks needed for the production of that use-value; (2) for the capitalist who, under developed capitalism, is the appropriator of surplus-value extracted by a complex bureaucracy of many individuals each performing a different aspect of the work of exploitation, what Marx calls the work of control and surveillance. Of course, those use-values must be sold, but this only realises what is potentially present in them, their use for the purchasers:

The use-value of a commodity does not serve its end, does not begin to function until the commodity enters the sphere of consumption. So long as it is in the hands of the producer, it exists only in potential form.

In short, for Marx, both use-values and value exist before, but must be validated (realised) through, exchange. For Murray, and more generally for value-form theory, use-values are validated as value through exchange.

But, aside from conformity with Marx, it seems to me that Murray’s position is internally contradictory. If concrete labour is created in production (a point we all agree on) and if abstract labour is created by concrete labour under capitalist production relations (something which, for Murray, means principally that use-values are produced for exchange), then abstract labour is both material (because the substance of abstract labour, use-values, is material) and embodied (as concrete labour) in the commodity before exchange, contrary to Murray’s stated position. Murray could accept these conclusions and give up his view that abstract labour is immaterial and that it does not exist before exchange. But, then, what would be gained by replacing a notion of materiality inconsistent with Marx’s value theory with one that is perfectly consistent with it?

The second important value-theory author to be briefly discussed here is Michael Heinrich. This author builds his argument without any reference to Hegelian dialectics. This author is to be commended because of his rejection of an equilibrium approach44 and because of his insistence that production

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42. Marx 1967a, pp. 331–2.
43. Marx 1967b, p. 279.
44. ‘Marx tries to show that... in capitalist economies we find an inherent instability, which does not come from the outside but is in the basic structures of capitalism itself’. Heinrich 2004a, p. 89.
and realisation form a unity, a whole. Heinrich, too, is critical of Marx. His starting point is that the notions of value, value-form and money are ambivalent. More specifically, supposedly one can find in *Capital* elements of two distinct approaches to value. The substantialist theory of value focuses on the value of 'the single commodity' and the labour contained in it. This value is socially determined only inasmuch as it is socially-necessary labour. 'But [in the substantialist approach, G.C.] value seems to have nothing to do with other commodities, it exists as a kind of independent substance inside the single commodity'. 'Combined with this substantialist view on value', there is a naturalist view of abstract labour, a notion of abstract labour in the physiological sense. Heinrich submits that this substantialist/naturalist approach does not break with classical political economy. Such a break requires a non-substantialist theory of value and an anti-naturalist determination of abstract labour. From this perspective, 'value is not only depending on a social substance, it depends on a substance which cannot exist in a single thing and which is not determined by production alone'. It follows that 'value only can exist, when we have an independent and general form of value – money'.

It is true that commodities are not produced in isolation. But it is precisely because of this that capitalist abstract labour and value exist in a single commodity (before exchange). A single commodity is a fraction of the whole. If the whole has a certain characteristic, so does a part of it, given that both are the product of the same undifferentiated human labour under the same capitalist production relations. Money is the necessary form of existence of capitalist abstract labour and value.

What is missing not only in Heinrich but in all participants in the value debate (both amongst the value-form thinkers and others) is Marx's dialectical view of social reality, the view of social reality as a temporal flow of contradictory phenomena changing from determining to being determined and vice versa and continuously emerging from a potential state to become realised and going back to a potential state. What is missing is the view of social phenomena as both realised and potential, as both determinant and determined, and as subject to constant movement and change. The confusion arising from the lack of these distinctions is exemplified by the statement that value cannot exist in a single thing and is not determined by production alone. While it is true that production and distribution (circulation) form a whole, it is production that is determinant vis-à-vis distribution because only what is produced can determine what is distributed and because the social, class, content of production determines the social, class, content of distribution. It

is, in this sense, that production and distribution form a unity, a contradictory unity in determination. It follows that individual value does exist in a single commodity but only in a potential state, as a potentially realised value before realisation and thus before its value contained is redistributed through and at the moment of sale. The phantom-like actualisation of value as in value-form theory is nothing more than its redistribution through exchange. It is the quantitatively realised value by each commodity that is determined by both production and distribution in their contradictory relation. As for money, Heinrich holds that ‘In the traditional Marxist view, the main thing was to show that the value of a commodity is dependent on the amount of labour embodied. Money only counts as means of circulation.’ This ‘traditional Marxist view’ is a straw target. No serious author would determine the value of a commodity only in terms of value contained. This is certainly not Marx’s theory which is based on the dialectical relation between production and distribution. On the other hand, Marxian value theory is not a ‘monetary theory of value’, if this is a denial of the physiological, material nature of abstract labour and of the fundamental principle (a commonsense principle) that only what exists potentially can become realised.

I agree with Heinrich that Marx’s work is incomplete, that it is the result of a long process of self-clarification and that it can be interpreted in different ways. This, however, does not imply necessarily that it is internally contradictory or ambivalent, especially on questions of fundamental importance as those discussed here. And, in any case, the point is whether an interpretation is present that unifies apparently contradictory statements into a coherent whole. This is indeed the case of the notion of abstract labour submitted here.

The specificity of the present approach is two-fold. First, it stresses the actual materiality of abstract labour, both transhistorical and capitalist, and places abstract labour within the wider context of a theory of objective and mental labour. In so doing, it ejects the objection that the materiality of abstract labour deprives people of consciousness and knowledge. Second, it stresses the dialectical articulation among trans-epochal abstract labour, capitalist abstract labour and value (individual value, realised value and the latter’s monetary form) as the theorisation of a real movement. From this angle, it would be more correct to refer to Marx’s theory of labours and values, in the plural.

2.4. Arthur’s own notion

Let us now turn to Arthur’s own notions of abstract labour. As seen above, for Arthur, abstract labour (in Marx’s sense) does not produce value. However,
capital does not produce value either. Capital’s work of exploitation cannot be abstract: ‘I never argue it is abstract’.46

For Arthur, if capital does not create value, it *posits* value in production.47 More specifically, concrete labour ‘becomes socially posited as abstract in virtue of its participation in the capitalist process of valorisation’,48 i.e. because it is exploited by capital. And why is this so?

The reason why [concrete, G.C.] labour is properly conceptualised as ‘abstract’ within the capital relation [of production, G.C.] is that industrial capital treats all labours as identical because it has an equal interest in exploiting them regardless of their concrete specificity.49

Thus, by subjugating concrete labours to exploitation, irrespective of their specificities, capital treats them as equal and thus posits them as ‘abstract’.50 This view is flawed on at least two accounts.

First, suppose it were possible for capital to treat different use-values equally in the process of exploitation, thus erasing their specificities. In this case, given that concrete labours are such in virtue of those specificities, what would be left would not be abstract labour as a pure form devoid of content but nothing at all. Abstract labour as pure form, exploitation without the object exploited, is a figment of imagination, a metaphor lacking substantiation in reality.

Secondly, in spite of an equal interest in exploiting different use-values, it is *not* possible for capital to treat different use-values equally in the process of exploitation. It is certainly true that capital has an *equal interest* in exploiting all different concrete labours irrespective of their specificities. But this does not imply that it exploits them *equally*.51 There is no general, equal way to carry out what Marx calls in *Capital*, Volume III, the work of control and surveillance, a way to control and keep labourers under watch, that is indifferent

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47. In a previous critique (Carchedi 2003) I wrongly stated that, for Arthur, capital produces value. It should be said, however, that my mistake is not without justification. As Arthur concedes, ‘It seems that the point causing difficulty here is that I have not sufficiently made clear [that] I attribute to capital as a social form the positing of the product of labour as value. A related point is that although I slip into the standard terminology by speaking of the “creation” and “production” of value, I reject any analogy here with material production’. However, in his recent book, Arthur repeats, quite confusingly, that ‘to be the source of new value is to be that out of which capital *creates* value’ (Arthur 2004b, p. 211, emphasis in the original).
50. While, for Murray, concrete labours are homogenised because they all produce use-values for exchange, for Arthur, the homogenising factor is that they are all equally subjected to exploitation.
to the object of surveillance. Concrete labours are, by definition, different. If they are different, each one of them is exploited in its own specific, different way. There are as many works of control and surveillance as there are concrete labours. The janitor and the engineer are both exploited. But the way the former is exploited differs from how the latter is exploited. Arthur might assert that, if all concrete labours are exploited by capital, they acquire a common characteristic which ‘abstractly negates all difference of use-value between commodities and thereby declares them all identical as values’. But capital’s practice shows that the opposite is true, that the work of control and surveillance can only be concrete and differentiated in spite of capital’s equal interest in exploitation, that it is not possible for capital to treat different use-values equally in the process of exploitation, and that, therefore, capital’s exploitation cannot ‘declare’ use-values as equal, as abstract labour. Capital’s actual practice, the reality of capitalist exploitation, can only re-affirm the differences between the objects of its exploitation. On this account, as well, Arthur’s approach cannot theorise abstract labour in production. ‘Carchedi’s proof that the labour of supervision is concrete only’, far from being ‘irrelevant’,53 seems to me to be just highly relevant.

But ‘abstract labour is constituted in the capitalist relation as well as in commodity exchange’. In Arthur’s words, it is ‘the exchange abstraction itself [that, G.C.] posits value’ or, even more clearly, ‘only the very fact of being exchanged unites the commodities generally’. Here, too, two objections can be raised.

First, on the one hand, concrete labour ‘becomes socially posited as abstract in virtue of its participation in the capitalist process of valorisation’. On the other, it is ‘the nature of commodity exchange which abstracts from . . . the entire substance of use-value’. If these two notions are unrelated, Arthur has a problem. If they are related, how are they related? Arthur does not pose this question, let alone answer it. The problem is magnified by the introduction of money. Arthur holds that money

52. Arthur 2004b, p. 41.
56. Arthur 2004b, p. 158, emphasis in the original.
59. ‘Arthur thinks that he can, and must, determine what the value-form is in terms of the sphere of exchange independently of production’ (Murray 2005, p. 70). But, for Arthur, ‘abstract labour is constituted in the capitalist relation as well as in commodity exchange’. The point is that production and exchange are unrelated.
does not merely solve the quantitative problem of providing a measure common to values, it solves the qualitative problem of establishing the very commensurability of commodities through relating them to each other as values.60

Which aspect of the quantitative commensurability of use-values is expressed by money? Their being all ‘equally’ subjected to exploitation or their all being produced for exchange? Second, this position forecloses a price theory. As Arthur explains, ‘There is no such thing as “intrinsic value”, only conjunctural correlations of different amounts of use values’.61 But then any exchange ratio goes, including the exchange of a transatlantic ship for a pencil. Exchange ratios are simply ‘shaped by external conditions’62 and no explanation is offered of their level or of the relative stability of prices. More than a theory of exchange ratios, this is an open admission of the inability to provide such a theory. Even a price theory based on the interplay of demand and supply, in spite of its numerous contradictions,63 is superior to this ‘determination’ of exchange ratios.

3. Concrete labour

The difference between Arthur and Marx does not concern the notion of concrete labour. Rather, divergent opinions emerge concerning the assessment of its role in the production process, especially in the complex and fragmented production process. For Marx, ‘As the commodity is immediate unity of use-value and exchange-value, so the process of production, which is the process of the production of commodity, is the immediate unity of process of labour and process of valorisation.’64 Here, the labour process is the transformation by the labourers of use-values into new use-values through their concrete labour, through the specific form of their activity; and the (surplus-) value-producing process (the valorisation process) is the process through which the capitalists force the labourers to labour for a time longer than that needed for the reproduction of their labour-power. As the capitalist production process increases in complexity and is segmented due to the technical division of labour, the individual labourer develops into the collective labourer and a ‘directing authority’ is needed ‘in order to secure the harmonious working of

61. Arthur 2004b, p. 93
62. Arthur 2004b, p. 156
63. Carchedi 2006
64. Marx 1976b, p. 81
the individual activities.... A single violin player is his own conductor; an orchestra requires a separate one. And, Marx adds,

If, then, the control of the capitalist is in substance two-fold by reason of the two-fold nature of the process of production itself – which, on the one hand, is a social process for producing use-values, on the other, a process for creating surplus value – in form that control is despotic.

In other words, on the one hand, the labour process must be coordinated. The function of co-ordination and unity of the labour process is part of the function of labour even though carried out in a despotic form. On the other hand, the function of capital, the work of control and surveillance, is performed not any longer (only) by the capitalist but by a bureaucratic structure, going from the top managers to the first line supervisors, that performs that function on behalf and for the benefit of the capitalist as the appropriator of surplus-value.

An industrial army of workmen, under the command of a capitalist, requires, like a real army, officers (managers), and sergeants (foremen, overlookers), who, while the work is being done, command in the name of the capitalist. The work of supervision becomes their established and exclusive function.

Put simply, the same person as co-ordinator of the labour process may be a worker (it does not matter that she co-ordinates the production of use-values in a despotic way as long as her task is part of the production of those use-values) and an agent of capital, if she carries out the work of control and surveillance (without being necessarily a capitalist). “The genuine, specific function of capital... is the [extraction and, G.C.] appropriation of unpaid labour.”

It is here that the difference between Marx and Arthur emerges. While the notion of use-value is the same in Marx as in Arthur, the question as to who creates use-values is answered in two radically different ways. For Marx, the work of co-ordination of the labour process is part of the labour process itself, i.e. is part of the function of labour, of the collective transformation of use-values. Therefore, for Marx, neither the capitalist (as the appropriator of surplus-value) nor the agents of capital (the expropriators of surplus-value)

66. Marx 1967a, pp. 331–2, emphasis added.
67. Ibid.
perform the function of labour. Capital does not produce the commodity: labour does. For Arthur, on the other hand,

Since all [labourers, G.C.] contribute piecemeal to the process of production, the whole is not constituted as their productive power but as that of the capital hiring them. This means not only that each individual does not produce a commodity but that since the collective labourer is set up under the direction of capital it is hard to say that the collective does either. It seems more reasonable to say that capital produces the commodity than that labour does.69

Or, the commodities ‘are taken as products of capital’.70 The point, however, is not whether Arthur is conforming with Marx. The point is whether Arthur’s alternative approach is free from inconsistencies.

Since, as seen above, capital does not produce the value of the commodity (it posits that value by equally exploiting concrete labours), the statement that capital produces the commodity cannot but be understood as capital producing the use-value of the commodity, its empirically observable form. Arthur can hold this position because he departs from Marx’s analysis of the production process on a significant point, the work of co-ordination and unity of the labour process.71 More specifically, Arthur (a) ignores the fundamental distinction between the function of capital and the function of labour, (b) fails to see that the capitalists (and other agents of capital) can perform this double function, i.e. that as co-ordinators of the labour process they are part of labour and as supervisors and controllers of the same process they are part of capital (even if these two functions might be combined in the same person), and (c) therefore mistakes the despotic form of that aspect of the function of labour (co-ordination and unity of the labour process) for an aspect of the function of capital. Which conclusions follow from this stance?

First, if the individual labourers participate in the labour process, even if in a piecemeal fashion, it would seem reasonable to conclude that the commodity

70. Arthur 2004b, p. 41; see also pp. 47–8. Arthur quotes Marx to the effect that ‘Capital… necessarily produces commodities, produces its product as commodities, or it produces nothing’ (Arthur 2004b p. 28). Taken out of context, it would seem that, for Marx, it is capital, rather than labour, that produces the commodity. But a cursory glance at Marx’s text shows very clearly that, here, ‘capital’ is used by Marx as a shortcut for ‘capitalist mode of production’. This quotation is preceded by the sentence ‘it is only on the basis of capitalist production that the commodity first becomes the general form of the product’ (emphasis added, G.C.) and is followed by the sentence ‘Therefore… that the value of the commodity is determined by the socially necessary labour time contained in it, first come to be realised with the development of capitalist production, i.e. of capital’ (emphasis added, G.C.). Thus, it is the capitalist mode of production and not capital (as opposed to labour) that produces commodities.
is the product of the joint effort of capital (because it co-ordinates and unifies labour which for Arthur is the function of capital) and of labour. But this would contradict the assertion that 'It seems more reasonable to say that capital produces the commodity than that labour does'. Second, Arthur, on the one hand, holds that labour does not produce the commodity while holding, on the other, that ‘workers can produce more than they consume and, hence, there is a surplus product’. This is an inconsistency. Third, if the labourers do not produce the commodity, they labour but not produce. The capitalists do produce the commodity by co-ordinating the labour process. However, ‘qua capitalists they do not labour’. They produce but do not labour. It follows that commodities are produced (by capital) but that they are the result of nobody’s labour.

4. Exploitation

Let us finally consider Arthur’s notion of exploitation. The author distinguishes between exploitation in production and exploitation in distribution.

4.1. Exploitation in production

In Arthur’s conception, labourers are exploited in production in the sense that they are forced to labour through the expropriation of their productive powers. The relation between the expropriation of productive power and the extraction of labour is unclear. I think it can be stated as follows. First of all, since, for Arthur, ‘the whole [i.e. the commodity as a whole, G.C.] is not constituted as their [the labourers’, G.C] productive power but as that of the capital hiring them’, the labourers’ productive power would seem to be the capacity to produce not single parts of the commodity but the whole of the commodity. Thus, labour is expropriated of its productive power, in the sense that the work of co-ordination and unity of the labour process has become a part of the function of capital (rather then being, as in Marx, a part of the function of labour) and thus performed by capital. It is through the work of co-ordination and unity that (surplus-) labour can be extracted from the labourers. The above has shown the inconsistency of this approach.

Aside from this, there are two dimensions in Arthur’s notion of exploitation in production, the qualitative and the quantitative. Qualitatively, ‘There is a

75. Arthur, 2004b, p. 47.
close connection . . . between abstract labour and alienated labour’. Quantitatively, since the labourers labour the whole of the working day for capital, exploitation ‘comprises the whole of the working day, not just the so-called “surplus labour time”’. This implies that the distinction between necessary labour and surplus-labour is obliterated and that it is impossible to distinguish between them ex ante. However, the quantity of value can be measured, irrespective of what goes to capital and what goes to labour: ‘the magnitude of value is determined by the socially necessary exploitation time’, i.e. by the socially-necessary work of control and surveillance. Three objections can be moved against the notion of socially-necessary exploitation-time (SNET, for short).

First, it might be impossible for Arthur to conceptualise the distinction between necessary and surplus-labour ex ante. The capitalists, however, do not seem to have any problem in making that distinction, as shown by their constant attempt to reduce necessary labour and to increase surplus-labour. The notion that exploitation takes place during the whole of the working day is simply inconsistent with empirical reality.

Second, it has been shown that if concrete labours are different, so must be the work needed to control them. It is thus impossible to compare quantitatively different work of control and surveillance and thus to find a SNET. Third, even if the SNET were a viable concept for the measurement of the value created, the notion of SNET as a measure of value clashes head-on with the contrary notion that value can be measured by the socially-necessary labour-time (SNLT for short): ‘only because capitals are inherently time-oriented in virtue of their form is the measure of such amounts of labour [the amounts of labour extractable, G.C.] socially necessary labour time’. Which one determines the magnitude of value, the SNLT or the SNET?

4.2. Exploitation in distribution

The second notion of exploitation is in distribution. This ‘arises from the discrepancy between the new wealth created and the return to those exploited
in production’. For Arthur, those exploited in production are the labourers. But the labourers neither create the use-value of the commodity (capital does, by co-ordinating and unifying their activities) nor the value of the commodity (their labour is the source of value, but does not create value because value is posited by capital through their exploitation). But, if the labourers create neither value nor use-value, no wealth can be returned to them. If commodities as use-values are received by labour, it is labour that receives a part of the use-values created by capital, i.e. it is labour that exploits in distribution. If commodities as value are received by labour, it is again labour that exploits capital because it is capital that posits the concrete labour which has gone into those commodities as abstract labour through the work of control and surveillance. In short, given Arthur’s theory of production of value and use values, exploitation in distribution leads to the notion that capital is exploited by labour.

5. The complete proof of value’s material existence before exchange

It has been argued above that to prove the existence of abstract labour (and thus of value under capitalism) before exchange it is sufficient to consider the human metabolism. This is necessary but not sufficient. It applies to the abstract labour performed during production and thus to the new value created during production. But the value of a commodity consists also of the value of its inputs. We must then consider how and why the value contained in a commodity’s inputs exists before that commodity’s exchange. Consider two production and realisation periods. Period t₀–t₁ produces commodity A. Period t₁–t₂ produces commodity B with commodity A as input. Point t₁ is both the end point of t₀–t₁ and the start point of t₁–t₂ (what follows holds also for an interval between the two periods). At t₁, commodity A is sold by the producer of A at one price and bought by the producer of B obviously at the same price. This is an incontrovertible fact. This price represents a certain quantity of value. The price of A when it leaves the t₀–t₁ period is its realised value as the output of t₀–t₁. But it is also, and at the same time, an element

82. Murray accepts Arthur’s words at face value: ‘Arthur’s first notion… just renames alienation, while the second doubles back to the traditional conception’ (2005, p. 81). Murray thus misses the point that Arthur’s notion of exploitation in distribution is incongruous with his view of the production of both use-values and value. The same point escapes also Hunt 2005, p. 163.
83. The value represented by this price can be computed according to the method submitted in Carchedi and de Haan 1996.
of the costs of producing B in the t1–t2 period. At t2, B is sold at which time the producer of B might either recoup her investment in A or more or less than that value (less for example if A’s technological depreciation during t1–t2 changes the average value of A by t2). The value invested in the inputs is only potentially realisable when the output is sold. This, too, is an incontrovertible fact. This means that A’s realised value as an output of t0–t1 at t1 is also A’s potential value as an input of B, also at t1, and that this potential value becomes realised at t2, when B is sold possibly in a modified quantity. It follows that a part of the value of B (the value of A) is already contained in B before B’s realisation because the potential value of A as an input of t1–t2 is its realised value as an output of the previous period. The potential value does not come from nowhere; it comes from the previous production and realisation period. As far as its inputs are concerned, the value contained in this period’s output exists before its realisation because the value of its inputs has been realised in the previous period. It follows that a commodity contains value (and thus is coagulated material expenditure of undifferentiated human energy) already before exchange. But, then, a commodity must also have a value contained after exchange, in a modified quantity, as value realised.

Whether value-form theorists are aware of it or not, the denial of the objective existence of abstract labour, or, more precisely, of the objective existence of the abstract labour embodied in a commodity before that commodity’s exchange and therefore also after exchange, clashes both with the reality of the human metabolism and with the reality of time, of the temporal succession of production and realisation periods. Ironically, value-form theory shares this latter feature with neo-Ricardianism and, just like neo-Ricardianism, is doomed to exist in a timeless world. If the original aim of value-form theory was to avoid the transformation ‘problem’ by denying the existence of value before its exchange, the strategy has misfired. Value-form theory, to be credible, must show that both the human metabolism and time do not exist or that it can be justifiably assumed that they do not exist.

The value-form approach is implicitly a simultaneist approach. Its characteristic feature is the belief that value comes into existence only at the moment of realisation. Consequently, production and realisation are collapsed into each other and time is wiped out. In short, to be able to criticise Marx, this approach chooses a simultaneous view in which production and realisation are simultaneous. The theoretical consequences are grave even if unsuspected by the value-form theorists. A reality in which time does not exist is a static reality. All theorisations of reality in which change is banned cannot but be functional to the interests of capital rather than those of labour.
6. Conclusions

To conclude, Arthur’s position can be summarised as follows. The commodity as a use-value, in its empirical concreteness, is the result neither of the individual labourers’ labour nor of the collective labourer’s labour. Rather, it is the capitalists who, by co-ordinating and organising the labour process (seen as a function of capital), are the creators and the producers of the commodity as a use-value. As for value and surplus-value, labour does not produce them either. Rather, it is capital which, even though not producing them, ‘posits’ the labourers’ concrete labour as abstract, as value, because it equally exploits it irrespective of the specificity of the concrete labours. Finally, exploitation in production is similar to alienation and can be measured by measuring the socially-necessary exploitation-time. Exploitation in distribution is the return of the wealth to the exploited. The above argument has highlighted the many internal inconsistencies of this approach. It has also argued that Arthur shares with the other value-form theorists the assumption that neither the human metabolism nor time exist.

But this aside, for Marx, the labourers are the protagonists because their labour, under coercion, produces both the use-value of the commodities and the (surplus-) value contained in them. In Arthur’s approach, on the other hand, the labourers have become the ‘servants of a production process originated and directed by capital’ so that labour is ‘reduced to a resource for capital accumulation’. Capital is the subject of valorisation even if valorisation depends on labour being exploited. In short, labour is the servant who can only be given what has been produced by capital, the master. I cannot but repeat my conclusions in my 2003 critique of Arthur. In spite of its laudable intentions, the new dialectics renders a better service to capital than capital’s own ideologues. It gives away the most precious legacy Marx left us, the ability to see reality from the perspective of labour as the protagonist, as the producer of wealth and value, a perspective which, contrary to what is held by the new dialectics and the concomitant value-form theory, is grounded in a logically coherent, and as yet unsurpassed, economic theory of capitalism.

References


84. Arthur 2004b, p. 47.
85. Arthur 2004b, p. 51
Carchedi, Guglielmo unpublished, ‘Limits and Challenges of a Debate’.